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HIGHLAND WATER AND SEWER SERVICES COMMISSION (MALIVIEW)

Notice of Meeting on **MONDAY, January 14, 2019 at 10:00 AM**
Creekside Meeting Room, 108 121 McPhillips Ave, Salt Spring Island, BC

Gary Holman Laura Travelbea Brian Travelbea

AGENDA

1. **Approval of Agenda**
2. **Adoption of Minutes of October 15, 2019**
3. **Chair and Director Report**
4. **Reports**
 - 4.1 **TRANSFER FROM OPERATING RESERVE TO MALIVIEW SANITARY SERVICE AND I&I PROJECT FUND**

That the Maliview Sewer Service Commission recommends that the Capital Regional District Board amend the Five Year Financial Plan to include additional funding for the Maliview Sanitary Service and I&I project; and

 - 1) that the planned 2018 year end transfer to the Operating Reserve Fund be reduced from \$18,150 to zero; and
 - 2) that the 2018 year end transfer to the Capital Reserve Fund be increased by \$18,150; and
 - 3) that the amount of \$20,875 be transferred from the Capital Reserve Fund to the Maliview Sanitary Service and I&I project Capital Project fund.
5. **New Business**
 - 5.1 **General State of Infrastructure – Maliview Sewer**
6. **Outstanding Business**
7. **Adjournment**

To ensure quorum, advise Tracey Shaver 250.537 4448 if you cannot attend.



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Minutes of the Maliview Sewer Service Commission
Held Monday October 15, 2018, in the Creekside Meeting Room, Suite 108- 121 McPhillips Ave, Salt Spring Island, BC

Present: **CRD Director:** Wayne McIntyre
 Commission Members: Sharon Bywater; Carol Newmeyer
 Staff: Karla Campbell, Senior Manager SSI Electoral Area; Dan Robson, Manager, Saanich Peninsula and Gulf Islands Operations; Peggy Dayton, Senior Financial Analyst; Chris Davidson, Manager Engineering, Salt Spring Electoral Area; Thea Cleese, Financial Analyst II; Tracey Shaver, Recording Secretary

1. Approval of Agenda

MOVED by Commissioner Newmeyer, **SECONDED** by Commissioner Bywater, That the October 15, 2018 meeting agenda for Maliview Sewer Service Commission be amended and approved with the addition of item 5.1 Outfall Repair Project.

CARRIED

2. Adoption of Minutes of November 28, 2017

MOVED by Commissioner Newmeyer, **SECONDED** by Commissioner Bywater, That the Maliview Sewer Service Commission November 28, 2017 meeting minutes be approved.

CARRIED

3. Chair and Director Report

3.1 Chair Bywater briefly commented:

- Stepping down at end of this year after 14 years of volunteering
- Appreciations to staff and Director
- Commitment of CAO at July 30, 2018 meeting to support Maliview Service secure funding due to unique circumstances with original sewer development.

3.2 Director McIntyre briefly commented:

- Bike Park opening in Mouat Park successful with continuing excitement and use.
- SSIWPA Strategic Plan- reviewed responsibility & funding; potential for Water Authority
- CREST- Difficulties with connections in some places on SSI; working with Telecommunication companies to resolve
- CRD Board completed 49 out of 51 strategic priorities; notable for progress with climate action and 1st Nations communications

4. Reports

4.1 2019 Operating and Capital Budget

Staff reviewed report:

- Operating expenses over budget due to repairs
- Projects added to Capital Plan; safe work procedures, vehicle access and referendum funding
- Amend user fee to \$1183.05 for 2018 and 2019
- Amend transfer to Capital reserves
- Provide revised copy of budget documents

MOVED by Commissioner Bywater, **SECONDED** by Commissioner Newmeyer,
That the Highland Water and Sewer (Maliview) Service Commission

1. Approve the 2019 operating and capital budget as amended and recommend that the 2018 actual surplus or deficit be balanced on the 2018 transfer to the Capital Reserve Fund; and,
2. Recommend that the Electoral Area Services Committee recommend that the CRD Board approve the amended 2019 operating and capital budget and the five year Financial Plan for the Maliview Estates Sewerage Local Service.

CARRIED

5. New Business

5.1 Outfall Repair Project

Staff provided brief update:

- Outfall investigations were better than expected; less of a priority.
- Section under road is stable
- Outfall pipe was unburied from ocean floor and is intact; no public or environmental risks.
- Sanitary sewer system repairs are urgent; preparing to combine work the work of sewer line repairs with several of the inflow and infiltration leaks.

6. Outstanding Business

7. Adjournment

MOVED by Commissioner Newmeyer, **SECONDED** by Commissioner Bywater,
That the Maliview Sewer Service Commission meeting be adjourned at 11:49 am.

CARRIED

CHAIR

SENIOR MANAGER



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**REPORT TO MALIVIEW SEWER SERVICE COMMISSION
MEETING OF MONDAY, JANUARY 14, 2019**

**SUBJECT SECURE FUNDING FOR MALIVIEW SANITARY SERVICE AND I&I PROJECT
FUND**

ISSUE

To provide the Maliview Sanitary Services and I&I project with sufficient funding.

BACKGROUND

The Maliview Sewer Service is in a semi-rural residential community located on Salt Spring Island. It is a sewage conveyance and treatment system that is owned and operated by the Capital Regional District (CRD) and services the Maliview Sewer Service Area.

