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MAGIC LAKE ESTATES WATER AND SEWER COMMITTEE

Notice of Meeting on **Tuesday, May 12, 2020 at 9:30 am**

Main Conference Room, 479 Island Highway, Victoria, BC

During the COVID-19 pandemic, Committee meetings will be held electronically and will not be open to the public pursuant to [Ministerial Order 083](#).

Kathy Heslop (Chair)

Jean Deschenes

Michael Fossil

Wally Foster

Director Dave Howe

Marika Kenwell

David Reed

AGENDA

1. Approval of Agenda
Recommendation: *That the agenda be approved.*
2. Adoption of Minutes of February 11, 2020
Recommendation: *That the minutes of February 11, 2020 be adopted.*
3. Committee Business
 - 3.1. Water Update
 - 3.2. Operations Update
 - 3.3. Grants Discussion
4. MLE 20-01 Magic Lake Estates Sewer Upgrades RFP 2020-578 Consulting Services Contract
Recommendation: *That the Magic Lake Estates Water and Sewer Committee direct staff to:*
 1. *Proceed with awarding a contract to Stantec Consulting Ltd. in the amount of \$163,085.83 including 5% disbursements (excluding taxes);*
 2. *Approve a provision for an increase of fees up to a maximum of \$281,174.10 to complete the entire 6.3km sewer replacement design, should the grant be received.*
5. Correspondence
 - 5.1. Letter from Island Health, dated February 20, 2020, re: Investing in Canada Infrastructure Program Grant Support
Recommendation: *That the correspondence from Island Health be received for information.*
6. New Business
7. Adjournment

Next meeting: At the call of the Chair

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

MINUTES OF A MEETING OF THE MAGIC LAKE ESTATES WATER AND SEWER COMMITTEE held Tuesday, February 11, 2020 in the Main Conference Room, 479 Island Highway Victoria, BC

PRESENT: **Committee Members:** K. Heslop (*via-teleconference*), M. Fossil, W. Foster, J. Deschenes, M. Kenwell, D. Howe, Southern Gulf Islands Electoral Area Director (*acting Vice Chair*)

Staff: I. Jesney, Senior Manager, Infrastructure Engineering; M. McCrank, Senior Manager, Infrastructure Operations; S. Orr (recorder)

REGRETS: D. Reed

The meeting was called to order at 9:29 am.

1. APPROVAL OF AGENDA

The agenda be amended as follows:

- 2. Election of Vice Chair
- 6. New Business – Grant Correspondence

MOVED by W. Foster, **SECONDED** by J. Deschenes,
That the February 11, 2020 agenda be approved as amended.

CARRIED

2. ELECTION OF VICE-CHAIR

Acting Vice Chair called for nominations for the position of Vice-Chair of the Magic Lake Estates Water and Sewer Committee for the term.

- M. Kenwell nominated M. Fossil, M. Fossil accepted the nomination.
- Acting Vice Chair called for nominations a second time.
- Acting Vice Chair called for nominations a third and final time.
- Hearing no further nominations, M. Fossil was appointed Vice Chair of the Magic Lake Estates Water and Sewer Committee for the term.

3. ADOPTION OF MINUTES OF DECEMBER 10, 2019

MOVED by W. Foster, **SECONDED** by M. Kenwell,
That the minutes of the meeting held December 10, 2019 be adopted.

CARRIED

4. COMMITTEE BUSINESS

4.1. Water Update (verbal report with handout)

I. Jesney presented a handout and updated the committee on the ongoing issue with regard to pipe replacement at the water treatment plant.

4.2. Wastewater Update (verbal report with handout)

I. Jesney presented a handout and stated:

- Staff are preparing all of the documentation required for the Infrastructure Program - British Columbia – Green Infrastructure - Environmental Quality grant application.
- A resolution from the CRD Board is required to endorse the application.

- Letters of support have been received.

Next Steps for Grant Application:

- Complete and submit the grant application.
- Commence with preparing a project plan for the project.
- Commence with preparing a Request for Proposal to retain a design consultant for the sewer and manhole replacement work.

