

**REPORT TO CEDAR LANE WATER SERVICE COMMISSION  
MEETING OF FRIDAY 31 OCTOBER 2008**

**SUBJECT**      **2009 BUDGET PRESENTATION - CAPITAL PROJECT UPDATE**

**PURPOSE**

To provide the Cedar Lane Water Service Commission (CLWSC) with an update on the capital project to upgrade the Cedar Lane water system and to initiate a strategy to complete the project.

**BACKGROUND**

The Capital Regional District (CRD) established the Cedar Lane water service and implemented a borrowing to upgrade the Cedar Lane water system in 2008. The CRD has also received a grant from the Community Water Improvement Program to assist with the upgrade by covering up to two-thirds of the construction cost for the project. The primary goals of the project were as follows:

1. Upgrade supply and disinfection systems to provide continuous potable water to residents (and remove the boil water order currently in effect).
2. Upgrade infrastructure to improve reliability of water delivery and optimize well production.
3. Develop a new source water supply.

The total estimated cost of the project was \$475,000.

**Expenditures to Date**

The project has focused largely on Item 1 and a portion of Item 2 as detailed above. On completion of this phase of the works, well site #1 will be reconstructed with its own UV disinfection system installed, well site #2 will be reconstructed with new pumps and pressure sustaining system, new controls updated disinfection system and new electrical service. With the completion of this work this fall, the boil water order will be lifted. This phase of the works does not provide an additional source nor a new water reservoir. The operation of the two wells with the new control system and valving should provide for more optimum groundwater supply.

The following table summarizes expenditures to date:

DESCRIPTION	BUDGET	TO DATE	AT COMPLETION
<b>Expenditures</b>			
	\$475,000		
Electrical Works		\$10,783.73	\$13,000
Construction		\$5,132.88	\$8,500
Mechanical Labour (NSSW)		\$6,061.13	\$12,000
Parts, equipment and supplies		\$34,743.23	\$37,000
CRD Labour		\$7,965.17	\$9,500
Interim interest		\$461.35	
Project Cost to Date		\$65,146.57	\$80,000

### **Next Phase of Works**

The sourcing of additional groundwater may be difficult. Groundwater consultants have reviewed production of the wells in the area and have concluded that sourcing further wells in the Cedar Lane area with sufficient production is an issue. The consultants have suggested CRD look to other avenues to provide service. The best solution for the utility would be to negotiate with the North Salt Spring Waterworks District (NSSWD) to extend service to the utility. The following issues would need to be resolved for this option:

- funding for the extension of main from Churchill Road or Leisure Lane to Kangro Road 1200m
- funding for booster station at Churchill Road
- water tank replacement
- partners to share cost, developer, Kangro Road, property owners en route but within the present water district boundaries or Cedar Lane boundaries
- NSSWD water licence implications
- conditions of the NSSWD to waive the development cost charge of \$10,000 per parcel

This option may prove to be too costly for residents, however, given the limited confidence in any future groundwater initiatives, it would seem that some design funds should be expended to fully explore this option. This process however will not solve the water shortage problem for next summer, and residents need to be made aware of the process. Alternatively, funds can be expended to undertake some further groundwater exploration.

### **Funds Available**

The funds available to the commission for the capital project are summarized following:

1. Cedar Lane borrowing	(\$168,000)
2. Provincial grant	(\$316,667)
3. Reserve funds, 2008	(\$57,000)
Total	(\$541,667)
4. Less expenditures (2008)	\$80,000
Net funds available	\$461,667

### **ALTERNATIVES**

1. That the Cedar Lane Water Service Commission accept this report for information and direct staff to proceed to discussions with North Salt Spring Waterworks District and local developers to develop a proposal and cost to connect the Cedar Lane water service to North Salt Spring Waterworks District.
2. That the Cedar Lane Water Service Commission accept this report for information and direct staff to seek further groundwater sources for the community.

### **FINANCIAL IMPLICATIONS**

There may be increased charges to water service area residents and property owners associated with the interconnection to and extension of the North Salt Spring water system to Cedar Lane. These costs will be identified in the engineering work proposed. As the CRD is recovering the full cost of borrowing at this time, a delay in the expenditure of capital funds will reduce actual borrowing costs, allowing the committee to set aside surplus funds towards a project of larger scope.

**SUMMARY/CONCLUSIONS**

The initial capital works to upgrade the Cedar Lane water system are nearing completion. The first phase of works improves the reliability of the water supply system and will address a present boil water order which has been in place for the utility for some time. The next phase of the works will identify how to obtain additional water for the utility to avoid water loss in the summer months. As the option to seek a suitable alternate groundwater source may be limited, it is recommended that the CLWSC direct staff to investigate and cost out an option to connect the water area to the NSSWD. This option will likely involve additional costs to water users, but would provide a much more secure source of water to the community. Residents will need to be updated on this plan and to be aware that water shortages next summer may still be a reality.

**RECOMMENDATION**

That the Cedar Lane Water service Commission accept this report for information and direct staff to proceed to discussions with North Salt Spring Waterworks District and local developers to develop a proposal and cost to connect the Cedar Lane water service to North Salt Spring Waterworks District.



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