



Making a difference...together

**FERNWOOD AND HIGHLAND WATER SERVICE COMMISSION
SPECIAL MEETING**

Notice of Meeting on Friday, June 3, 2022 following the Annual General Meeting scheduled for
10:00 a.m.

Creekside Meeting Room (CRD Office)
121 McPhillips Avenue #108, Salt Spring Island, BC V8K 2T6

Gary Holman

Laura Travelbea

Brian Travelbea

Carollin Wentworth

Zoom:

<https://us06web.zoom.us/j/88921878182?pwd=djRURWIINjVbXRVNjUxeHJRQzILQT09>

AGENDA

1. Territorial Acknowledgement / Call Meeting to Order

2. Approval of Agenda

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3. Report

3.1 Request Additional Funds to Complete the Detailed Design for the Highland Fernwood Backup Power Project

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That the Highland Fernwood Water Service Commission recommends to the Capital Regional District Board that the Highland Fernwood 2022 Five Year Capital Plan be amended to fund an additional \$25,000 from the Capital Reserve Fund to the Highland Fernwood Backup Power Design project.

3.2 Request Additional Funds to Complete the Detailed Design for Highland Fernwood Intake Project

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That the Highland Fernwood Water Service Commission recommends to the Capital Regional District Board that the Highland Fernwood 2022 five year financial plan be amended to fund an additional \$27,000 from the Capital Reserve Fund to the Highland Fernwood Intake project.

4. New Business - None

5. Next Meeting - TBD

6. Adjournment

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

EXEC-1295039085-2448

**REPORT TO HIGHLAND FERNWOOD WATER SERVICE COMMISSION
MEETING OF FRIDAY, JUNE 3rd, 2022**

SUBJECT **Request Additional Funds to Complete the Detailed Design for the Highland Fernwood Backup Power Project**

ISSUE

Additional funds are required to continue with the investigation and design of a backup power system for the Highland Fernwood water system.

BACKGROUND

The water system that services Highland and Fernwood does not have backup power equipment. To ensure the continuity of water service for the Highland Fernwood water system during power disruptions, a backup power system is needed. As part of the Capital Plan for Highland Fernwood, \$24,000 was allocated in 2021 for the design of a backup power system. To date, \$4,582 has been spent on the project.

The CRD requested proposals for the design of a backup power system on March 17th, 2022. The CRD received six (6) proposals and after evaluation, all of the quotations received exceed the allocated budget amount. A preferred proponent has been selected based on an evaluation of both their technical and financial submissions. AES Engineering Ltd. (AES) from Victoria is the preferred proponent and their quote totals \$36,563 for the detailed design of the system. AES is also able to provide tendering, construction administration and other services which will be included in later phases of the project scheduled to occur in 2023.

ALTERNATIVES

Alternative 1

That the Highland Fernwood Water Service Commission recommends to the Capital Regional District Board that the Highland Fernwood 2022 Five Year Capital Plan be amended to fund an additional \$25,000 from the Capital Reserve Fund for the Highland Fernwood Backup Power Design project.

Alternative 2

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

IMPLICATIONS

A delay in the approval of the additional funds will unduly postpone the project until 2023 where changes will need to be made to the 2023 Capital Plan in order to fund the project to complete detailed design. Construction might not then occur until 2024 which is presently scheduled for 2023. The table below quantifies the costs to date, costs to complete and the additional funds required.

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Request Additional Funds to Complete the Detailed Design for the Highland Fernwood Backup Power Project

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Highland Fernwood Backup Power Project Budget	\$ Amount
Budget (Quote from AES Engineering Ltd.)	\$24,000
Costs to Date	(\$4,582)
Balance Remaining	\$19,418
Design	(\$36,563)
Project Management (CRD at ~10%)	(\$4,000)
Contingency (at ~10%)	(\$4,000)
Total Additional Project Funding Required	(\$44,563)
Funding to be Transferred	\$25,145

CONCLUSION

The balance in the Capital Reserve Fund (\$70,629) has sufficient funds available to complete the detailed design for the Backup Power System for the Highland Fernwood water service and avoid schedule delays and potential loss of potable water supply due to power outages.

RECOMMENDATION

That the Highland Fernwood Water Service Commission recommends to the Capital Regional District Board that the Highland Fernwood 2022 Five Year Capital Plan be amended to fund an additional \$25,000 from the Capital Reserve Fund to the Highland Fernwood Backup Power Design project.

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

**REPORT TO HIGHLAND FERNWOOD WATER SERVICE COMMISSION
MEETING OF JUNE 3, 2022**

SUBJECT **Request Additional Funds to Complete the Detailed Design for the Highland Fernwood Intake Project**

ISSUE

The engineering design for the off shore portion of the new intake structure and intake line for the Highland Fernwood water system is essentially complete. Additional funds are required to complete the design for the onshore portion of the project.

BACKGROUND

The Highland Fernwood Intake Screen project was first initiated in 2019 and the detailed design for the “offshore” portion is essentially complete. The only work remaining for the offshore portion is a revision to the length of the inlet line from the intake structure to the shore. This will be shortened which will essentially lift the intake structure in to a shallower area of the lake thereby avoiding any potential anoxic zone. The added benefit of this will be that costs will be reduced by using a shorter inlet line with fewer pipe weights being required. The work remaining is for the “onshore” portion of the design, something originally contemplated in the initial design and necessary for the successful completion of the project but not completed. In April of 2021, the CRD declined a Change Order to proceed with the “onshore” portion of the project as there were insufficient funds to contract for the work at the time. This did not adversely affect the overall execution of the project as the off-shore portion remained “on the shelf” and remains ready to proceed to an RFP for construction. Currently, the design consultant for the project, Great Pacific Engineering & Environment, has submitted a Change Order for the onshore portion in the amount of \$24,875.

There are adequate capital reserve funds to cover this increase in costs. The present balance in the CRF is \$70,629 so combining this request of \$27,000 and the request for the Backup Power project of \$25,000 will leave a balance of \$18,629. Note that in 2023 the Capital Plan calls for a transfer from the Operations Budget of \$50,000 thereby restoring the CRF to a balance of \$68,629. There are no withdrawals from the CRF planned for 2023.

ALTERNATIVES

Alternative 1

That the Highland Fernwood Water Service Commission recommends to the Capital Regional District Board that the Highland Fernwood 2022 five year financial plan be amended to fund an additional \$27,000 from the Capital Reserve Fund to the Highland Fernwood Intake project.

Alternative 2

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

IMPLICATIONS

A delay in the approval of the additional funds will unduly postpone the project until 2023 where

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changes will need to be made to the 2023 Capital Plan in order to fund the project to complete detailed design. Construction might not then occur until 2024. The table below quantifies the costs to date, costs to complete and the balance needed.

Highland Fernwood Intake Project Budget	\$ Amount
Budget	\$20,000
Costs to Date	(\$17,060)
Balance Remaining	\$2,940
Change Order for Onshore Portion	(\$24,875)
Project Management	(\$2,500)
Contingency	(\$2,750)
Total Additional Project Funding Required	(\$30,125.00)
Funding to be Transferred	\$27,185

CONCLUSION

The balance in the Capital Reserve Fund has sufficient funds to complete the detailed design for the onshore portion of the Highland Fernwood Intake project and avoid schedule delays.

RECOMMENDATION

That the Highland Fernwood Water Service Commission recommends to the Capital Regional District Board that the Highland Fernwood 2022 five year financial plan be amended to fund an additional \$27,000 from the Capital Reserve Fund to the Highland Fernwood Intake project.

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
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