Staff answered questions from the committee about the grant application and the project plan.

4.3. Operations Update (verbal report with handout)

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

Water Operations Highlights:

- Several water services were turned off due to leaks on the property owners' side of the system.
- Emergency response to wind and rain storm event on January 10, 2020. Several power outages at various facilities due to trees downed across power lines.
- Emergency response to system failure at the Water Treatment Plant.
- Air valve assembly leak repair near 2604 Shoal Road.
- Water service connection installed at 36123 Galleon Way.

Wastewater Operations Highlights:

- Marine environmental monitoring performed by CRD Environmental Protection Division at the Cannon Wastewater Treatment Plant outfall. Marine monitoring is required when there is more than three consecutive days of daily permitted flow exceedances for the facility.
- Sewer service connection installed for 36123 Galleon Way.
- Significant troubleshooting performed at the Chart Drive Sewage Lift Station. A pump check-valve was found to not be functioning correctly and required replacement.
- Several emergency responses to both Schooner and Cannon Wastewater Treatment Facilities due to daily flow exceedances due to significant heavy rainfall events.

Staff answered questions from the committee about water run-off from commercial properties.

4.4. Grants Discussion

A discussion took place about applying for other grants and if it would be a conflict with the Infrastructure Program - British Columbia – Green Infrastructure - Environmental Quality grant application.

5. MLE 20-01 INVESTING IN CANADA INFRASTRUCTURE PROGRAM - GREEN INFRASTRUCTURE - ENVIRONMENTAL QUALITY GRANT APPLICATION FOR THE MAGIC LAKE ESTATES WASTEWATER SYSTEM RENEWAL PROJECT

I. Jesney introduced the report and stated that staff are preparing an application for the grant and a resolution from the Capital Regional District Board is required to endorse the application.

MOVED by W. Foster, **SECONDED** by M. Kenwell,

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.

CARRIED

6. NEW BUSINESS

6.1. Grant Correspondence

I. Jesney presented the following letters of support for the Investing in Canada Infrastructure Program - British Columbia – Green Infrastructure - Environmental Quality grant application:

- Letter dated January 23, 2020 from the Island Stream and Salmon Enhancement Society.
- Letter dated February 7, 2020, from the Ministry of Environment.
- Letter dated January 29, 2020, from the Pender Islands Conservancy Association.

MOVED by M. Kenwell, **SECONDED** by J. Deschenes,

That the letters of support for Investing in Canada Infrastructure Program - British Columbia – Green Infrastructure - Environmental Quality grant application be received for information.

CARRIED

7. ADJOURNMENT

The Magic Lake Estates Water and Sewer Committee meeting was adjourned at 9:55 am.

Chair

Secretary

#MLE2020-02

**REPORT TO MAGIC LAKE ESTATES WATER AND SEWER COMMITTEE
MEETING OF TUESDAY, MAY 12, 2020**

**SUBJECT MAGIC LAKE SEWER UPGRADES REQUEST FOR PROPOSALS (RFP)
2020-578 – RECOMMENDATION FOR CONSULTING SERVICES CONTRACT**

ISSUE SUMMARY

To summarize the review of proposals received for the Magic Lake Estates Sewer Upgrades and recommend awarding a consulting services contract.

BACKGROUND

The Capital Regional District (CRD) requires an engineering consultant to provide services associated with the design, tendering and construction administration of sewer and manhole replacement work. The upgrades are required to address failing infrastructure and capacity issues. This work is a part of the \$6 million – Phase 1 Infrastructure Renewal program that was approved by the Magic Lake Estates Water and Sewer Committee (the Committee) and the Electors (by referendum) in 2019. The CRD has also applied for an Investing in Canada Infrastructure Grant for additional funds that, if received, would complete almost all of Phase 2 and Phase 3 work (see attached February 11, 2020 staff report). The announcement of successful grant applications is anticipated in Q1, 2021. In the meantime, the Committee directed staff to undertake about \$2 million of the sewer pipe replacement work in 2020, which will help to lower inflow and infiltration and overflows, but reserve enough funds for the community's 26.67% share of the grant and the other ineligible costs. The breakdown of the scope and potential various funding sources is provided in the following table:

