



**REPORT TO THE ELECTORAL AREA SERVICES COMMITTEE
MEETING OF WEDNESDAY, 5 SEPTEMBER 2007**

SUBJECT **Gas Tax Funding Agreement – North Salt Spring Waterworks District**

PURPOSE/ISSUE

The purpose of this report is to seek approval of a Community Works Fund (CWF) Agreement and Bill of Sale with the North Salt Spring Waterworks District to support a \$25,000 contribution.

HISTORY/BACKGROUND

In February 2005 the federal government announced the allocation of millions of dollars to the province of British Columbia for its share of the federal gas tax. The funding was to complement and not replace existing federal infrastructure programs.

The UBCM representing local government in British Columbia entered into an agreement with Canada and British Columbia to transfer a portion of federal gas tax funds to local government by establishing a Community Works Fund. The Capital Regional District, on behalf of the electoral areas, signed a CWF Agreement.

A subsequent amendment to the Community Works Fund Agreement was signed to allow the CRD to partner with other local governments or non-government entities. The North Salt Spring Waterworks District is now therefore eligible to receive gas tax funding. Attached are the following:

- 1) Agreement between the CRD and the North Salt Spring Waterworks District
- 2) Bill of Sale between the CRD and the North Salt Spring Waterworks District
- 3) Project Scope & Definition

The agreement and bill of sale with the North Salt Spring Waterworks District effectively recognizes the CRD's contribution to the capital project and an ownership interest of \$25,000 in the project which is to aerate St. Mary's Lake on Salt Spring Island. The agreement and bill of sale are required in order for the CRD to comply with its obligations under the Community Works Fund Agreement. The electoral area director for Salt Spring Island has requested that this capital project be funded from the gas tax funds allocated to the Electoral Area of Salt Spring Island.

ALTERNATIVES

- 1) That the Committee agree that the Agreement and Bill of Sale with North Salt Spring Waterworks District be executed.
- 2) That the Agreement and Bill of Sale not be executed.

FINANCIAL IMPLICATIONS

There are sufficient gas tax funds on hand to meet this obligation.

SUMMARY/CONCLUSIONS

The gas tax funds are scheduled to be received for a period of five years, beginning with the year 2006. It has proven to be quite challenging to find eligible capital projects that meet the requirements of the CWF Agreement. The aeration project meets the criteria and North Salt Spring Waterworks District has agreed to supply to the CRD the information required to satisfy the reporting requirements of the CWF Agreement as well as selling to the CRD a \$25,000 ownership in the capital project to satisfy the ownership requirements.

RECOMMENDATION

That the Committee agree to execute the Agreement and Bill of Sale with the North Salt Spring Waterworks District.

Rita M. Estock, Dip Bus Admin, FCGA
Sr. Manager, Financial Services Division

Diana E. Lokken, Dip Bus Admin, CMA
General Manager, Corporate Services

Attachment (3)

COMMUNITY WORKS FUND AGREEMENT WITH THE NORTH SALT SPRING WATERWORKS DISTRICT – PROJECT DEFINITION

Scope & Definition

This project provides for the construction and installation of a full lift hypolimnetic aerator for St. Mary Lake. Consideration was given to previous work done in the 1980's and a study and report by Dr. Rick Nordin. The equipment consists of a shore based electrically driven compressor supplying two aeration units. Each unit has a floating platform to support vertical pipes that lift the deep water to the surface. As the water rises it is aerated and then returned to the lower depths of the lake. This work will improve the quality of drinking water obtained from the lake as well as the aquatic habitat of the lake.

Schedule A Sub-category

Water & Wastewater: a) Developing or upgrading drinking water systems to improve water quality and reduce water use, increase energy efficiency and secure water supply in the face of drought. b) Investments in the enhancement and/or protection of community green space such as streams and natural corridors including habitat protection systems to improve water quality and improve aquatic habitat.

Estimated Cost

The cost estimated by the consultant is \$440,000. This includes the construction of the two aerator units, a shore based compressor and all associated pipe work.

Other Participants

The Capital Regional District will be investing \$25,000 of Community Works Funds to purchase an interest of that value in this capital project. The North Salt Spring Waterworks District is also seeking funding from Habitat Conservation Trust Fund in the amount of \$86,000 in 2007 and the same amount in 2008.

Reporting

This project will comply with the requirements of the Annual Expenditure Reports, the Outcome Reports and Audit Reports as required by the Community Works Fund Agreement. The reporting will be done by the CRD on their share of the project. The North Salt Spring Waterworks District will be available to assist or supply any information required by the CRD.