

Capital works on financial plan to develop new water source

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- BY DAVE STEWART

A financial plan is in the works to develop a new water source in Charlottetown. Mayor Clifford Lee says there is no question the city has a significant issue with its water supply.

Council was informed last summer that levels in the Winter River – Tracadie Bay Watershed were getting dangerously low. At one point, the city was drawing 98 per cent of what it's allowed to under provincial regulations. It is the city's sole source of water.

"The issue is not at the level where we're going to run out of water in the near future but no responsible government wants to wait until you get to that stage," Lee said.

The city does have a site where it will develop a new source of water ready to go. All the right permits are in order and the land has been purchased. All that needs to happen now is to move the machinery in and start digging. But, not so quick. Problem is, it's going to cost about \$ 18 million to turn it into a source of water. That's a lot of money for anything, even to address an issue as serious as this one.

And it's not just the \$ 18 million the city has to worry about, it's the cost of servicing the debt on the money it borrows from the bank. For every \$ 1 million the city borrows, it has to come up with \$ 100,000 in revenue to service that debt.

The city is willing to move but it's going to need some help paying that bill. The provincial and federal governments will come in to share a third of the cost each. No agreements have been signed yet but Lee has received assurances the federal government is going to be putting more infrastructure dollars on the table. When it does, it'll be on the first application the city makes to the feds.

Two major tributaries in the watershed all but dried up late last year. Branches of the system have dried up over each of the last three years while the main branch dried up in 2001.

Not even heavy rains helped much because much of the rain simply runs off and doesn't sink into the watershed.

The issue has led a couple of councillors to call for immediate action but Lee said there has to be a financial plan in place first.

He doesn't want it being a financial burden on residents either.

"We are dealing with it internally at the administration," the mayor said. "The challenge for myself and all members of council is to try and find a way to do the project without impacting water and sewer rates.

Lee says the financial plan will be revealed by the end of June.

"It takes time to put these financial plans in place."