

North Cedar Improvement District

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WATER, WATER, WATER

Brief to Cedar Improvement District Ratepayers:

The North Cedar Improvement District (the "District") is not the organization initiating the meeting scheduled on Thursday, April 21, 2016 @ 7:00 p.m. at the Cedar Community Hall. Please consider the following factual information that refutes the misinformation being circulated in our community by other persons and likely to be repeated at that meeting.

DISTRICT WATER FACTS

1. Taxes and CECs

Contrary to the misinformation being distributed in the community by other persons, the District has no plans to increase taxes other than the normal 2% annual cost of living increase. All infrastructure costs are to be spread out over the long term of 30 – 35 years.

The total CECs required for the 75 seniors units permitted by the RDN Zoning bylaw are \$315,589.50, not the \$800,000 claimed by Area Director McPherson in his Take5 article.

2. Property Purchase Price

For several years, the District has included provisions in its annual budget to purchase 1723 Cedar Road and has been putting this money away in a reserve fund for that purpose. Therefore, the money for the purchase is available and the purchase price will not have to be raised by taxes.

3. Negotiation History

The District identified 1723 Cedar Road as the key to its water supply management and protections needs as far back as early 2010. The District's first well is on this property and has supplied water to the District since 1959.

In addition to the existing operating well on 1723 Cedar Road, test wells were installed recently. Results from two of the test wells indicated a sufficient water supply to meet current and projected needs and, once in production, will allow the moratorium on development to be lifted.

The size and extent of the existing water treatment facility on the site that is now required under provincial regulations administered by Island Health has expanded. The District is now required to meet the new requirements and construct a new treatment facility.

Negotiations to purchase began with the previous owner, Mrs. Harminder Dodd, until her health started to decline, at which time the District took a step back out of respect for her and her family.

The present owner, Wayne Procter, purchased the property in September 2014 from Mrs. Dodd's estate after her death in October 2013. The sale was a private sale by invitation only; the property was not

offered to the public and the District was not invited to bid. Prior to that sale completing, the District made clear to Mr. Procter, through his lawyer, the District's long standing requirements and intentions. The District offered to buy out his contract and he refused. The District has applied to the Ministry for approval to expropriate the land.

In the months prior to the sale to Mr. Procter, the District was in talks with the Regional District of Nanaimo about purchasing the property jointly and was not able to submit an offer to the executors of the property while these discussions were underway.

4. Alternate Sites

The District considered alternate sites, but no other property was located with an aquifer that is capable of accommodating new wells to expand water production. The treatment facility must be nearby the wellhead for effective treatment to occur. 1723 Cedar Road is the one site with sufficient land area for a water treatment facility to meet these specifications, as well as new wells with enough water supply and a broad enough protection area to safeguard the water supply from contamination.

5. Other Water Sources

Contrary to the information being circulated by other persons, the District did consider other water supply sources. None of the following sources will guarantee a water supply to the District and its customers. Note also that water is not free; there is always a cost.

The City of Nanaimo offered the District an emergency connection only. If water ever becomes available from the City of Nanaimo, the District will have to pay to connect to Nanaimo's supply (equivalent to CEC charges) plus a usage rate.

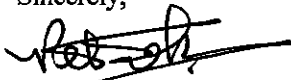
The District of Lantzville's cost to connect 225 of its homes to the City of Nanaimo's system is \$1.33 million, plus a water user rate. The District's cost for 1253 homes (1.33 million divided by 225 homes x 1253 homes) would be approximately \$7.4 million plus user fees if the City of Nanaimo ever has water available for the District's use.

Harmac is required to consult with Snuneymuxw First Nations and the City of Nanaimo regarding the District's request, and the cost to the District would be discussed at that time. In addition, Harmac stated they would have to issue a notice of disconnection to the District if Harmac needed the water for its own use at any time. In addition, water from Harmac's wells require the same treatment as the District's well water, which meant the District would still need land for its new treatment facility.

6. Misinformation and Motivation

We ask you to consider carefully why misinformation about the District's plans is being spread through news media articles and meetings; what is the motivation for this campaign; and who will benefit from it? I urge you to attend the Annual General Meeting on April 27, 2016 to ensure that your interest in a safe, secure and sufficient supply of water is maintained and protected and not given away to others whose interests may be different from yours.

Sincerely,



Peter Johnson, Chair, North Cedar Improvement District