

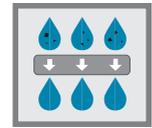
A NEW LADYSMITH WATER FILTRATION PLANT PROVIDING LADYSMITH WITH CLEAN, RELIABLE WATER FOR YEARS TO COME.

The Town of Ladysmith supplies water to the residents of Ladysmith, the Diamond Improvement District, and the Stz'uminus First Nation. Because it is our responsibility to provide clean, safe, reliable drinking water to our citizens year round, it's important we update our systems to maintain our operating permit. The quality of our water has not changed in recent years, but the science behind measuring water quality has. These advances have meant that regulations are changing in response, and as a result, so must we.

We are keeping up with water supply regulations

In 2013 Island Health (VIHA) amended the Town's permit to operate a water supply, requiring us to provide water filtration that meets provincial standards. The deadline for compliance is January 31, 2018. In order to comply, we must build a new water filtration plant.

We are ensuring the long-term quality and reliability of our water supply



Cleaner, safer water: The new filtration system will ensure that our water is safe by filtering the water, and eliminating potentially harmful disinfection by-products.

Better management of our water sources year round:

With the additional filtration, we will be able to draw water from either of our water sources (Holland and Stocking Lakes) during periods of high turbidity.

Providing clean, reliable water to our citizens is foundational to ensuring our Town remains economically vibrant, physically healthy, and financially sustainable.

WHAT IS TURBIDITY AND WHY IS IT A PROBLEM?

Turbidity simply means that the water supply is stirred up. For Ladysmith's water supply, Holland Lake feeds into Holland Creek, where the water tumbles down to our reservoir intake. In the winter, when heavy rains and storms are more likely, water in the creek runs faster and becomes more turbid.

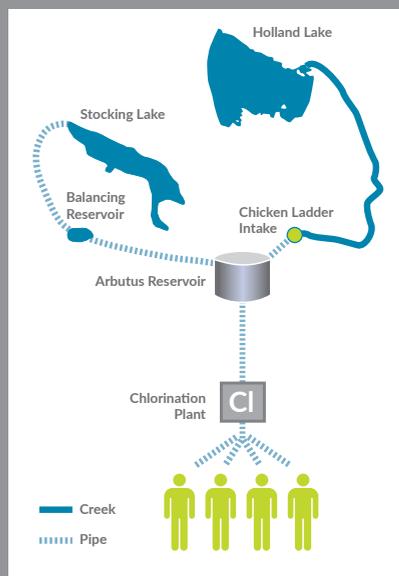


Turbid water carries more organic material with it (e.g. microscopic bits of soil, plant matter etc.) as well as stirred up

inorganic materials like silt and sand, and this material reduces the effectiveness of our disinfection system. That's why it's important to filter it out.

For Ladysmith, turbidity is a problem in the winter and means we are sometimes forced to close our Holland Creek intake. A new filtration plant will get rid of these suspended organics no matter how stirred up the water is, meaning we'll be able to fill our reservoir from both Holland Creek and Stocking Lake year round.

OUR WATER DISTRIBUTION SYSTEM TODAY



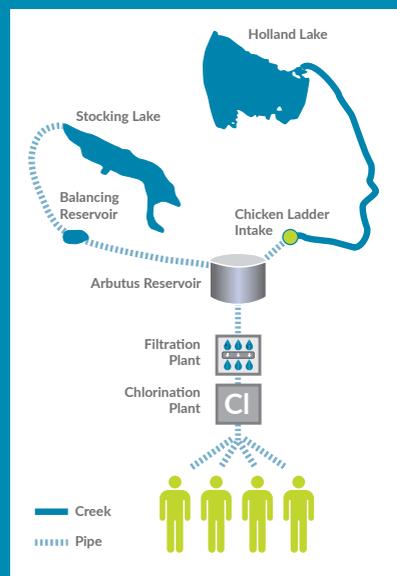
Challenges with our current system:

- Emerging concerns related to increasing turbidity in our water sources, and chlorination byproducts.
- Turbidity can interfere with the disinfection process, especially during winter months. When this happens the Town relies on a single water source.
- Not in compliance with Island Health (VIHA) requirements.

