



October 7, 2010

Dear Residents,

RE: Central Water Project Update 4

On behalf of the Town of Pilot Butte Council, I am pleased to provide you my fourth update on your Central Water Project. The Water Project is progressing well with almost all the required approvals received. We are proceeding with borrowing for Phase 1 of the capital portion of the project, with a low fixed 15 year interest rate, using Central Mortgage and Housing Corporation under their Municipal Lending Program for Housing Related Infrastructure.

Our aim is to send out the Notice of Intention to each property owner during the month of October. The Notice of Intention will state the Town's intent to construct the water distribution system as a local improvement, with a charge against the lands that benefit. This charge is estimated at \$200 per meter as frontage plus the \$2500 connection charge for residential properties.

The interest rate that will be charged if not paid upfront for the local improvement is 6% over 10 years.

Watch for these notices in your mailboxes. Please contact me if you require clarification on the information in the notices.

There are advantages to proceeding with the local improvement now, rather than delaying the construction. The advantages are:

- The costs will go up due to higher cost of materials and labour
- Interest rates are now quite low, but are expected to go higher.
- The capital portion is proceeding now, to ensure that the Town obtains all the benefits of the grants available, and to meet their deadlines.
- The cost of operation of the Water Treatment plant will need to be paid for by all, whether the water main work is constructed or not.
- The municipal water quality is expected to be very good quality with the softness of 50 to 65 mg/l and it is expected that softeners will not be required. The iron content is expected to be less than 0.2mg/l.
- The construction of the water treatment plant is planned for this winter, to be operational by Fall 2011.

To update you on future development, the Town has approved and signed the development servicing agreement with a major developer, Marathon Properties Corp. which will attract new homes to the Town, and the developer fees will greatly assist in the debt repayment on the capital phase of the water project, now and in future years. This subdivision is located north of 5th Ave. and will include 35 single family homes in the first Phase-stage.

The Town is also working with two other developers, with hopes to start building by the summer of 2011. These developments will also contribute through developer fees towards the debt repayment and offer a variety of development for our community.

I will continue to provide you regular updates on the project on the Town's website www.pilotbutte.ca. The updates will also be available for you to pick up at the Town Office and the Library. I will also be sending brief message phone updates using Synrevoice.

Please don't hesitate to contact me, at the Pilot Butte Town Office at 781-4547 or e-mail me at pbprojectmgr@sasktel.net. Enjoy the rest of the autumn season, as we know the snow is coming, soon!

Sincerely,
Darlene Woloshyn,
Town of Pilot Butte
Project Manager