



Making a difference...together

MAGIC LAKE ESTATES WATER AND SEWER COMMITTEE
 Notice of Meeting on **Tuesday, February 11, 2020 at 9:30 am.**
 Main Conference Room, 479 Island Highway, Victoria, BC

Kathy Heslop (Chair)
 Wally Foster
 David Reed

Jean Deschenes
 Director Dave Howe

Michael Fossil
 Marika Kenwell

AGENDA

1. Approval of Agenda
Recommendation: *That the agenda be approved as circulated.*
2. Adoption of Minutes of December 10, 2019
Recommendation: *That the minutes of December 10, 2019 be adopted.*
3. Committee Business
 - 3.1. Water Update (verbal report with handout)
 - 3.2. Wastewater Update (verbal report with handout)
 - 3.3. Operations Update (verbal report with handout)
 - 3.4. Grants Discussion
4. **MLE 20-01 Investing in Canada Infrastructure Program - Green Infrastructure Grant Application for the Magic Lake Estates Wastewater System Renewal Project**
Recommendation: *That the Magic Lake Estates Water and Sewer Local Services Committee recommends to the Electoral Areas Committee and the Capital Regional District Board that:*
 1. *Staff be directed to submit an application for an Investing in Canada Infrastructure Program - British Columbia – Green Infrastructure - Environmental Quality grant for the project's grant-eligible costs for the Magic Lake Estates Wastewater System Renewal Project; and,*
 2. *The recent referendum approval to borrow up to \$6 million be used to commit to the community's 26.67% share of costs for the Magic Lake Estates Wastewater System Renewal Project.*
5. New Business
6. Adjournment

Next meeting: March 10, 2020

To ensure quorum, advise Sharon Orr at 250-474-9622 or sorr@crd.bc.ca if you are unable to attend.



Making a difference...together

MINUTES OF A MEETING OF THE MAGIC LAKE ESTATES WATER AND SEWER COMMITTEE held Tuesday, December 10, 2019 in the Main Conference Room, 479 Island Highway Victoria, BC

PRESENT: **Committee Members:** K. Heslop (Chair), M. Fossil, W. Foster, J. Deschenes, M. Kenwell, D. Howe, Southern Gulf Islands Electoral Area Director (9:36 a.m.)

Staff: T. Robbins, General Manager; I. Jesney, Senior Manager, Infrastructure Engineering; M. McCrank, Senior Manager, Infrastructure Operations; M. Cowley, Manager Regional Wastewater; S. Orr (recorder)

REGRETS: D. Reed

The meeting was called to order at 9:29 a.m.

1. APPROVAL OF AGENDA

The agenda be amended as follows:

- Item 3.4 be moved to Item 3.1

MOVED by M.Fossil, **SECONDED** by M. Kenwell,
That the agenda be approved as amended.

CARRIED

2. ADOPTION OF MINUTES OF NOVEMBER 12, 2019

MOVED by M.Fossil, **SECONDED** by J. Deschenes,
That the minutes of the meeting held November 12, 2019 be adopted.

CARRIED

3. COMMITTEE BUSINESS

3.1. Grants Discussion

T. Robbins congratulated the committee on a successful referendum and stated that staff met with Ministry of Municipal Affairs and Housing to discuss the referendum results and next steps. He stated the next intake date for the *Canada-British Columbia Investing in Canada Infrastructure Program Green Infrastructure Grant* is February 26, 2020, with the announcement scheduled for 2021. The project will begin in 2020 as planned. He stated that if the Province requires modifications to the scope of services it would be best to communicate this to the ratepayers.

Director Howe joined the meeting.

A discussion took place about the grant application and staff answered questions from the committee.

3.2. Water Update (verbal report with handout)

I. Jesney presented a handout and stated that staff are awaiting information from the contractor's lawyer regarding revised schedule. He provided a background to the committee on the issue.

Staff answered questions from the committee.

3.3. Wastewater Update (verbal report with handout)

M. Cowley presented a handout and provided updates on the referendum and notification process which stated:

- The official results of the referendum from the Chief Election Officer are summarized as follows:

Yes	207	(85%)
No	36	(15%)
Total ballots cast	243	(100%)

- For comparison, in 2015, the total number of ballots cast was 220 and 57% voted "No". This time the referendum succeeded with a significant majority.
- Funds would not be available to start the planning and initiation work until February or March 2020. However, in order to commence with some planning work and to complete an application for the BC Green Infrastructure grant, the Committee could approve using funds from the Capital Reserve Fund. The deadline for the grant submission is February 26, 2020. Evaluation and announcement of the grants would likely not happen until late 2020.
- It is estimated that about \$20,000 would be needed to commence with the planning work and about \$15,000 will be needed to pay for the referendum costs, so a total of \$35,000 would enable staff to proceed sooner rather than later. The total final referendum cost will be known by the end of December.

