

2020-02-11

Type

We are enclosing updated information on the Rural 44 Pipeline Utility. It is time sensitive in that we'd like to hear from you by March 31, 2020.

We have given each person a "Type" (Near your name/address above and also on the account summary). The "type" indicates our understanding of your involvement in the project. Our project is getting closer to reality and we are looking forward to the engineering being completed and then going to tender.

This letter is being sent to everyone that has ever expressed interest in the project. Again, refer to the "TYPE" near your name to determine why you are getting the letter.

The last page is a personalized page that indicates the information we have on record about your involvement. It also breaks down the payment plan for those who are Subscribers and provides a quote for those who have opted out or that we were unsure about.

For some there may be an individual "MEMO" at the top left side of the "Account Summary" (Last page). That has been personalized as there is something we'd like to bring to your attention.

Please review the information and contact us with any questions you might have.

TYPE - SUB = Subscriber, ? = Unsure, No or OUT = Previously indicated you are not interested.

RURAL 44 UPDATE – January 2020

Thank you for your interest, thus far, in the Rural 44 Water Project. We have been working diligently toward our goal of potable water flowing to participating rural residents within a couple of years. While that time frame still seems a ways off, there is much to be done in the meantime. Only six months ago, we were hosting the Annual Meeting whereat we communicated the current status of the project. Much has occurred since then and this communication is intended to update the various things we are working at – what we know; what has changed; where we are going.

What we know.

- Our grant funding with the federal and provincial government remains in place with a small decrease because the scope of our work has decreased due to a redesign of the plan.
- Our water will be provided by the Town of Eston. At the annual meeting, we were still looking at a large infrastructure volume increase from the river to the E-K Waterline Reservoir to meet the needs of Rural 44. This was to include pumps and wells and twinning of the line. Because the number of subscribers in the project has decreased over the years, the two engineering firms involved (SAL and AECOM) have redesigned the project so that our needs can be met by doing only part of the upgrade project. This includes twinning part of the way from the River to E-K reservoir, adding a Rural 44 reservoir etc. This will allow us to store water for distribution to the system – taking advantage of the lower use days and having a reserve for when the demand is greater.
- In May and June, we asked all involved in the project to reaffirm their commitment. It was at this point we came up with a new number of subscribers, now at approximately 90 from the original 135 sites. Despite the drop in subscriber numbers, through project redesign and resulting cost savings, the project remains viable. We also re-established the flow rate that each subscriber would need. These generally went down as well, recognizing the intention of the water distribution system is to meet primarily the household water needs.
- Our tap rates have been set as follows (RM of Snipe Lake)

Rate	Subscriber will pay
.5 gallons per minute	\$30,000
1 gallon per minute	\$35,000
1.5 gallons per minute	\$40,000
2 gallons per minute	\$50,000
2.5 gallons per minute	\$60,000
3 gallons per minute	\$70,000

3.5 gallons per minute	\$80,000
4 gallons per minute	\$90,000

The RM of Snipe Lake has agreed to provide financing for a 10 year loan for those that require it. Interest rate has not yet been determined. This decision has been confirmed subsequent to our AGM and this may be a factor in bringing people back into the project that had indicated they were no longer interested. For this reason, this communication is going to all who have ever been interested in the project regardless of their current expression of interest.

A decision has been made that each subdivided parcel house must have one curb stop (with applicable tap rate as above). This is consistent with other rural pipeline utilities and is to ensure that future sale of the subdivided parcels are provided for without legal issues as to being provided utilities.

Consistent with other water pipeline utilities, there will be a monthly charge for all installed curb stops. To clarify, if your plan was to get a curb stop installed but not use the water, there will still be a monthly charge. Our budget breaks down into a few components; the actual water (1); the cost of running the utility (2) (which by legislation must break even), and the cost of replacing the infrastructure in the future (3).

1) The water - Our plan is to see the water passed on at very close to cost. A preferred rate has been given to us from the Town of Eston. The town will see benefit from the project as well through upgrades that are planned to their Water Treatment Plant. This will allow the town to give the Rural 44 Utility the water it needs as well as to benefit the town with equipment upgrades which they would be required to do at some future point, regardless of the rural pipeline project.

