



Making a difference...together

CEDAR LANE WATER SERVICE COMMISSION

Notice of Special Meeting on **Monday, March 21 at 9:00 AM**
Heron's Nest Portable, 262 Rainbow Road, Salt Spring Island, BC

Gary Holman

Jason Griffin

Cathy Lenihan (r)

Marianne Hobbs

(r) regrets

Zoom Link:

<https://us06web.zoom.us/j/82615013513?pwd=N1BHUCsyemZJWjBYRHQ5aFVhQXR4dz09>

AGENDA

1. Territorial Acknowledgement / Call Meeting to Order
 2. Approval of Agenda 1
 3. Approval of Minutes of January 10, 2022 2-5
 4. Director, Chair and Commissioner Reports
 5. New Business
 - 5.1 Cedar Lane Manganese Treatment System - Engineering Design Contract Award 6-9
- That the Cedar Lane Water Services Commission recommends that the Capital Regional District Board that the Cedar Lane Water service Five Year Financial Plan to be amended:
1. To increase the project budget by \$7,400 from \$61,500 to \$68,900 funded from CRF for Manganese Treatment System Project Phase 1 Engineering Design; and
 2. To decrease the project budget by \$5,000 from \$10,000 to \$5,000 funded from CRF for the Public Approval for borrowing.
6. Outstanding Business - None
 7. Adjournment

To ensure quorum, advise Shayla Burnham 250 537 4448 if you cannot attend.



Making a difference...together

**Minutes of the Cedar Lane Water Service Commission Special Business Meeting
Held Monday, January 10, 2022 at the Salt Spring Island Library, 129 McPhillips Avenue,
BC**

DRAFT

Present: **CRD Director:** Gary Holman
Commission Members: Jason Griffin, Marianne Hobbs and Cathy Lenihan
Staff: Karla Campbell, Senior Manager, Salt Spring Island Electoral Area, Dean Olafson, Manager SSI Engineering, Dan Robson, Manager, Saanich Peninsula and Gulf Islands Operations (Via Zoom), Christoph Moch, Manager, Water Quality Operations, Environmental Protection (Via Zoom), and Shayla Burnham, Recording Secretary

1. Territorial Acknowledgement / Call Meeting to Order

Chair Griffin provided the Territorial Acknowledgement and called the meeting to order at 10:15 am.

2. Limited Space Meeting Resolution

MOVED by Commissioner Griffin, **SECONDED** by Commissioner Hobbs, that this resolution applies to the Cedar Lane Water Service Commission for the meeting being held on January 10, 2022, and that the attendance of the public at the place of the meeting will be limited in accordance with the applicable requirements or recommendations under the Public Health Act, despite the best efforts of the Commission because:

- a. The available meeting facilities cannot accommodate more than (43) people in person, including members of the Commission and staff, and
- b. There are no other facilities presently available that will allow physical attendance of the Commission and the public in sufficient numbers; and

That the Commission is ensuring openness, transparency, accessibility and accountability in respect of the open meeting by the following means:

- a. By making the meeting agenda, as well as the other relevant documents, available on the CRD website, and directing interested persons to the website by means of the notices provided in respect of the meeting,
- b. By making the minutes of the meeting available on the CRD website following the meeting.

CARRIED

3. Approval of Agenda

MOVED by Commissioner Griffin, **SECONDED** by Commissioner Lenihan, that the Cedar Lane Water Service Commission Agenda of January 10, 2022 be approved as amended by moving item 6.1 to 6.3, adding item 6.1 Sampling Data Discussion and, item 6.2 Request for Proposal (RFP) Process that Led to the Selection of Contractor.

CARRIED

4. Adoption of Minutes – None

5. Chair's Report

Chair Griffin briefly reported:

- Expressed there was a lack of communication between staff and the Commission.

6. New Business

6.1 Sampling Data Discussion

- The Commission requested staff clarify the large spikes in manganese testing recorded on July 21, 2021 and September 13, 2021 and staff responded that different operators and lengths of draw could have had an effect on the data but could not confirm. However, staff confirmed that manganese testing from the source was consistently high and that a new system would remove the majority of manganese from the water source.
- The Commission asked staff if any investigation into the two large spikes in data had been completed and staff confirmed it had not.
- The Commission requested staff compare maintenance completion dates against the manganese data spikes and report back.
- Staff confirmed both the Surfside Park Estates Water System on Mayne Island and the Magic Lake Estates Wastewater System on Pender Island have manganese removal systems in place.
- Staff confirmed different manganese removal system designs are required for different water systems.
- The Commission asked staff if any toxicology testing or investigation had been completed for independent residences within the Cedar Lane Water Service area and staff responded it had not, further confirming that CRD is responsible for providing potable water from the source.
- The Commission asked staff how often system flushing was completed and staff confirmed annually with an option for spot flushing if needed.
- It was asked when the annual flushing date was completed in 2021 and staff confirmed April 2021.
- Staff confirmed the system pipes range from 25ml to 150ml in size and noted that "pigging" was most likely not an option however, this could be confirmed with the engineering consultant hired to complete the design.
- The Commission requested staff provide a copy of the six month manganese data report being submitted to Island Health and staff confirmed that once the report was complete they would provide it to the Commission.
- The Commission requested manganese results following the most recent reservoir cleaning and staff confirmed they would provide this to the Commission.

