



THE ROYAL FLUSH

RAYLEIGH COMMUNAL SEPTIC SYSTEM UPDATE

- Field 2 failure and temporary band aid
- Referendum details and voting

This information bulletin is being delivered to communal septic residents only so if you received this in error, realize the information presented does not affect you.

Field 2, by the school, after a short period of relief again demonstrated complete failure and the septic pump trucks were called into service at significant cost to residents.

On a bright note the band aid and short term solution to reduce or end these costs seems to be working. With the current freeze/thaw/rain/refreeze weather pattern it is hard to declare emphatically that we have a short term solution but rather say that it "seems to be working".

We have received approval from the Ministry of Municipal Affairs and Housing in Victoria to hold a referendum based on numbers presented later in this information letter.

Based on class A estimates (initial estimates were class D) from TRUE Consultants (our engineers) and preliminary discussions with the bank the trustees are able to present loan costs, quarterly billings and amortization period for residents in the communal septic service area.

The next step is for residents to approve or not approve of the expenditures required to achieve a solution. This will be done through a referendum process as outlined in the legislation that directs Improvement District governance. This referendum will ask residents to approve a borrowing bylaw. If the bylaw receives approval (majority vote) the Trustees will be authorized to borrow the required money.

The Trustees will host one more public meeting to answer any remaining outstanding questions. This meeting is open to all Raleigh residents but the agenda is septic issues only and will occur on February 3rd (Monday) at 7:00p.m. in the Rayleigh Elementary School - Art Room. When this meeting adjourns the residents will immediately be able to vote to approve the borrowing bylaw.

For those who are not able to make the final information meeting the following two evenings, February 3rd (Tuesday) and February 4th (Wednesday) between 7:00p.m. to 9:p.m. have been set aside for resident voting. The ballots will be counted after the third night of voting is complete.

Residents will be required to present picture I.D. like a driver's license or passport or other suitable picture I.D.

If two or more names are on the title only one owner is eligible to vote.

If the referendum vote approves the borrowing bylaw, the trustees will formalize the loan and TRUE will tender the project. Hopefully the construction will start as soon as the frost is out of the ground this spring.

LOAN DETAILS: these figures represent, we hope, the worst case cost scenario and have some contingency allowances built in to avoid cost overruns. We would be happy if the final cost is lower but even if we can borrow a smaller sum the quarterly billings would only be lowered by a few dollars. We're happy though to achieve savings wherever we can.

Amount of loan:	<u>\$700,000.00</u> (all taxes included)
Interest rate:	<u>4.5%</u>
Quarterly costs per household:	<u>\$150.10</u> (includes interest)
Total interest costs per household:	<u>\$1,176.30</u>
Duration of loan	<u>10 years</u>
Total cost per household over 10 years	<u>\$6,003.88</u> (\$4,827.59 before interest)

If individual residents wish to pay up front they will save the interest costs.

If the interest rates change before the final loan there may be a small difference (positive or negative) in the above numbers.

eg. Interest changes from 4.5 to 4.75% quarterly billings would increase from \$150.10 to \$151.85 (or \$1.75 increase).

eg. If the loan is reduced by \$25,000 (at 4.75% interest) quarterly billings would be reduced from \$150.10 to \$144.74 (or \$5.36 decrease).

SUMMARY:

One more (short?) information meeting on February 3rd at 7p.m. at the Rayleigh Elementary School Art Room.

Immediately after meeting adjournment the residents will be asked to vote yes to approve the borrowing bylaw for septic issue remediation.

Alternate nights to vote for those unable to attend first night voting on February 4th (Tuesday) and February 5th (Wednesday) 7:00p.m. to 9:00p.m.

The costs are outlined above.