A discussion took place about the grant application process.

MOVED by M. Kenwell, **SECONDED** by W. Foster,
That the Magic Lake Estates Water and Sewer Committee use \$35,000 from capital reserves to fund the grant process and pay for the referendum costs.

CARRIED

Staff answered questions from the committee.

3.4. Operations Update (verbal report with handout)

M. McCrank presented a handout and provided the following update:

Water Operations Highlights:

- Corrective maintenance of broken chemical supply line (poly aluminum chloride) at the Magic Lake Water Treatment Facility.

- Replacement of a damaged water meter located at the Chart Drive wastewater pump station site.

Wastewater Operations Highlights:

- Corrective maintenance of a broken Ultra-violet lamp at the Schooner Wastewater Treatment Facility.

Staff answered questions from the committee about maintenance.

4. NEW BUSINESS

Discussion took place and staff replied to questions from the committee regarding:

- Presence of blue green algae against the dam on Buck Lake.
- Water runoff from surrounding properties.
- Temporary use permits.

5. ADJOURNMENT

The Magic Lake Estates Water and Sewer Committee meeting was adjourned at 10:30 a.m.

Chair

Secretary

**REPORT TO MAGIC LAKE ESTATES WATER AND SEWER LOCAL SERVICES COMMITTEE
MEETING OF TUESDAY, FEBRUARY 11, 2020**

SUBJECT **Investing in Canada Infrastructure Program - Green Infrastructure Grant
Application for the Magic Lake Estates Wastewater System Renewal Project**

ISSUE SUMMARY

A Capital Regional District (CRD) Board resolution is required to endorse the *Investing in Canada Infrastructure Program (ICIP) - Green Infrastructure – Environmental Quality*, grant application for the Magic Lake Estates (MLE) wastewater system renewal project.

BACKGROUND

Staff have been working with the MLE Water and Sewer Committee and the community to address the issues facing the aging and failing sewer infrastructure in Magic Lake Estates. The condition of the MLE wastewater infrastructure has been well documented in past reports and presented at a number of Public Open House meetings held on November 22, 2014; June 6, 2015; February 27, 2016; and April 27, 2019. On November 23, 2019, the electors of the MLE sewer service approved borrowing \$6 million to complete Phase 1 upgrade to the system.

The estimated cost to complete the entire upgrades (Phase 1, 2 and 3) is about \$12.15 million. Therefore, at its meeting held December 10, 2019, the committee directed staff to proceed with the preparation of the ICIP grant application to help fund the remainder of the project. The new grant program will fund up to 73.33% of eligible costs with the MLE sewer property owners funding the remaining eligible costs of 26.67% plus any ineligible project costs. The 2020 intake (which has an application deadline of February 26, 2020) is the second intake under this program and is to support cost sharing of infrastructure projects in communities across the province.

Project Overview

The proposed scope of work to complete the entire project (Phase 1, 2 and 3) was summarized on an information board that was presented at the April 27, 2019 open house (see Attachment 1).

The new grant program will fund upgrades that promote environmental quality improvements including upgrades to Schooner wastewater treatment plant (WWTP), decommissioning of Cannon WWTP (by pumping to Schooner), and upgrades at all six pump stations. The program will not fund upgrades related to sewer and manhole replacement as the Province believes that the replacement of aging sewers to be the local utility's responsibility.

Project Costing

- Total eligible costs are estimated at about \$7.35 million including engineering and contingency amounts.
- Reimbursable costs are estimated at \$5.39 million (73.33% of \$7.35 million).
- Ineligible costs are estimated at \$4.8 million (for sewer pipe and manhole replacement).
- Total costs to be borne by the MLE sewer property owners are estimated at \$1.96 million (26.67% of \$7.35 million) plus ineligible costs of \$4.8 million which totals \$6.76 million.

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the Magic Lake Estates Wastewater System Renewal Project **2**

Project Funding

As noted, the grant program could provide up to \$5.39 million and the MLE sewer property owners would be responsible for \$6.76 million. The MLE sewer service electors recently approved borrowing up to \$6 million, so the remaining \$0.76 million would have to be either trimmed from the scope or funded from the MLE sewer capital reserve fund (CRF) in the future (the CRF only has about \$0.22 million at the end of 2019).

Because the MLE sewer property owners have already approved funding up to \$6 million, that could make the ICIP grant application more favourable to senior governments due to the certainty of the community's commitment.

