

RURAL MUNICIPALITY OF MORRIS

Minutes of a meeting of the Council of the R.M. of Morris held on Monday, October 17th, 2005 commencing at 7:30 p.m. in the Sperling arena. Reeve Herm Martens and Councillors Ralph Groening, Barry Fraese, Leo Kornelsen, Sieg Neumann and Lionel Wiens were present. There were also approximately 33 residents of Sperling present at this meeting.

This meeting had been called to discuss the method of paying for the Sperling water and sewer system.

Reeve Martens gave a brief background report advising that the Sperling community had wanted the water and sewer system. The community had been warned that this system would be very expensive, but were quite insistent that they needed water and sewer. The R.M. of Morris, in conjunction with the Manitoba Water Services Board, proceeded with installing a water and sewer system in Sperling. The total cost of this system was \$711,038.49. From this amount, the R.M. was fortunate in obtaining grants totaling \$428,708.47. This left a net amount to be paid of \$282,330.02. The R.M. of Morris has now issued two separate debentures, one to the Sperling Cemetery Committee and one to the Rosenort Credit Union, totaling this amount. These debentures, which were issued under By-law No. 1583/04, are for a 20-year period and have an interest rate of 6.125% per annum. This interest rate is locked in for the 20-year period based on a declining balance. Council of the R.M. of Morris is prepared to levy the annual payments totaling \$24,865.18 either as a mill-rate over the affected area, or as a flat annual fee based on all of the properties that are presently connected to sewer and water.

Nicole Fraser reported that the community had held a meeting on October 11th, 2005 and had discussed a total of 5 separate options. 24 votes had been cast at this meeting and the results were as follows:

- 1) 10 persons voted to have every piece of property that has access to the water pay an equal annual amount. This would amount to an equal annual payment of \$436.23, including vacant lots and those persons who were not hooked up to water.
- 2) 6 persons voted to stay with the present equal mill-rate system over the entire area.
- 3) 3 persons voted that vacant properties or those that were not connected would stay on the same assessed value and the balance would be divided equally amongst the customers that were hooked up to water and sewer. This would result in an annual charge of \$605.66.
- 4) 3 persons voted that a flat rate of \$100.00 should be assigned to each individual property and the balance divided amongst those that have water and sewer hookups. This would result in an annual charge of \$604.35.
- 5) 2 persons voted in favour of charging all properties based on frontage. This would result in an annual charge of \$4.68 per foot.

Reeve Martens then advised that Council could not support the option that all properties would pay an equal annual fee. Council is of the opinion that this would transfer an unfair amount of the costs to those people that did not benefit from water and sewer. This would include the owners of vacant lots and also would include owners who had felt that they could not afford to install water and sewer. Council also expressed a concern that owners of vacant lots might just abandon their property and the R.M. would end up paying a large portion of the water and sewer costs. The R.M. of Morris was prepared to give the Sperling residents two separate choices. The choice would be that either every resident who was hooked up to water and sewer would pay a flat annual fee. This fee would amount to \$654.35 per property that was connected to the system. This amount would vary depending whether there were more or less connections. The second option was to leave the system the way as is and that all properties in the local improvement district would pay an equal mill-rate charge over the period of the debenture.

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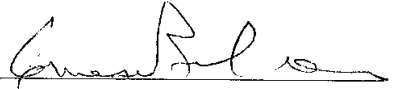
The persons that were present then conducted the vote and 22 ballots were received. 19 of these 22 ballots were in favour of an equal annual charge and 3 ballots were opposed.

The R.M. Council then announced that they would proceed with drafting a by-law to change the method of payment to an equal annual charge for each residence or business that was connected to the system. This by-law will be brought forward as soon as possible and will hopefully be in effect for the 2006 taxation year.

There being no further business the meeting was then adjourned at 9:30 p.m.



Reeve



C.A.O.