2. Running the utility will be the operational costs associated with the utility, including the mandatory testing required. We have been using a budget figure of \$60,000 per year as the operational costs. We hope to contract these services.

3) Our capital replacement is budgeted to set aside \$75,000 per year for the eventual replacement of the water line.

Not including the cost of financing the capital contribution, a typical water bill, based upon average consumption of 4,380 to 6,570 gallons would be \$200.00 to \$245.00 per month.

The opportunity to be involved in this project has been more than 10 years in the making and will likely be a once in a lifetime occasion. Your Board is seeking to ensure that all who are interested are aware of all aspects of the project while the door is open. We have set March 31, 2020 as our final date for allowing people to sign up at these rates. This will allow the engineer to design to the proper capacity but still gives those undecided time to come into the project.

LOOKING AHEAD

We are looking at tendering to take place early in 2020 and with favorable results we would see the construction start in the fall of 2020.

There are a few options to pay for your servicing:

- It can be paid in full at any time.
- At the time of signing the service agreement (no later than March 31, 2020) we will require a payment of \$5,000 by March 31 and another by October 31, 2020 (*Note, this was incorrect in the first letter mailed out, but corrected now*).
- Once construction is started (for seen to be approximately October of 2020, another \$10,000 would be due - Rural 44 would provide an invoice at the time and the invoice would be payable within 30 days).
- The remaining balance of your 'tap fee' would be required once water is available at your curb stop.
- OR application for financing, backed by the RM of Snipe Lake #259 being applied for and approved by March 31, 2020

If you are not a current subscriber but would like to be, please call or visit the RM of Snipe Lake office by February 29, 2020.

FOLLOW UP

By the end of March, 2020 we will require a Subscriber Agreement to be signed and on file with this office. The attached subscriber information sheet gives detail to the information we have on record as to your account. Please:

- ☐ check the subscriber information sheet for errors (subscriber name, location for service, etc.
- ☐ confirm the flow rate that we have recorded is what you have requested.
- ☐ confirm the number of curb stops required and that each house on its subdivision is being serviced by its own curb stop.

We welcome your questions and look forward to your continuing involvement in the Rural 44 Water Pipeline.

2020/01/15 revised 2020/02/05

Account Summary

Rural 44 Water Pipeline Utility Board

Memo to Subscriber
Name

Type

TELEPHONE_

Legal Description

CITY

Other RM

Print

Our records indicate that you require a FLOW RATE of SAMPLE gallons per minute.

____ACKNOWLEDGED

You would be responsible for paying the TAP RATE of SAMPLE as set out below:

____ACKNOWLEDGED

THESE OPTIONS for PAYMENT ARE AVAILABLE. Chose one.

CHOOSE ONE & INITIAL BELOW

1. Payable in one installment by October 31, 2020

2. Payable in installment terms as follows.

SAMPLE This amount to be paid with signed agreement no later than March 31, 2020

SAMPLE Amount due no later than October 31, 2020

SAMPLE Amount due no later than October 31, 2021

\$0.00 Amount due no later than October 31, 2022

THESE are minimum payments for paying on an installment basis. Partial payments can be made so long as the installment is paid by the deadline above.

OR

3. To be financed with a down payment of \$0.00 to be paid by **October 31, 2020** with a financing agreement to be in place by **March 31, 2020**.

Interest rate will be determined in the future. Payment terms to be over a 10 year period with payments commencing **October 31, 2021**. Note - Any amounts outstanding for capital purchase at October 31, 2022 or when water flows, whichever is earlier, will be transferred to a loan (as above) with a 1% increase to the interest charged.

All financing will be secured and said interest will be recorded on the title through ISC, Saskatchewan.

By my signature below, and my initials by the options above, I do hereby indicate my choices for paying for my share of the Rural 44 Water Pipeline Utility Board service connection to my property above described

____ Owner

SEAL if corporate

SAMPLE____ Second Owner if required