

St. Malo Utility

Watermain and Sewer Main upgrades

Public Hearing Presentation

By-Law 2394-20



January 21, 2021

Public Hearing Agenda

- Welcome
- Overview of procedures at public hearing
- Overview of local improvement projects
- Reading of letters received prior to the public hearing
- Presentations from the public
- Question and answer period
- Adjournment

Procedure at Public Hearing

The Chair of the public hearing has the right to limit the time taken by a person to ten minutes.

The Chair of the public hearing may decline to hear further presentations, questions or objections where he is satisfied that the matter has been addressed at the public hearing.

The Chair of the public hearing may decide which presenters will be heard, if satisfied that presentations are the same or similar.

If the public hearing is adjourned, the council shall provide a public notice of the date, time and place of the continuation of the hearing, unless information is announced at the adjournment of the hearing.

Background

The St. Malo Water and Sewer Utility has a number of water and / or sewer related upgrades required. These upgrades are necessary due to an aging system and in deteriorating lines (Site A & B). In another, the water line requires an increase in size and looping in order to provide a safe and adequate supply of drinking water (Site C).

The components of the project include replacing and/or installing new water and/or sewer main line, service connections to each currently service dwelling, installation of curb stops and restoration.

Background (continued)

In 2017, the R. M. of De Salaberry hired KGS Group, an engineering firm, to prepare a detailed design and estimated costs. Based on the report, the local improvement costs have been estimated at \$1,900,000 for the three sites.

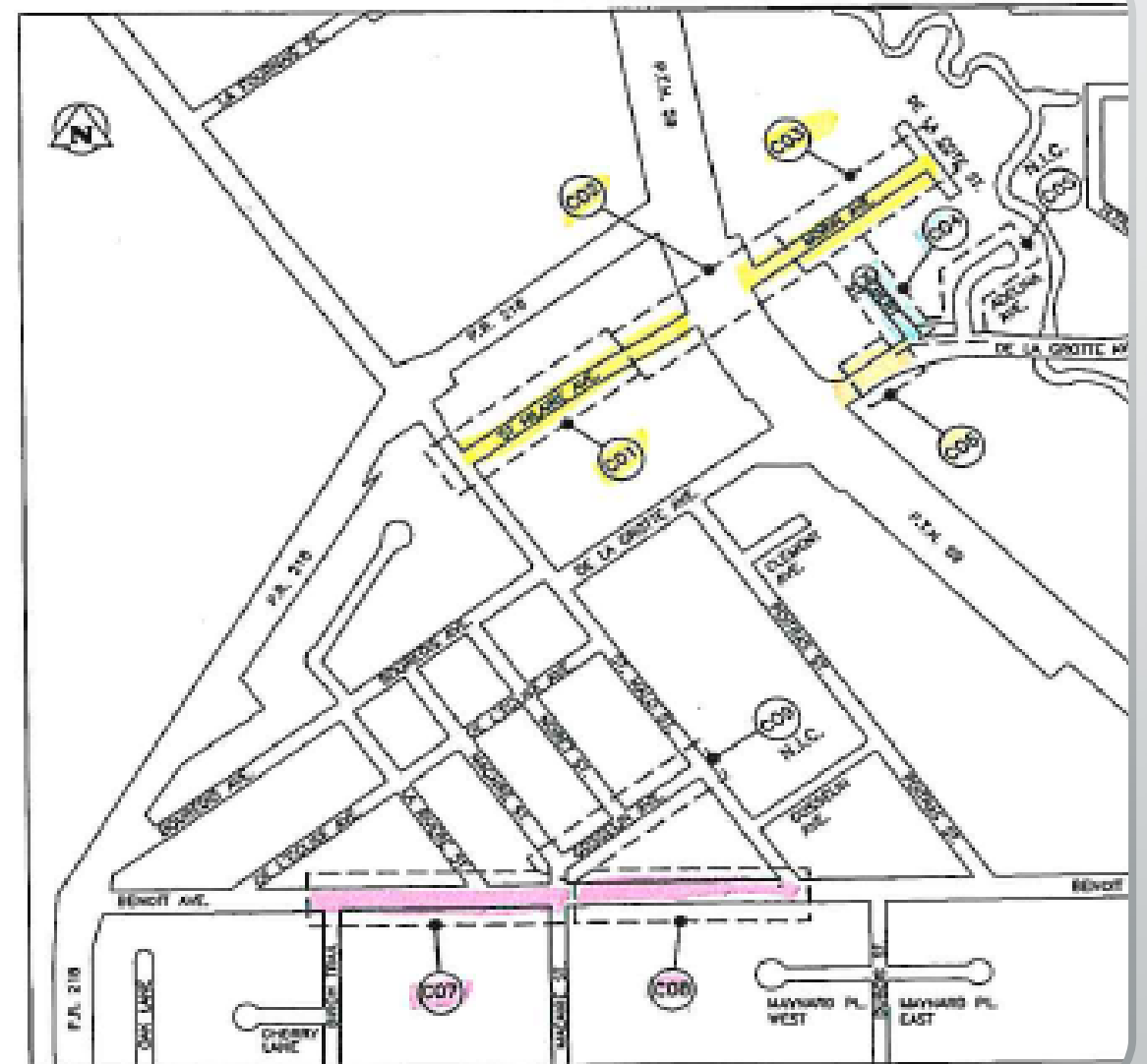
The Manitoba Water Services Board (MWSB) will be managing this project.