The system was built in the late 1970's with the CRD taking over operations in 1979. The only significant upgrade was the replacement of the treatment plant in 2005 to a rotating biological contactor (RBC) and a further upgrade in 2006 to add primary screening due to higher than anticipated flows through the RBC treatment plant. The wastewater system consists of:

- 1200 metres of 150 mm asbestos cement (AC) gravity sewer collection main pipes
- 110 metres of 100 mm asbestos cement (AC) pressure main pipe
- 13 manholes
- 260 metres of 150mm asbestos cement (AC), polyethylene (PE) and polyvinyl chloride (PVC) outfall pipe
- 60 cubic metres per day Rotating Biological Contactor (RBC) secondary treatment plant

In 2016 a video inspection was conducted of the sewer main by McRae's Environmental Services, which identified seven locations of high Inflow and Infiltration (I&I), so called "gushers". These gushers were located at tap-break-ins for sanitary services, manholes, and one mis-aligned pipe joint on the sewer main. The proposed method of repair for these gushers will be to excavate at each location and repair/replace as needed.

Additionally, Operations is aware of two locations with sanitary sewer service laterals that need to be replaced, as they require on-going maintenance. Unfortunately both of these laterals service residences on the opposite side of the road from the sewer main. One of the laterals has a low point under the road, and will need to be re-graded. The other lateral has a problematic tie-in to the sewer main, which will need to be replaced. The proposed method of repair for these sanitary service laterals will be to excavate across the road, remove the existing service laterals, and install new ones.

The condition of the sanitary services has degenerated sooner than anticipated and to the point where it is now an operational concern. Since the repair work required for the sanitary services is very similar to that required for the I&I leaks, it was decided to combine the two, to hopefully realize savings on contract overhead and mobilization.

PROCUREMENT

A competitive Invitation to Tender (ITT) procurement process was conducted, as per CRD procurement policy. One Tender Bid was received in response, as shown below:

Name of Firm	Tender Bid
Ecklundson Construction Group	\$ 63,250.00

This firm submitted a compliant bid, with no safety or environmental issues identified. This is the same firm that is currently doing work for the CRD on the Ganges WWTP Upgrade, and so far their performance has been good. Further, since they are already working on island, there should be some savings on mobilization costs.

It is estimated that the below costs will be required to complete this work:

Item	Cost
Construction Costs	\$ 63,250.00
Contingency (10%)	\$ 6,325.00
Engineering Time	\$ 3,300.00
Environmental Testing	\$ 2,000.00
Total Estimated Project Cost	\$ 74,875.00

Estimated total to complete this work is approximately \$74,875.00.

REQUEST TO TRANSFER FUNDING

The project fund for this work is currently insufficient to cover the above estimated costs. The project fund currently only has approximately \$54,000.00 available, which is less than the Total Estimated Project Cost.

The reason for the project funding shortfall is that the sanitary service repairs were not originally included in the project scope of work. This project fund was originally set up to repair the I&I leaks only.

To make up the budgetary short fall, it is proposed to reduce the planned 2018 year end transfer to the Operating Reserve Fund from \$18,150 to zero and increase the 2018 year end transfer to the Capital Reserve Fund by the same amount. This will allow a transfer of funds from the Capital Reserve Fund to the Capital Project fund in a sufficient amount for the additional work, without impacting other expenditures from the Operating Reserve and Capital Reserve Funds included in the preliminary 2019 – 2023 financial plan.

Item	Cost
Total Estimated Project Costs	\$ (74,875.00)
Available Project Budget	\$ 54,000.00
Difference	\$ (20,875.00)

The recommended transfer from the Capital Reserve Fund to the project fund is \$20,875.00.

ALTERNATIVES

Alternative 1

That the Maliview Sewer Service Commission recommends that the Capital Regional District Board amend the Five Year Financial Plan to include additional funding for the Maliview Sanitary Service and I&I project; and

- 1) that the planned 2018 year end transfer to the Operating Reserve Fund be reduced from \$18,150 to zero; and
- 2) that the 2018 year end transfer to the Capital Reserve Fund be increased by \$18,150; and
- 3) that the amount of \$20,875 be transferred from the Capital Reserve Fund to the Maliview Sanitary Service and I&I project Capital Project fund.

Alternative 2

That the Maliview Sewer Service Commission recommends that the scope of work for Construction of the Maliview Sanitary Service and I&I project be reduced to stay within the existing project budget.

IMPLICATIONS

Alternative 1:

By completing both the I&I and the more urgent sanitary services work now under one contract we are seeing some savings on mobilization and overhead costs.

Alternative 2:

By eliminating items from the scope of work, the commission will expose itself to on-going maintenance costs (if the sanitary services are eliminated from scope), and/or to potential wastewater treatment plant operating permit violations on capacity (if the I&I repairs are eliminated from scope).

CONCLUSION

The Maliview Sewer Service collection system includes a sewer main that is located on Maliview Dr., and suffers from I&I and poorly performing sanitary services. An ITT procurement process for construction services was completed to address these issues. Construction costs will exceed current available project budget. In order to keep a healthy balance in the Operating Reserve Fund it is proposed that year end transfers to operating and capital reserves be adjusted to allow for an adequate transfer from Capital Reserves to fund the project budget shortfall.

RECOMMENDATION

That the Maliview Sewer Service Commission recommends that the Capital Regional District Board amend the Five Year Financial Plan to include additional funding for the Maliview Sanitary Service and I&I project; and

- 1) that the planned 2018 year end transfer to the Operating Reserve Fund be reduced from \$18,150 to zero; and
- 2) that the 2018 year end transfer to the Capital Reserve Fund be increased by \$18,150; and
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Submitted by	Chris Davidson, P.Eng., Manager of Engineering, Salt Spring Island Electoral Area
Concurrence	Karla Campbell, Senior Manager, Salt Spring Island Electoral Area
Concurrence	Peggy Dayton, BCom, CPA, CA, Senior Financial Advisor
Concurrence	Matthew McCrank, MSc., P.Eng., Senior Manager, Infrastructure Operations
Concurrence	Robert Lapham, MCIP, RPP, Chief Administrative Officer

CD/PD:ts