Service to:

- Town of Ladysmith
- Diamond Improvement District
- Stz'uminus First Nation

OUR WATER DISTRIBUTION SYSTEM WITH THE NEW FILTRATION PLANT



Benefits of a new filtration plant:

- Brings the system into compliance with Island Health (VIHA) requirements.
- Eliminates concerns with turbidity because the new filtration process is designed to handle these conditions. This allows the Town to access both water sources all year long.
- New filtration process removes harmful chlorination byproducts.

Continued service to:

- Town of Ladysmith
- Diamond Improvement District
- Stz'uminus First Nation

We will need to contribute to the cost of building the new filtration plant

We have received significant funding from the federal and provincial governments, but there is still a funding shortfall that the Town of Ladysmith is responsible for. In December 2016 Council voted unanimously to borrow up to \$6 million over 25 years to finance the Town's share of the construction costs for the new plant.

The cost of borrowing this money will mean an increase in parcel tax for Ladysmith residents. This increase was forecasted within the approved 2016 to 2020 financial plan. An increase in parcel tax of \$99 will apply starting in 2017. As previously announced, the parcel tax for 2017 will increase to \$309.

We need the approval of Ladysmith residents to borrow money over the long-term

In order to move forward with borrowing these funds, we need the consent of Ladysmith residents. As is common for local governments when seeking approval for funding like this, we're moving ahead with an Alternative Approval Process (AAP) to gain elector consent.

In an AAP those who **do not** support the borrowing are required to fill out an Elector Response Form before April 12, 2017 (the end of the AAP period). If 10% or more of the electorate complete a form, we are required to take the matter to a referendum. Much like a standard election process, a referendum requires a majority vote (51% or more) to move ahead with the borrowing.

The AAP for the new water filtration plant will begin March 9 and run until April 12, 2017.

For more information about the AAP process, please visit www.ladysmith.ca/our-services/water/water-filtration.

WE WELCOME YOUR QUESTIONS!

We welcome your questions and input on the new water filtration plant and the AAP. You can contact Town of Ladysmith staff any time via email at info@ladysmith.ca or 250.245.6400.

FUNDING THE NEW PLANT

Total Estimated Cost:
\$13.3 MILLION



\$8.8 MILLION

Federal & Provincial Government Grants

\$4.5 MILLION

Town of Ladysmith

\$1.5 MILLION

Other Related Costs and Contingency

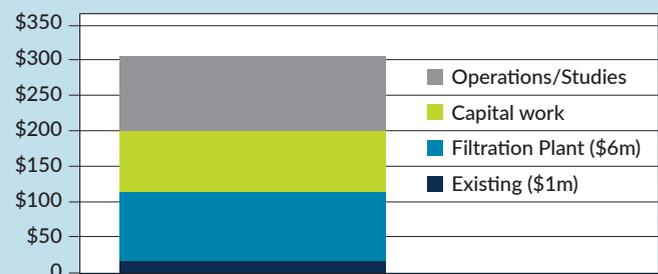
Total borrowing request for Ladysmith



\$4.5 Million
+ up to **\$1.5 Million Contingency**

= up to \$6 Million

2017 PARCEL TAX BREAKDOWN



VOTER CONSENT TO BORROW

Alternative Approval Process (AAP)

March 9 – April 12, 2017



OPEN HOUSE

March 15, 2017 – 4:30 – 7:30 p.m.

Location: Frank Jameson Community Centre, Lower Program Room, 810 6th Avenue, Ladysmith

The Town of Ladysmith is holding an Open House for residents to learn more about the new water filtration plant, why we have to build it, and the AAP process. Please plan to drop in. Members of Council, staff, and project engineers will be on hand to answer your questions. Children's activities will be available.