6.2 Request for Proposal (RFP) Process that Led to the Selection of Contractor

- The Commission expressed frustration towards being uninvolved in the RFP process.
- Staff confirmed the RFP went out to public through BC Bid and that notification had been posted to the public CRD website.
- Staff confirmed the deadline of the RFP had closed.

- The Commission requested staff extend the RFP due to a known applicant expressing low cost estimates in order to complete the required updates.
- Staff confirmed professional engineers are responsible for the RFP design.
- Staff confirmed the RFP had not be awarded.
- Staff confirmed no local bids had been submitted.
- The Commission asked if a design build approach was an option and staff confirmed design builds are usually only completed during large capital projects.
- Staff confirmed the completion date CRD provided to Island Health was 2023.
- Staff reminded the Commission that the voter approval process can be lengthy.

MOVED by Commissioner Griffin, **SECONDED** by Commissioner Hobbs, that the Cedar Lane Water Service Commission request staff include the Commission in a timely manner on communications with internal and external agencies where a significant impact on the budget or capital plan occurs.

CARRIED

MOVED by Commissioner Griffin, **SECONDED** by Commissioner Lenihan, that the Cedar Lane Water Service Commission request staff re-issue the Request for Proposal (RFP) for the Cedar Lane water system manganese treatment upgrade design.

CARRIED

- The Commission asked if community works funds were available and staff confirmed.
- The Commission requested test results from December 2021. Staff confirmed when the results returned from the lab they would provide them to the Commission.

MOVED by Commissioner Griffin, **SECONDED** by Commissioner Hobbs, that the Cedar Lane Water Service Commission request staff continue manganese testing on the Cedar Lane Water System for and additional six months.

DENIED

6.3 Cedar Lane Manganese Treatment System and Engineering Designs

- Discussion recorded in item 6.1 and 6.2.

7. Next Meeting – TBD

8. **Adjournment**

MOVED by Commissioner Griffin, **SECONDED** by Commissioner Lenihan, that the meeting be adjourned at 12:34 pm.

CARRIED

CHAIR

SENIOR MANAGER

**REPORT TO CEDAR LANE WATER SERVICE COMMISSION
MEETING OF MONDAY, MARCH 21, 2022**

SUBJECT **Cedar Lane Manganese Treatment System - Engineering Design Contract Award**

ISSUE

To provide an update on the process of selecting an engineering consultant to provide for the supply of professional engineering services to investigate and design upgrades to the existing Cedar Lane water treatment plant in order to facilitate the removal of manganese to acceptable levels by providing detailed analysis, a technical memo, and a construction/procurement tender package.

BACKGROUND

A Request for Proposals (RFP) for the above described scope of work was first issued on October 7th, 2021 and closed on November 1st, 2021. The RFP was publicly posted on the CRD website as well as BC Bid™. Additionally, staff contacted consultants who have recently worked with the CRD to alert them to the RFP to determine their interest. The CRD received four (4) competitive proposals from qualified consultants, completed the evaluation process and prepared to award the work and issue a contract to the successful proponent. At the January 10, 2022, Cedar Lane Water Service Commission meeting, the Commission requested staff extend the RFP closing date due to a known (to the Commission), local company (the *new proponent*) who had expressed low cost estimates for completing the work. Prior to reopening the RFP, staff communicated with this *new proponent* and, based on information provided by them, deemed them acceptable to submit a proposal. Based on all of this, staff were compelled by the Commission to “reopen” the RFP and publically reissued it on January 24th, 2022 with a closing date of February 16th, 2022. Proponents who submitted a proposal to the first issuance of the RFP were contacted and given the opportunity to revise their proposal or let it stand as first submitted. Each of the four original proponents telephoned CRD staff inquiring as to why the RFP had been reopened.

During the second RFP period, three (3) addenda were publically issued, all in response to questions from the *new proponent* and an additional proponent. It should be noted that no questions were received from, or any addenda issued to, any of the original proponents during the first RFP period. During the second RFP period, due to the nature of the questions from the *new proponent*, it became evident to CRD staff that the *new proponent* did not completely understand the scope of work nor appear to be qualified to undertake the project and execute it successfully.

Upon the closing of the second period of the RFP, two of the original proponents revised their proposals and resubmitted and two others let their original submission stand. One additional proponent responded and their proposal was evaluated with the original four. The **new proponent did not submit a proposal** and failed to respond to e-mail communication during the bidding process nor did they acknowledge receipt of the addenda as required by the RFP. They did not notify staff that they would not be submitting a proposal after all.

