

**MUNICIPALITY OF THE COUNTY OF VICTORIA
WATER SUPPLY OR SEPTIC UPGRADE LENDING PROGRAM BY-LAW**

1.0 GENERAL

Sections 65 (acb) and 81A(1)(b) of the Municipal Government Act permits the Municipality of the County of Victoria to provide financing to eligible property owners for improving the supply of potable water and installing/replacing/repairing septic systems for properties within the Municipality.

Eligible properties include owner-occupied residential property, a building owned by not-for-profit organizations or a business premise within the Municipality. Owners of such properties are more likely to benefit from access to low-cost financing for improvements to a potable water supply or installing, replacing or repairing a septic system.

Eligible Water Supply Upgrades include the construction of a new dug or drilled well, or an upgrade to an existing well required to source potable water for the property; the installation of equipment such as a well pump, a water line, and an electrical connection to support the function of a new or upgraded well; and other equipment, such as cisterns and containers, to improve the supply, use, and conservation of potable water.

Eligible Septic Upgrades include an upgrade, including installing, replacing or repairing, an existing on-site sewage disposal system that is deemed to be malfunctioning.

Administrative and operational details in support of this By-Law are provided in the Water Supply or Septic Upgrade Lending Program Lending Agreement and its Appendices.

2.0 DEFINITIONS

2.1 **CAO** means the Chief Administrative Officer for the Municipality, or her/his designate.

2.2 **Contractor** means an insured person or corporation licensed by the Department of Environment and retained by the Qualifying Property Owner to complete the Water Supply or Septic Upgrade.

2.3 **Chief Financial Officer** means the Chief Financial Officer and Treasurer for the Municipality, or her/his designate.

2.4 **Lending Agreement** means the Water Supply Upgrade Lending Program Lending Agreement or the Septic Upgrade Lending Program Lending Agreement, the written, signed agreement between the owner of a Qualifying Property and the Municipality for financing of a Water Supply Upgrade or a Septic Upgrade.

2.5 **Maximum Eligible Amount** means the maximum amount that the Municipality will lend to a Qualifying Property Owner for a Water Supply or Septic Upgrade. The Municipality of the County of Victoria's maximum eligible amount is fifteen thousand dollars (\$15,000.00).

2.6 **Municipality** means the Municipality of the County of Victoria, and includes its employees, agents, or designated third party contractor.

2.7 **Qualifying Property** means an existing owner-occupied residential property, a building owned by not-for-profit organizations or a business premise, located within the Municipality that meets the eligibility criteria for participation in the Water Supply or Septic Upgrade Lending Program.

2.8 **Qualifying Property Owner** means the individual, individuals, or entity in possession of the title for the Qualifying Property. The Qualifying Property Owner may be responsible for paying taxes in relation to the Qualifying Property.

2.9 **Septic Supply Upgrade** means on-site sewage disposal system that is deemed to be malfunctioning; system or repairs must be designed by a qualified person or a professional engineer as detailed in the on-site sewage disposal system regulations of Nova Scotia; system installation may be subject to an installation audit by the Nova Scotia Department of Environment.

2.10 **Water Supply Upgrade** means the construction of a new dug or drilled well, or an upgrade to an existing well required to source potable water for the property; the installation of equipment such as a well pump, a water line, and an electrical connection to support the function of a new or upgraded well; and other equipment, such as cisterns and containers, to improve the supply, use, and conservation of potable water as required for the Water Supply Upgrade.

2.11 **Water Supply or Septic Upgrade Lending Program** or **Program** means a program established by the Municipality under which Qualifying Property Owners may obtain financing for construction of a Water Supply or Septic Upgrades under the terms and conditions of the Lending Agreement.

2.12 **Water Supply or Septic Upgrade Loan** means the local improvement charge levied on the Qualifying Property pursuant to section 81A of the *Municipal Government Act*, and is equal to the value of the approved Water Supply or Septic Upgrade up to the Maximum Eligible Amount.

3.0 ADMINISTRATION

3.1 A Qualifying Property Owner may apply to the Municipality for financing of a Water Supply or Septic Upgrade to a Qualifying Property within the Municipality.

3.2 Lending shall be subject to the approval and agreement in writing of the CAO on behalf of the Municipality, which shall be subject to the execution of a Lending Agreement and the following conditions:

3.2.1 the Qualifying Property Owner is not in default of any municipal taxes, rates or charges;

3.2.2 the proposed Water Supply or Septic Upgrade must comply with applicable provincial and/or federal regulations;

3.2.3 the proposed Contractor must have a valid Department of Environment license to carry out a Water Supply Upgrade or be a certified sewage system installer pursuant to the on-site sewage disposal system regulations to carry out a Septic Supply Upgrade;

3.2.4 compliance with other conditions as indicated in the Lending Agreement; and

3.2.5 an affidavit signed by the Qualifying Property Owner that certifies, through a series of statements outlining the Qualifying Property's potable water or septic issues, that the Water Supply or Septic Upgrade is necessary.