DESCRIPTION	BUDGET ESTIMATE		
	Phase 1	Phase 2	Phase 3
<u>Phase 1</u>			
Schooner WWTP Headworks *	\$1.7M *		
Renew 3 Pump Stations *	\$1.1M *		
Replace 4.6km Pipe & 84 manholes	\$3.2M		
<u>Phase 2</u>			
Replace Cannon WWTP with Pump Station *		\$0.9M *	
Increase capacity of Schooner WWTP *		\$2.1M *	
<u>Phase 3</u>			
Schooner WWTP Sludge Thickening *			\$0.7M *
Renew 3 remaining Pump Stations *			\$0.85M *
Replace 1.8 km Pipe and 36 manholes			\$1.6M
TOTAL	\$6M	\$3M	\$3.15M
Senior Government Share of Grant (73.33%)	\$5.39M	(if received)	
Local Taxpayer Share of Grant (26.67%)	\$1.96M	(~\$6.8M)	
Local Taxpayer Share of Ineligible Costs	\$4.8M		
Total of Potential Funding Sources	\$12.15M		

* - these items/costs were included in the grant application

Magic Lake Estates Water and Sewer Committee – May 12, 2020
Sewer Upgrades RFP 2020-578 – Recommendation for Consulting Services Contract 2

If the grant is received, the CRD could then commence with the remainder of Phase 1 including a majority of Phase 2 and 3 in 2021 and 2022. Less sewer pipe would have to be installed if the local taxpayer share is not to exceed \$6 million. If the grant is not received, the remainder of Phase 1 would be completed in 2021.

The scope of work provided in the RFP was broken down into high and medium priority sewer and manhole replacement work. High priority work includes: about 3.1 kilometer (km) pipe length and medium priority work includes an additional 3.2km of pipe length.

In order to realize potential cost efficiencies and to determine what the total consulting costs would be to complete the sewer design work for the entire 6.3km sewer pipe replacement, two cost proposals were requested (one just for the 3.1km high priority work and a second one for the entire 6.3km pipe replacement work). Proposals were evaluated on the 3.1km high priority work but it is intended to reserve the right to add the 3.2km additional scope onto the consultant contract if the grant is received.

PROPOSAL REVIEW

The RFP was issued on March 26, 2020, and closed on April 23, 2020. Eleven proposals were received and reviewed by the Evaluation Team in accordance with the CRD Procurement Policy as described within the RFP document. The results are summarized in the table below:

Proponents	Technical Score	Financial Scope (Fees & Disbursements)		Total	Ranking
	Ave. Score/700	\$	Score	Score	#
Stantec Consulting Ltd.	581	\$163,086	300	881	1
Kerr Wood Leidal	579	\$174,180	280	859	2
OnPoint Project Engineers	495	\$172,799	282	777	3
WSP	499	\$189,866	251	750	4
McElhanney Ltd.	581	\$268,906	105	686	5
Herold Engineering	469	Did not open		n/a	n/a
Westbrook Consulting Ltd.	467	Did not open		n/a	n/a
Onsite Engineering Ltd.	461	Did not open		n/a	n/a
CCI Inc.	444	Did not open		n/a	n/a
Ecora Engineering	451	Did not open		n/a	n/a
MSR Solutions Inc.	341	Did not open		n/a	n/a

Based on the CRD Procurement Policy, all proponents are evaluated on their technical proposals first and financial proposals are only opened for the proponents who are within 15% of the highest technical score. For this proposal, the highest technical score was 581 and the cut-off was then set at $(581 - 15\% \times 581) = 494$, which resulted in several financial proposals not being opened.

Stantec Consulting Ltd. (Stantec) received the highest technical score tied with McElhanney. However, McElhanney had the highest cost, thus resulting in the lowest financial score (out of the

five that were opened). Therefore, based on the above, Stantec's proposal received the highest total score.

Stantec has specific project background, the appropriate experience/expertise, and contain the necessary specialists to complete this work. Team members from Stantec have provided engineering services for many successful CRD projects in the past.