Project Locations

ST MALO, MANITOBA

DRAWING INDEX

- | | | |
|-----|--|-----------------------------|
| C00 | COVER SHEET-KEY MAP/LOCATION PLAN | |
| C01 | ST. HILAIRE AVE/MORIN AVE
FROM ST. MALO ST TO DE LA COTE
STA 1+00 TO STA 3+75 | |
| C02 | ST HILAIRE AVE/MORIN AVE
FROM ST. MALO ST TO DE LA COTE
STA 3+75 TO STA 6+25 | |
| C03 | ST HILAIRE/MORIN AVE
FROM ST MALO ST TO DE LA COTE
STA 6+25 TO STA 8+73 | |
| C04 | HEBERT ST/ADELINA AVE
MORIN AVE TO DE LA GROTTA AVE
STA 0+80 TO STA 3+00 | |
| C05 | HEBERT ST/ADELINA AVE
ADELINA AVE
STA 3+00 TO STA 4+25 | NOT IN CONTRACT
(N.I.C.) |
| C06 | P.T.H. 50/DE LA GROTTA AVE
MORIN AVE TO HEBERT ST
STA 0+00 TO STA 0+00 | |
| C07 | BENOIT AVE/GOSSIELIN AVE
BIRCH TRAIL TO MACAIRE ST
STA 1+00 TO STA 4+00 | |
| C08 | BENOIT AVE
MACAIRE ST TO ST MALO ST
STA 4+00 TO STA 7+00 | |
| C09 | BENOIT AVE/GOSSIELIN AVE
MACAIRE ST TO HEBERT ST
STA 0+75 TO STA 2+63 | NOT IN CONTRACT
(N.I.C.) |



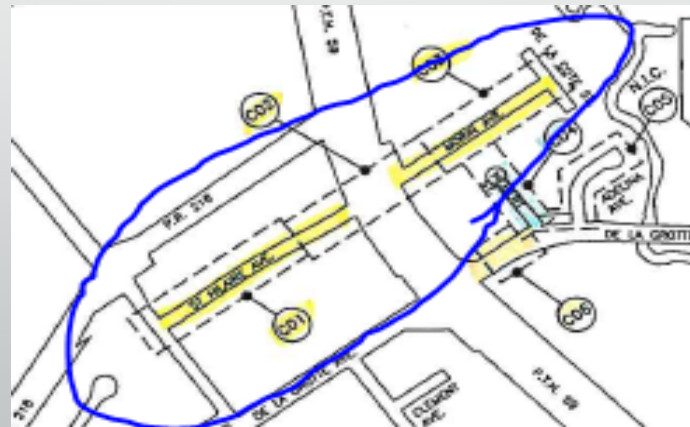
Site A

Morin Ave. to St. Hilaire Sewer Main Replacement

estimated cost \$1,018,330

The replacement of the existing 8 inch concrete gravity sewer pipe (approx. 790 m) extending from the manhole located at the intersection of St. Hilaire & St. Malo Street across the PTH 59 along Morin Ave. to the manhole located approximately 60 meters into the driveway at 11 De La Cote Street is being considered.