3.3 The Water Supply or Septic Upgrade Loan may consist of:

3.3.1 the cost of the Water Supply or Septic Upgrade and all associated labour costs, permit fees, and applicable taxes;

3.3.2 interest charges, including any additional interest arising due to any default of payment.

3.4 The Water Supply or Septic Upgrade Loan is provided for the benefit of the Qualifying Property Owner in the form of the Municipality paying all eligible Contractor invoices for completed work up to the Maximum Eligible Amount. The Qualifying Property Owner will sign the Contractor's invoices and

submit them to the Municipality for payment. As the Municipality pays the Water Supply or Septic Upgrade invoices, the resulting loan amount advanced to date is a lien against the Qualifying Property.

3.4.1 Where a property owner has undertaken a water supply or septic upgrade before entering into a Water Supply Upgrade Lending agreement, the Municipality may enter into a Water Supply or Septic Upgrade Lending agreement with a property owner if all of the following conditions are met:

- a. an application has been submitted and approved by the CAO, and
- b. the oldest contractor invoice submitted for payment is no older than 90 calendar days

3.5 Interest shall begin accruing on any approved Water Supply or Septic Upgrade invoice paid by the Municipality thirty (30) days from the date that the Municipality paid that invoice.

3.6 The Water Supply or Septic Upgrade Loan shall become payable on the completion of the contract for the installation of the Water Supply or Septic Upgrade in accordance with the Lending Agreement and on the CAO's receipt of the dated and signed Certificate of Completion.

3.7 The Qualifying Property Owner will make equal monthly or annual payments of the principal over a maximum period of 10 years to repay the outstanding Water Supply or Septic Upgrade Loan, on which interest shall be payable as set out in the Lending Agreement.

3.8 The Municipality shall not be responsible for ongoing maintenance and operating costs of the Water Supply or Septic Upgrade. The Water Supply or Septic Upgrade is owned and maintained by the Qualifying Property.

3.9 The Chief Financial Officer shall maintain a separate account of all monies due for the Water Supply or Septic Upgrade Loan, identifying the following for the Qualifying Property:

- 3.9.1 the names of the property owners, assessment account number, PID, and civic addresses;
- 3.9.2 the original amount of the Water Supply or Septic Upgrade Loan advanced;
- 3.9.3 the scheduled amounts paid to the Municipality to repay the Water Supply or Septic Upgrade Loan, with principal and interest paid clearly distinguished; and
- 3.9.4 an annual statement of account on the anniversary date of the Water Supply or Septic Upgrade Loan, showing the principal balance owing at the end of the previous year, total amount paid during the year, amount of interest included

4.0 LIEN

4.1 The Water Supply or Septic Upgrade Loan advanced in the form of the Municipality paying the Contractor's invoices when submitted for payment shall become a lien levied on the Qualifying Property in accordance with the Municipal Government Act.

4.2 The Water Supply or Septic 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.

4.3 The lien provided for in this By-Law shall become effective on the date the Municipality pays any Contractor invoice for any portion of the approved Water Supply or Septic Upgrade costs.

4.4 The lien provided for in this By-Law shall remain in effect until the total Water Supply or Septic Upgrade Loan, including any accrued interest and administrative charges, has been paid in full.

4.5 In the event of default of any payment under the Lending Agreement, the Water Supply or Septic Upgrade Loan shall be immediately due and payable. It will be collected the in the same way as overdue taxes.

4.6 In the event the Qualifying Property is transferred to a new owner, the lien is transferred to the new owner along with the property. At this time, the new Qualifying Property Owner shall continue to be liable to the Municipality for all Qualifying Property Owner obligations and liabilities as set out in the Lending Agreement unless a lump sum payment representing the outstanding balance of the Water Supply or Septic Upgrade Loan plus accrued interest and any applicable charges is received by the Municipality at the time of the sale.

5.0 INTEREST

5.1 Interest shall begin accruing on any portion of the Water Supply or Septic Upgrade Loan thirty (30) days from the date that the Municipality pays the Contractor invoice for that portion.

5.2 Interest is payable at prime plus 2% at the effective date of the Lending Agreement on the amount of the Water Supply or Septic Upgrade Loan deemed outstanding.

6.0 ADMINISTRATION FEE

6.1 A one-time administration fee of \$200.00 plus applicable taxes will form part of the application process.

6.2 The administration fee will be refundable at a rate of 80% if the lending agreement does not get executed.

6.3 The administration fee will have no effect on, and will not form part of, the final water supply upgrade loan amount.