Upon closing of the RFP on February 16th, 2022, all proposals were evaluated, and/or re-evaluated in the case of the two which were unchanged, for technical merit. Factors considered in the technical evaluation include, inter alia; company experience with similar projects,

experience of the lead project manager and engineer, experience of the design team, local experience and knowledge, familiarity of working with the CRD, project methodology, demonstrated understanding of the scope of work, design team organization and assignment of roles and responsibilities, as well as the overall quality of the proposal. One proposal was disqualified technically as it did not reach the threshold of being within the prescribed margin relative to the highest scoring proposal. Of the remaining four, they were then evaluated on a financial basis and the preferred proponent was selected. The recommended proponent had the highest scoring technical proposal as well as the lowest price indicating that good value will be realized for the project. It should be noted that the recommended proponent from the second RFP period is the same proponent as was recommended during the first RFP period.

It should be noted that given the fact that the same proponent was preferred from both RFP periods and that no submission was received from the *new proponent*, approximately three and one half months (3.5) of schedule time and approximately \$7,400 of staff time was expended during this process. As a result, the additional funding of \$7,400 from Capital Reserve Fund (CRF) is required through Final Plan Amendment in order to award the contract for Phase I Engineering Design.

The 2022 Capital Plan also includes the project (21-03) budgeted at \$10,000 for a ratepayer AAP or Referendum funded from CRF. The service will now proceed with an electoral area petition process with a reduced project budget at \$5,000, which will make \$5,000 available for the Phase I Engineering Design Project.

ALTERNATIVES

Alternative 1

That the Cedar Lane Water Services Commission recommends that the Capital Regional District Board that the Cedar Lane Water service Five Year Financial Plan to be amended:

1. To increase the project budget by \$7,400 from \$61,500 to \$68,900 funded from CRF for Manganese Treatment System Project Phase 1 Engineering Design; and
2. To decrease the project budget by \$5,000 from \$10,000 to \$5,000 funded from CRF for the Public Approval for borrowing.

Alternative 2

That this report be referred back to staff for additional information.

IMPLICATIONS

Service Delivery and Legal Implication

Island Health has issued a conditional permit to operate the Cedar Lane water supply system. The conditions required the design and upgrade treatment works to ensure manganese concentrations meet the Guidelines for Canadian Drinking Water Quality by December 31, 2023. Further delays will significantly affect the CRD's ability to meet this deadline.

The CRD is in a position to award this work. The preferred proponent has not changed from the original RFP period and, subject to confirmation prior to award, they have not increased their pricing. As a result of this exercise, the schedule has been extended by three and one half months but staff are confident that this can be made up to still meet the completion deadline for the project

committed to with Island Health.

Financial Implication

Referring to the staff report dated January 10th, 2022 wherein an additional \$26,500 of funding for engineering design, Phase 1, from the Capital Reserve Fund was requested and incorporated into 2022 Capital Plan in addition to the original project budget of \$35,000 approved in 2021 Capital Plan.

The table below summarizes the additional funding requirement of \$7,400 to be funded by CRF.

	\$ Amount
Project Funding – 2021 Capital Plan	35,000
Project Funding – 2022 Capital Plan Addition*	26,500
Total Funding in Place	61,500
Project Costs to date for RFP Process (Initial and Second)	(8,700)
Consultant – RFP	(54,710)
CRD Project Management and Internal Cost	(5,490)
Total Revised Project Budget	(68,900)
Additional Funding Required	\$7,400

**January 10th, 2022 Commission Meeting*

The project of public approval for borrowing by AAP or Referendum has changed to petition process with a reduced funding requirement by \$5,000 from \$10,000 to \$5,000. This results in available funding in CRF.

The CRF balance for the service is extremely low projected at about \$657 reflecting the additional \$7,400 for Phase 1 Engineer Design and reduced budget of \$5,000 for Public Approval Process. The proper CRF contribution level in future years is absolutely critical and essential to ensure prudent and sustainable management of service delivery objectives through capital investments. Optimal reserve fund level will be planned into budget development for next budget cycle of 2023-2027.

CONCLUSION

The manganese treatment system planned to be incorporated in to the water treatment facility for Cedar Lane is necessary based on frequent exceedances of the Health Canada MAC for manganese in drinking water, and to comply with a directive from the Island Health Authority. Additional funds to begin the engineering design are available from the Capital Reserve Fund and should be obtained as soon as possible in order not to delay the start of this project and to ensure that the commitment to Island Health will be met.

RECOMMENDATION

That the Cedar Lane Water Services Commission recommends that the Capital Regional District Board that the Cedar Lane Water service Five Year Financial Plan to be amended:

1. To increase the project budget by \$7,400 from \$61,500 to \$68,900 funded from CRF for Manganese Treatment System Project Phase 1 Engineering Design; and
2. To decrease the project budget by \$5,000 from \$10,000 to \$5,000 funded from CRF for the Public Approval for borrowing.

Submitted by:	Dean Olafson, P. Eng., MBA, Engineering Manager, Salt Spring Electoral Area
Concurrence:	Karla Campbell, BPA, Senior Manager, Salt Spring Electoral Area
Concurrence:	Lia Xu, Manager, Manager Financial Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer