



STAFF REPORT

SUBMITTED BY: Leah d'Eon

DATE: June 11, 2021

SUBJECT: Water Supply Upgrade Lending Program

ORIGIN

The Municipality of the District of Barrington has a water supply upgrade lending program. This program will lend up to \$ 10,000 over a 10-year period for the construction of a new dug or drilled well or an upgrade to an existing well that is required to source water for the property.

BACKGROUND

The Municipality of the Barrington has provided eight water loans since the beginning of the program. Two loans have been completely paid, with six active loans totalling \$ 42,684. There are currently 2 water supply upgrades in progress for drilled well.

All loans have been for drilled wells at the maximum lending amount of \$ 10,000 except for one dug well at \$ 4,600. The invoices received for the drilled wells ranged from \$ 9,981 - \$ 16,950. Our lending program only provides for \$10,000, which leaves a balance for the property owners to pay.

DISCUSSION

Recently, we have had residents interested in the lending program and have reached out to contractors for pricing. We have discovered that the price per foot of a drilled well has increased from \$ 5-7 and the pump set-up has increased by \$600 - \$1,000 resulting in a price increase of \$ 3,500 - \$4,000.

This results in the cost of a water supply upgrade being well above \$ 10,000. For many residents, this places the water supply upgrade beyond their means.

There has been discussion in increasing the lending amount above the \$ 10,000 limit, potentially to \$15,000. The Municipality of Argyle and Yarmouth both have similar lending programs, with lending limits of \$15,000 and \$10,000, respectively.

BUDGET IMPLICATIONS

Any increase in the lending limit will not affect budget. This will only increase the receivable from the residents.

LEGAL IMPLICATIONS

N/A

PUBLIC CONSULTATION/COMMUNICATIONS

N/A

RECOMMENDATION

It is recommended by staff that the water supply lending program limit be increased to \$ 15,000.

SUGGESTED MOTION

Move to increase the maximum lending amount of the Water Supply Lending Program to \$15,000.

ALTERNATIVES

1. Hold the lending maximum to \$10,000.
2. Increase the lending amount higher than \$15,000.

ATTACHMENTS

- By-Law #37 Water Supply Upgrade Lending Program

**THE MUNICIPALITY OF
THE DISTRICT OF BARRINGTON**

**WATER SUPPLY UPGRADE - LENDING PROGRAM BY-LAW
BY-LAW NO. 37**

DEFINITIONS

1. **CAO** means the Chief Administrative Officer for the Municipality, or his/her designate.
2. **Lending Agreement** means the written, signed agreement between the owner of a Qualifying Property and the Municipality for financing of a Water Supply Upgrade;
3. **Manager of Finance** means the Manager of Finance for the Municipality, or his/her designate;
4. **Municipality** means the Municipality of the District of Barrington;
5. **Qualifying Property** means an owner occupied residential property located within the Municipality but does not include multi-unit residential or non-profit owned buildings and does not include business or industrial premises;
6. **Water Supply Upgrade Loan** means monies advanced to the owner of a Qualifying Property, either directly, or through a third party administering this project, pursuant to Section 81A of the Nova Scotia Municipal Government Act;
7. **Water Supply Upgrade** means a construction of a new dug or drilled well, or an upgrade to an existing well that is required to source water for the property. Upgrades may include the installation of equipment directly related thereto. Furthermore, it shall include the installation of cisterns, water from fog systems, greywater collection or other containers that are installed for the purposes of the supply, use and conservation of water;

ADMINISTRATION

8. An owner of a Qualifying Property within the Municipality may apply to the Municipality for financing of a Water Supply Upgrade to the property.

9. Lending shall be subject to the approval and agreement in writing of the CAO on behalf of the Municipality and the execution of a Lending Agreement. The conditions that must be met for approval include that:
 - a) The owner of the qualifying property is not in default of any municipal taxes, rates or charges.
 - b) Water Supply Upgrades must comply with applicable provincial and/or federal regulations.
 - c) Other conditions as indicated in the Lending Agreement that may be modified from time to time.
10. The Water Supply Upgrade Loan shall become payable on the completion of installation of the Water Supply Upgrade in accordance with the Lending Agreement. The Water Supply Upgrade Loan may consist of:
 - a) The cost of the Water Supply Upgrade, including all materials, labour costs, permit fees and applicable taxes.
 - b) Applicable service fees incurred by the Municipality directly or the owner of the Qualifying Property.
 - c) Interest charges, including any additional interest arising due to any default of payment.
11. The owner of a Qualifying property may elect to pay the Water Supply Upgrade Loan by equal monthly installments over a period of not more than 10 years, on which interest shall be payable as set out in the Lending Agreement.
12. The Municipality shall not be responsible for ongoing maintenance and operating costs of the Water Supply Upgrade; the Water Supply Upgrade is owned and maintained by the owner of the Qualifying property.
13. In the event of default of any payment under the Lending Agreement, the outstanding balance shall be immediately due and payable. Interest shall be accrued on the amount then due and payable at the same rate applied by the Municipality for unpaid taxes and charges in default.
14. The Manager of Finance shall maintain a separate account of all monies due for Water Supply Upgrade Loan, identifying, for the subject property:
 - a) The names of the property owners, assessment, PID and civic addresses.
 - b) The amount of the Water Supply Upgrade Loan levied, and
 - c) The annual amounts paid to the Municipality to repay the Water Upgrade loan.

LIEN

15. On completion of a Water Supply Upgrade pursuant to the Lending Agreement, the Water Supply Upgrade Loan shall become a lien and levied against the property in accordance with the Municipal Government Act.

16. The portion of the annual repayment of the Water Upgrade Loan shall be equal to the total loan outstanding divided by the number of years remaining, with applicable interest, notwithstanding Section 13 of this By-law.
17. The Water Supply Upgrade Loan advanced pursuant to this by-law constitutes a first lien on the property and has the same effect as rates and taxes under the Assessment Act.
18. A Water Supply Upgrade Loan is collectible in the same manner as rates and taxes under the Municipal Government Act, and is collectible at the same time and by the same proceedings as taxes.
19. The lien provided for in this By-law shall become effective on the date on which the CAO files with the Manager of Finance a certificate that the agreed water supply improvement has been completed.
20. The lien provided for in this By-law shall remain in effect until the total Water Upgrade Loan, including any accrued interest and administrative charges have been paid in full.

INTEREST

21. Interest shall accrue on any Water Supply Upgrade Loan and associated charges which remain outstanding from the date of billing from the Municipality to the Homeowner.
22. Interest is payable on amounts deemed outstanding pursuant to the rate of 3%.

Approved by Council August 28, 2017