ALTERNATIVES

Alternative 1

That the Magic Lake Estates Water and Sewer Local Services Committee recommends to the Electoral Areas Committee and the Capital Regional District Board that:

1. Staff be directed to submit an application for an *Investing in Canada Infrastructure Program - British Columbia – Green Infrastructure - Environmental Quality* grant for the project's grant-eligible costs for the Magic Lake Estates Wastewater System Renewal Project; and,
2. The recent referendum approval to borrow up to \$6 million be used to commit to the community's 26.67% share of costs for the Magic Lake Estates Wastewater System Renewal Project.

Alternative 2

That the Magic Lake Estates Water and Sewer Local Services Committee directs staff not to proceed with a grant application to the *Investing in Canada Infrastructure Program (ICIP) - Green Infrastructure – Environmental Quality* program.

IMPLICATIONS

If the recommendation is approved, staff will complete and submit the grant application at an estimated cost of \$10,000. The Committee approved the cost to complete the application from the Capital Reserve Fund at its meeting held December 10, 2019. Should the grant be approved, there could be up to a \$5.39 million benefit to the community. Should the grant not be approved, Phase 1 of the project can still commence at an estimated cost of \$6 million that was approved by referendum. Improvements to the wastewater system are required and will start to bring the service back into compliance with the regulations and benefit the environment.

CONCLUSION

At the request of the Magic Lake Estates Water and Sewer Local Services Committee, staff have commenced with preparing an application to the *Investing in Canada Infrastructure Program*. A resolution from the Capital Regional District Board is required to endorse the application. The deadline for submitting the grant application is February 26, 2020.

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Investing in Canada Infrastructure Program - Green Infrastructure Grant Application for
the Magic Lake Estates Wastewater System Renewal Project **3**

RECOMMENDATION

That the Magic Lake Estates Water and Sewer Local Services Committee recommends to the Electoral Areas Committee and the Capital Regional District Board that:

1. Staff be directed to submit an application for an *Investing in Canada Infrastructure Program - British Columbia – Green Infrastructure - Environmental Quality* grant for the project's grant-eligible costs for the Magic Lake Estates Wastewater System Renewal Project; and,
2. The recent referendum approval to borrow up to \$6 million be used to commit to the community's 26.67% share of costs for the Magic Lake Estates Wastewater System Renewal Project.

Submitted by:	Malcolm Cowley, P.Eng., Manager Wastewater Engineering and Planning
Concurrence:	Ian Jesney, P.Eng., Senior Manager, Infrastructure Engineering
Concurrence:	Ted Robbins, B. Sc., C. Tech., General Manager, Integrated Water Services
Concurrence:	Robert Lapham, M.C.I.P., R.P.P., Chief Administrative Officer

ATTACHMENT

Attachment 1: Magic Lake Estates Open House Board – Proposed Phased Upgrades and Costs

CRD INTEGRATED WATER SERVICES | MAGIC LAKE ESTATES WASTEWATER SYSTEM

Proposed Phased Upgrades and Costs

Phase 1: Initial Upgrades

Proposed Upgrades	Cost Estimate (2019 \$)
Improvements at Schooner WWTP: <ul style="list-style-type: none"> • Sewage screen and grit removal • New equalization tank • Electrical upgrades (with temp seacan building) • Standby generator 	\$1.7M
Renew 3 Pump Stations (Buccaneer, Galleon and Schooner) <ul style="list-style-type: none"> • Pumps • Valves • Piping • Electrical kiosk 	\$1.1M
Pipe Replacement: <ul style="list-style-type: none"> • Replace 4.6km of failing asbestos cement pipe • Rehabilitate 84 manholes • Install 0.75km of 100mm PVC forcemain (in common trench) for future Cannon Pump Station 	\$3.2M
Total	\$6M

Phase 2: Second Phase

Proposed Upgrades	Cost Estimate (2019 \$)
Improvements at Schooner WWTP: <ul style="list-style-type: none"> • Add second aeration tank • Replace clarifiers • Electrical upgrades in a permanent building 	\$2.1M
Replace Cannon WWTP: <ul style="list-style-type: none"> • Install new pump station to divert flow to Schooner WWTP • Decommission Cannon WWTP 	\$0.9M
Total	\$3M

Phase 3: Final Upgrades

Proposed Upgrades	Cost Estimate (2019 \$)
Improvements at Schooner WWTP: <ul style="list-style-type: none"> • Replace manual sludge thickening tanks with new thickening system 	\$0.7M
Renew 3 Remaining Pump Stations: (Capstan, Cutlass and Masthead) <ul style="list-style-type: none"> • Pumps • Valves • Piping • Electrical Kiosk 	\$0.85M
Pipe Replacement: <ul style="list-style-type: none"> • Replace 1.8km of failing asbestos cement pipe • Rehabilitate 36 manholes 	\$1.6M
Total	\$3.15M