Stantec's fee proposal is within the budget estimate for this project. Stantec has also confirmed that, should the grant be received in Q1 2021, the additional scope could be added to design the remaining 3.2km of sewer replacement work onto their contract at an estimated additional cost of about \$118,088 for a total of \$281,174.10. Stantec also indicated that should the survey, geotechnical, and base plan preparations of the entire 6.3km pipe replacement be completed now, it would add about \$43,000 to their total proposal cost. If the survey and geotechnical work for the additional pipe replacement is done at a later date, it would cost about \$20,000 more due to additional remobilization.

ALTERNATIVES

Alternative 1

That the Magic Lake Estates Water and Sewer Committee direct staff to:

1. Proceed with awarding a contract to Stantec Consulting Ltd. in the amount of \$163,085.83 including 5% disbursements (excluding taxes);
2. Approve a provision for an increase of fees up to a maximum of \$281,174.10 to complete the entire 6.3km sewer replacement should the grant be received.

Alternative 2

That the Magic Lake Estates Water and Sewer Committee refer this report back to staff for additional information.

IMPLICATIONS

Stantec's fee proposal is within the budget estimate for this assignment. If awarded a contract in May 2020, it is anticipated that the design could be complete by early fall. A decision will then be required to determine whether to tender the work for winter construction or wait so work could commence in early spring 2021. Response protocols and financial implications related to the COVID-19 pandemic should also be considered prior to tendering for construction.

CONCLUSION

A RFP was issued to retain an engineering consultant to provide services associated with the design, tendering and construction administration of sewer and manhole replacement work. Eleven proposals were received and there were several good technical submissions. The proposals were evaluated in accordance with the CRD's Procurement Policy and Stantec's proposal received the highest total score.

RECOMMENDATION

That the Magic Lake Estates Water and Sewer Committee direct staff to:

1. Proceed with awarding a contract to Stantec Consulting Ltd. in the amount of \$163,085.83 including 5% disbursements (excluding taxes);
2. Approve a provision for an increase of fees up to a maximum of \$281,174.10 to complete the entire 6.3km sewer replacement design, should the grant be received.

Submitted by:	Malcolm Cowley, P.Eng. Manager, Wastewater Engineering & 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, MCIP, RPP, Chief Administrative Officer

ATTACHMENT

Appendix A: Staff report dated February 11, 2020

**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.

Magic Lake Estates Water and Sewer Committee – February 11, 2020
Investing in Canada Infrastructure Program - Green Infrastructure Grant Application for
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.

Magic Lake Estates Water and Sewer Committee – February 11, 2020
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

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

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Item #5.1

February 20, 2020

Brian Bedford, Director Local Government Infrastructure
Ministry of Municipal Affairs and Housing
PO Box 9838 Stn Prov Govt
Victoria BC V8W 9T1

Dear Mr. Bedford:

**Re: Investing in Canada Infrastructure Grant Program
Support Letter for the Magic Lakes Estates Wastewater Upgrade Project**

We understand that the Capital Regional District (CRD) is submitting a grant application to upgrade the Magic Lake Estates wastewater system with the main objectives of improving treatment and protecting public health and the environment.

Island Health supports the CRD grant application for the proposed improvements to the wastewater collection and treatment systems. These improvements will provide greater reliability to collect and treat wastewater without overflows into the environment. In particular, we support the replacement of leaking sewer pipes and upgrades to the sewage collection stations to provide better protection against potential contamination to the water distribution system as well as protecting Buck Lake and Magic Lake which are the raw water sources for drinking water for about 1200 residents in Magic Lake Estates.

If you have any questions, please contact Craig Nowakowski at 250.519.3653 or email at craig.nowakowski@viha.ca.

Yours sincerely,



Murray Fyfe MD, MSc, FRCPC
Medical Health Officer

cc: Kathy Heslop, Chair, Magic Lake Estates Sewer and Water Committee
Malcolm Cowley, PEng, Manager, Wastewater Engineering and Planning, CRD

Office of the Chief Medical Health Officer

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