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**REPORT TO FULFORD WATER SERVICE COMMITTEE  
MEETING OF THURSDAY, 03 APRIL 2008**

**SUBJECT      UPDATE ON CAPITAL WORKS PROJECT TO 31 MARCH 2008**

**PURPOSE**

To present for the consideration of the Fulford Water Service committee (FWSC) details of expenditures for the Fulford water system upgrade program and to clarify additional works necessary for project completion.

**BACKGROUND**

The Capital Regional District (CRD) has been undertaking programmed works to complete the Fulford water system capital program by 31 March 2008 in accordance with the requirements of the Canada BC Infrastructure Program grant received for the works. The project invoicing under the infrastructure project is now complete, however additional works necessary to complete the project remain. Funding for these works will need to be provided from the capital reserve fund.

**Cost Projections**

Expenditures as of 31 March 2008 are sufficient to ensure full recovery of the federal and provincial share of the infrastructure funding.

The following are estimates to complete the project:

CONTRACT	NOTES	PROJECTED COMPLETION
Supply DAF tankage	Tanks for DAF float, backwash	\$10,000
Spencer, services, UG	Service connections, Sunnyside	\$20,000
Spencer, water plant	Underground connections to plant	\$30,000
Road crossing, paving	MOT requirement	\$20,000
Meters	(G&E contract terminated) CRD install or delay program	\$30,000
NSSW interconnect	Tahouney, Southridge	\$30,000
Emery Electrical	Complete all electrical, control works	\$40,000
Hilltop booster	New pumps, new electrical kiosk	\$30,000
Reservoir, fence, site	Commitment under right of way	\$30,000
Plant pipework,	Interconnect raw, final water lines	\$35,000
Total, Final works		\$275,000
Net available from current phase		(\$6,785)
Projected increase in budget		<b>\$268,215</b>

**Funding Project Completion**

It is evident that subject to reconciling the final costs for the various work items there will need to be significant additional funding for the capital project approaching \$270,000. The only source of funding for this work outside of raising additional funds from the operating budget would be from the capital reserve fund in which there is approximately \$206,405. Of all the work items identified, it is suggested that works proposed for the school property: fencing the reservoir, installation of oversized connection to service the school and completion of the metering installation, be delayed at this time. The delay of these works should permit the completion of the capital project within the funds available from the capital reserve. To complete the water plant and to activate the system, the committee will need to authorize transfer of the \$206,000 from the reserve to the capital project.

**ALTERNATIVES**

1. That the FWSC approve the transfer of capital reserve funds, amounting to approximately \$206,000 to the capital fund, to permit completion of the work items needed to complete and activate the water treatment plant and system, increasing the total project cost to \$1,759,900.
2. That the FWSC identify an alternate source of funds to complete the outstanding works.

**FINANCIAL IMPLICATIONS**

Based on present unit rates for the various trades, the Fulford project will require additional funds of between \$200,000 and \$260,000 to complete all intended work items. Staff are recommending two work items, installation of meters and fencing at the reservoir site, be deferred at this time reducing the anticipated expenditures to approximately \$200,000. Staff further recommend that the committee use its capital reserve fund, in which there remains approximately \$206,405 to fund the outstanding works.

**SUMMARY/CONCLUSIONS**

The Fulford water project is entering its last phase for construction. Estimates to complete all work items in the project, including meters, will require additional funds over the original project budget amounting to between \$200,000 and \$260,000. Staff suggest that the additional expenditures be funded from the capital reserve fund to the amount in the reserve, of \$206,405 and to defer work items which are not critical to the immediate requirement to complete and commission the new water plant.

**RECOMMENDATION**

That the Fulford Water Service committee:

1. approve the transfer of capital reserve funds, amounting to approximately \$206,000 to the capital fund, to permit completion of the work items needed to complete and activate the water treatment plant and system, increasing the total project cost to \$1,750,900; and
2. bring back to the committee a work plan to undertake outstanding items for the project on completion of the necessary works.



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