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**REPORT TO SAANICH PENINSULA WASTEWATER COMMISSION
MEETING OF FRIDAY, JUNE 18, 2010**

SUBJECT **SAANICH PENINSULA WASTEWATER TREATMENT PLANT THERMAL ENERGY RECOVERY PROJECT – POTENTIAL SYSTEM EXTENSION TO SERVE CENTRE FOR PLANT HEALTH**

PURPOSE

The purpose of this staff report is to seek approval to conduct a business case analysis to determine the feasibility of supplying waste heat to the Centre for Plant Health (CPH).

BACKGROUND

The Saanich Peninsula Wastewater Treatment Plant (SPWWTP) thermal energy recovery system is currently under construction and is scheduled to be completed by the end of this year. The original scope of this project was to build the transmission system including all pumping and piping infrastructure needed to serve the SPWWTP administration building, Panorama Recreation Centre (PanRec), CPH and the nearby elementary school. The original scope would also include the installation of heat pumps, heat exchangers, heat transfer coils and controls at the SPWWTP and PanRec. However, due to budget constraints, the scope of the project was reduced to stay within the budget by deferring the construction of the infrastructure extension to serve the school, CPH and the SPWWTP administration building. The scope reduction would therefore only allow heat to be utilized at PanRec until additional funding is available for extending the supply pipeline to the other potential users.

The facilities manager at the CPH contacted the Capital Regional District (CRD) in March 2010 to discuss the possibility of connecting into the SPWWTP energy recovery system to provide heat to their facilities. On May 6, 2010, CRD staff met with the Canadian Food Inspection Agency (CFIA) facilities management team and gave a presentation on how the SPWWTP thermal energy recovery project might benefit their operations.

In order to define the scope of work, cost of construction and the economic benefits of the project, a business case analysis will need to be prepared. The estimated cost for the business case analysis is \$15,000, of which CFIA has committed to contributing \$5,000 towards its preparation.

ALTERNATIVES

1. That the Saanich Peninsula Wastewater Commission approve an allocation of \$10,000 from the reserve fund to conduct the business case analysis.
2. That the Saanich Peninsula Wastewater Commission direct staff not to proceed with the business case analysis for extending the system to the Centre for Plant Health.

FINANCIAL IMPLICATIONS

The estimated cost for the business case analysis is \$15,000. If the funding is approved by the Saanich Peninsula Wastewater Commission, it will be drawn from the Saanich Peninsula Wastewater System Sewer Debt Reserve Fund, which has \$878,697 remaining as of May 31, 2010.

SUMMARY

The CFIA is interested in participating with the SPWWTP thermal heat recovery system to utilize sewage waste heat to reduce the natural gas consumption and carbon footprint. The CFIA has committed to contribute \$5,000 towards the estimated \$15,000 cost of the business case analysis.

RECOMMENDATION

That the Saanich Peninsula Wastewater Commission approve:

1. the preparation of a business case analysis to determine the scope, cost and economic benefits of extending the system to supply waste heat to the Centre for Plant Health; and
2. the expenditure of \$10,000 from the Saanich Peninsula Wastewater System Sewer Debt Reserve Fund, which has \$878,697 remaining as of May 31, 2010.

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