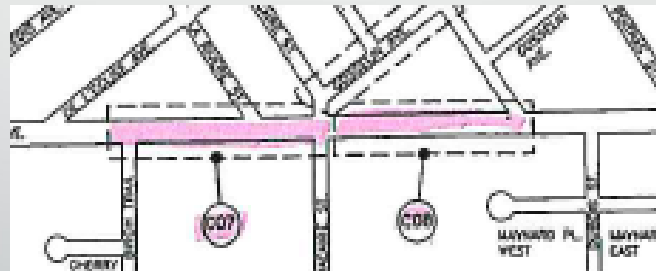
The existing concrete pipe has deteriorated and is considered irreparable.



Site B

Birch Trail / Benoit Ave. / Gosselin Street Water Main Looping estimated cost \$493,000

The replacement of the existing 2 inch and 4 inch water mains with a continuous 6 inch water main (approx. 450 m) to provide for expansion and looping of the water distribution system.

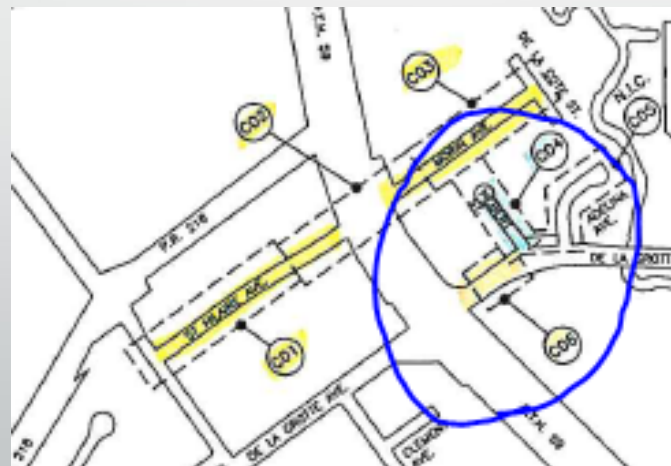


Site C

Hebert Street Water and Sewer Main Replacement

estimated cost \$388,670

The replacement of the existing low-density polyethylene water main (approx. 340 m) with a continuous 6 inch water main and the replacement of existing lot service connections to provide for water distribution system upgrading.



Project Cost and Funding

Estimated cost of the Local Improvement

Site A – Morin Ave. to St. Hilaire Sewer Main Replacement	\$1,018,330
Site B – Birch Trail / Benoit Ave. / Gosselin Street Water Main Looping	\$ 493,000
Site C – Hebert Street Water and Sewer Main Replacement	<u>\$ 388,670</u>
Total project estimated cost	<u>\$1,900,000</u>

Proposed Funding for the Local Improvement

The R.M. has been approved for funding from the Province through the New Build Canada Fund – Small Communities Fund (SCF) #5413 grant. The following is the breakdown of what Council is proposing for project funding:

Small Communities Fund	\$ 666,666
Maximum Debenture	<u>\$1,233,334</u>
Total project funding	<u>\$1,900,000</u>

Other Potential Sources of Funds

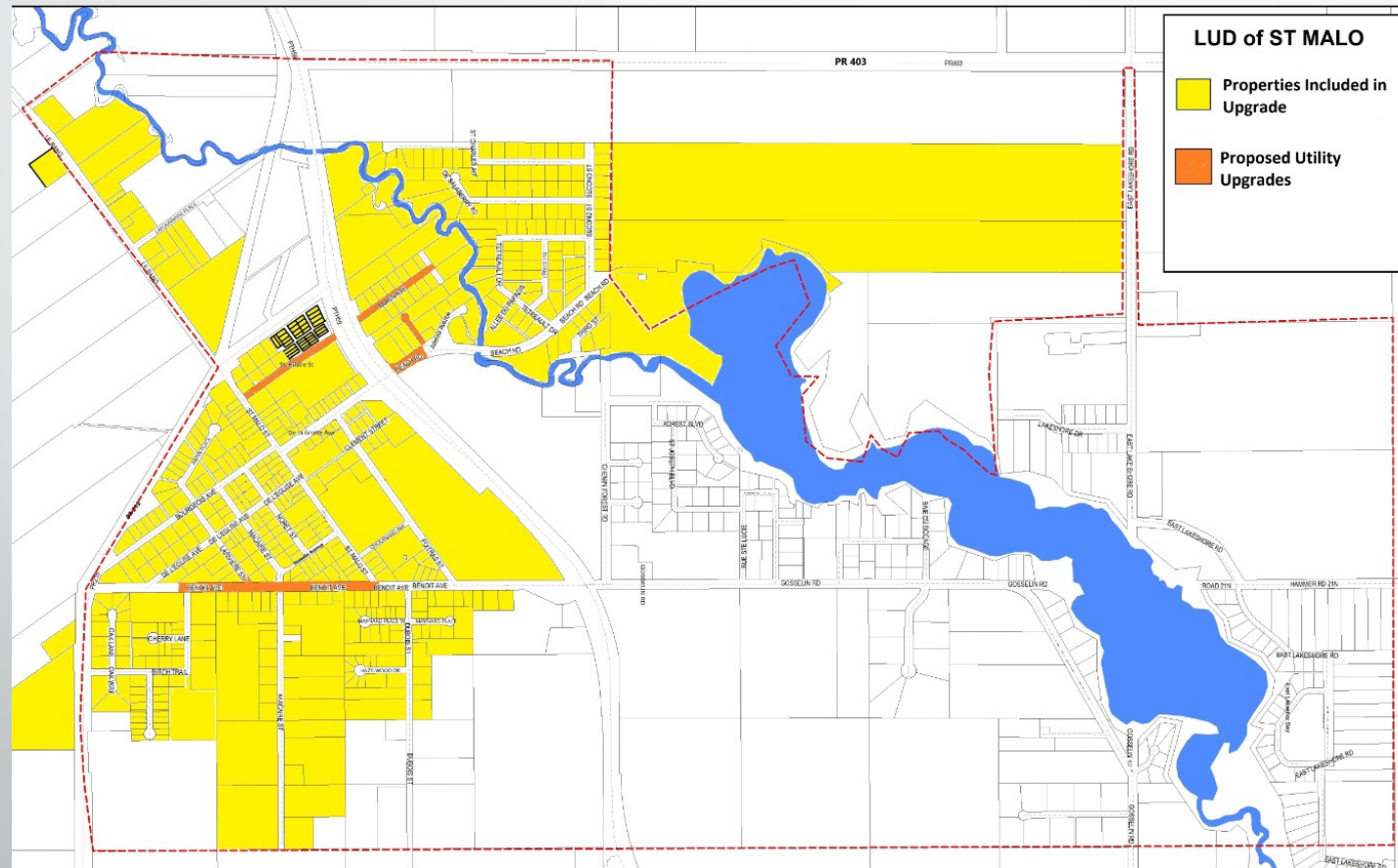
The municipality is continuing to pursue other sources of funds to reduce the amount of the proposed debenture required for these local improvements.

- As of January 18, 2021, MWSB has identified an additional grant of up to \$270,000 (30% of the \$900,000).

The Plan and Borrowing Bylaw will be updated towards the end of the project, once final costs and funds have been finalized.

Who will pay for these local improvements?

The potential taxpayers under this plan are all parcels of land connected to the St. Malo Utility water and/or sewer in its entirety except for the connections to the Low-Pressure System (LPS/Gosselin) as the latter is on a separate system.



How do we pay for the debenture (*Scenario 1*) ?

