



**REPORT TO BEDDIS WATER SERVICE COMMITTEE
MEETING OF FRIDAY 31 OCTOBER 2008**

SUBJECT 2009 BUDGET PRESENTATION - WATER PLANT COMPLETION PLAN

PURPOSE

To provide the Beddis Water Service Committee (BWSC) with a proposal to bring the water plant upgrade project to completion in 2008 using additional funds from the capital reserve fund.

BACKGROUND

Capital Regional District, (CRD) staff have been pursuing completion of the Beddis project through 2008 and project that the water plant can be completed by year end. As the BWSC is aware, North Salt Spring Waterworks District (NSSWD) staff and electrical contractors from Victoria have been working jointly on the Fulford water project and the Beddis water project. Although progress has been steady, it is proposed to commit CRD project staff as of November to assist NSSWD staff to complete the two projects. The additional works will require committee approval to increase the total capital budget and to reallocate further funds from the capital reserve fund. As the plant was not operated again this year, the annual budget has a considerable surplus which will assist with the completion of the project.

Projected Expenditures to Completion and Revenue Required

The following table summarizes expenditures and revenue requirements to complete the water plant.

DESCRIPTION	BUDGET	TO DATE	TO COMPLETE
Expenditures:			
Design fees	\$130,000	\$119,213	\$139,213
Construction (to date)	\$630,000	\$731,392	\$731,392
Mechanical			\$48,000
Electrical			\$15,000
Materials, piping, aggregate, tankage			\$50,000
Machine time			\$8,000
Finishing works			\$20,000
Commissioning			\$25,021
Non eligible costs	\$122,000	\$50,974	\$50,974
Total Expenditures	\$882,340	\$901,580	\$1,087,600
Revenue			
CBC infrastructure grant			\$506,894
Beddis borrowing			\$325,500
Beddis contribution, original project			\$50,000
Transfer from reserve (2008)			\$105,000
Transfer from reserve (end 2008)			\$108,265
Total Revenue			\$1,095,679

DISCUSSION

The work program proposed is projected to be sufficient to complete the water plant portion of the project. Distribution system works however, will remain unfunded at this time. It is recommended that the BWSC, with staff, revisit the funding of these works in future once the annual costs of operation for the new DAF water plant are better understood.

ALTERNATIVES

1. That the Beddis Water Service Committee approve an increase in the total capital project to \$1,087,600, to cover expenditures necessary to complete the water plant, and fund the increase from transfers from reserve funds as indicated in the table above, and as presented in the 2009 budget document.
2. That the Beddis Water Service Committee approve an increase in the total capital project to \$1,087,600 and amend the 2009 operating budget to provide additional funds for the project outside of the reserve fund.

FINANCIAL IMPLICATIONS

There are not expected to be any increases in fees or taxes to complete the project as recommended.

SUMMARY/CONCLUSIONS

Staff have updated the expenditures and work program for the Beddis water system improvement program. To complete the water plant, it is now estimated that considerable additional funding will be required. Owing to a delay in the operation of the new plant, the 2008 operating budget is expected to run a considerable surplus, which, when combined with existing reserve funds, should be adequate to complete the necessary works this year.

RECOMMENDATION

That the Beddis Water Service Committee approve an increase in the total capital project to \$1,087,600, to cover expenditures necessary to complete the water plant, and fund the increase from transfers from reserve funds as indicated in the table above, and as presented in the 2009 budget document.



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