

BOARD REPORT

TO: Chair and Directors

File No: 5600 56 01

SUBJECT: Electoral Area C Community Works Fund - Sunnybrae Waterworks Acquisition and Upgrade

DESCRIPTION: Report from Terry Langlois, Team Leader Utilities, dated November 23, 2018. Authorization to access the Community Works Fund monies from the Electoral Area C allocation for the Sunnybrae Waterworks Acquisition and Upgrade.

RECOMMENDATION: THAT: in accordance with Policy No. F-3 "Community Works Fund - Expenditure of Monies" access to the Community Works Fund be approved for up to \$50,000 plus applicable taxes from the Electoral Area C Community Works Fund allocation for costs associated with the Sunnybrae Waterworks acquisition and upgrade project, this 7th day of December, 2018.

SHORT SUMMARY:

The Sunnybrae Waterworks upgrade project was initiated in two phases. The first phase consisted of the development and directional drilling of a deep water intake, and construction of the wet well. The second phase consists of a new pumping system, the construction of the pump house and the decommissioning of the old pump house structure. The project received a Strategic Priorities Fund grant in the amount of \$1.7 Million dollars. Due to numerous unforeseen scope changes identified throughout the project, the water system budget is currently in a deficit. The water system is anticipating substantial expansion in the near future that will require a large reserve contribution from the expansion area, which will allow for the monies to be repaid to the Area C Community Works Fund should that occur.

VOTING: Unweighted Corporate LGA Part 14 (Unweighted) Weighted Corporate Stakeholder (Weighted)

BACKGROUND:

The Sunnybrae Water System has a long history of water quality issues. In 2010, the owner of the utility abandoned the system, leaving the management and operation of the system to the water users. The community asked the CSR D for assistance and in May of 2010, an Engineering Assessment of the system was completed. A Strategic Priorities Gas Tax Grant was awarded to the CSR D to upgrade this system in 2016. However project contingencies were exceeded due to a number of unforeseen costs associated with both the project and acquisition of the water system.

POLICY:

Policy No. F-3 "Community Works Fund - Expenditure of Monies" states that the expenditure of monies from the Community Works Fund will be approved by the Board.

FINANCIAL:

Funds will be allocated from the Electoral Area C Community Works Fund allocation. The Electoral Area Director has provided verbal support to this initiative. The funds may be repaid from future connections should they occur.

The balance of the Area C Community Works Fund (Gas Tax) at November 30, 2018 is approximately \$994,000 after all previously approved commitments. The 2018 distribution is included in the above amount. Expenditure of the funds will be in accordance with the 2014-2024 Agreement between the UBCM and CSRD, dated July 7, 2014.

KEY ISSUES/CONCEPTS:

As per Policy No. F-3 "Electoral Area Community Works Fund - Expenditure of Monies" authorization to expend monies from the Community Works Fund must be approved by the Board.

DESIRED OUTCOMES:

The Board will endorse the recommendation to allow for the budget shortfall to be accounted for.

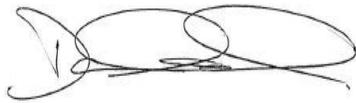
BOARD'S OPTIONS:

1. *Endorse the Recommendation.*
2. *Deny the Recommendation.*
3. *Defer.*
4. *Any other action deemed appropriate by the Board.*

Report Approval Details

Document Title:	Sunnybrae Waterworks CWF dec2018.docx
Attachments:	
Final Approval Date:	Nov 26, 2018

This report and all of its attachments were approved and signed as outlined below:



Darcy Mooney - Nov 23, 2018 - 2:16 PM



Jodi Pierce - Nov 23, 2018 - 3:01 PM

No Signature - Task assigned to Lynda Shykora was completed by assistant Jennifer Sham

Lynda Shykora - Nov 26, 2018 - 3:06 PM



Charles Hamilton - Nov 26, 2018 - 3:15 PM