Maximum Debenture:	\$1,233,334
Term:	20 years
Interest Rate:	5% (<i>actual rate will be determined at the end of the project</i>)
Annual Payment:	\$ 98,966

Ratepayers have the option to:

- 1) Finance their portion over 20 years – annual payments of \$221.90
or
- 2) Prepay the total amount per parcel – one time payment of \$2,765.00

*Note: Actual payment amounts will be calculated at the end of the project.
Annual payments are anticipated to start in 2022.*

How do we pay for the debenture (*Scenario 2*) ?

Maximum Debenture:	\$963,334 (<i>reflects additional grant of \$270,000</i>)
Term:	20 years
Interest Rate:	5% (<i>actual rate will be determined at the end of the project</i>)
Annual Payment:	\$ 70,300

Ratepayers have the option to:

- 1) Finance their portion over 20 years – annual payments of \$173.32
- 2) Finance their portion over 15 years – annual payments of \$208.09
(*overall saving of \$116,150 in interest on the duration of the debenture*)

or

- 2) Prepay the total amount per parcel – one time payment of \$2,169.00

*Note: Actual payment amounts will be calculated at the end of the project.
Annual payments are anticipated to start in 2022.*

Variations to the debenture calculations

Interest Rate

In order to receive Municipal Board authorisation to borrow for a debenture, the municipality must use an inflated interest rate in their calculations in the event there is an increase in interest rates by the end of this project.

The current provincial 20 year rate is 3%.

- The annual payment from scenario 2 would decrease to \$145 (20 years) or \$181 (15 years)

Project Costs

The actual project costs may vary to the current estimated costs.

Once the projects have been tendered, the proposals will be reviewed to ensure the projects remain underbudget.

Current Municipal Debt Situation

as of January 1, 2021

Maximum Municipal Debt 7% of the Total Municipal Assessment	
At Large Total Assessment	\$319,773,920
7% of Assessment	\$ 22,384,174
Current Existing Debt	\$ 1,263,432
Borrowing Capacity Remaining	\$ 21,120,742

Maximum Annual Debt Payments 20% of annual revenue	
Annual Revenue	\$4,323,541
20% of Annual Revenue	\$ 864,708
Current Total Debt Payments	\$ 206,014
Debt Payment Capacity Remaining	\$ 658,693

St. Malo Utility Debentures


Purpose	By-law No.	Maturity	Area Levied	Payment	Mill Rate
St. Malo Lagoon	2150-02	2021	Local Improvement District	\$ 15,882	0.355
Le Rang Water & Sewer	2228-06	2025	Schedule	5,637	\$626
St. Malo Lift Station	2336-16	2025	Schedule	59,661	\$138-\$1,143
St. Malo Water Plant Well	2234-06	2025	Local Improvement District	5,637	0.126
St. Malo Forcemain Upgrade	2246-07	2027	Local Improvement District	14,239	0.318
St. Malo Reservoir Upgrade	2316-13	2027	Local Improvement District	11,233	0.251
St. Malo Water Plant Reservoir	2264-09	2028	Local Improvement District	20,924	0.468
Gosselin Rd Low Pressure Sewer	2335-15	2035	Schedule	48,877	\$857
Total Annual Payment				<u>\$ 182,093</u>	
Total Debt January 1, 2021				<u>\$ 1,145,365</u>	
Total Debt January 1, 2022				<u>\$ 1,013,691</u>	

General Debentures

Purpose	By-law No.	Maturity	Area Levied	Payment	Mill Rate
St. Malo Fire Tanker	2270-09	2024	Local Improvement District	\$7,601	0.037
St. Malo Fire Tanker	2270-09	2024	At-Large	7,601	0.025
Dufrost Water Supply	2284-11	2030	Dufrost Water Area	8,718	\$622
Total Annual Payment				<u>\$23,920</u>	
Total Debt January 1, 2021				<u>\$ 118,067</u>	
Total Debt January 1, 2022				<u>\$ 100,834</u>	

Next Steps

- Council to give first reading to borrowing by-law
- Submit borrowing bylaw to the Municipal Board for their review
- Proceed with MWSB to finalize the tender documents
- Proceed to tender after Council gives third reading to the borrowing by-law
- Anticipate construction to be completed in 2021



Reading of letters received prior to the
public hearing



Presentations from the public



Comments & Questions?