



Date: 28/01/2019

AGENDA ITEM SUMMARY

To: Chair and Directors, Cariboo Regional District Board
And To: John MacLean, Chief Administrative Officer
From: Peter Hughes, Manager of Environmental Services
Date of Meeting: Cariboo Regional District Board_Feb08_2019
File: 5600-20-11-01

Short Summary:

Lexington Water System Community Works Fund Request

Voting:

Corporate Vote - Weighted

Memorandum:

The CRD assumed ownership and management of the Lexington water system from the Lexington Waterworks District, effective January 1, 2019. The system that services 28 homes in the Lexington subdivision currently draws surface water from Williams Lake, and has been on a boil water notice for many years.

The acquisition process was initiated in 2016, and at that time a cost estimate to upgrade the water source and construct necessary infrastructure was estimated to be \$323,000; of which, a commitment of \$107,000 from Community Works Funds was approved by the Board of Directors. The remaining funding of \$216,000 was obtained via borrowing through an approved petition process in December of 2017. The initial cost estimate included the capital costs only but did not include additional projects costs such as land appraisal and acquisition costs, subdivision costs, and archaeological costs. Further, the initial capital cost estimate is now four years old.

To date, capital costs incurred for the drilling and proving of a new groundwater source are about \$70,000 of the \$323,000 budget, leaving \$253,000. In addition, land acquisition costs are \$30,000, leaving \$223,000 to complete the project.

The project design is now complete and the Class D construction cost estimate is in excess of \$500,000 without any contingency. Staff instructed the project engineer to reduce the scope of the project to simply include costs to build a small pump house building and only necessary electrical and mechanical works and minimal site works. The cost estimate for the reduced project scope is still in excess of \$450,000, without contingency, leaving a \$227,000 shortfall in project funding.

Staff request that the Board of Directors approve an additional \$225,000, plus \$25,000 contingency, to be contributed to the project from Community Works Funds. This means that about 60% of the total project cost, without contingency, would be funded through Community Works Funds. It should be noted that the CRD was unsuccessful in obtaining a UBCM Strategic Priorities Fund grant for this project in 2017.

Attachments:

n/a

Financial Implications:

Sufficient funds are available to increase the CWF contribution to Lexington Water System as outlined above.

Policy Implications:

Meets the principles and criteria of the Community Works Fund Prioritization Policy.

Alignment with Strategic Plan:

- Ensuring Sufficient and Sustainable Funding
- Building on our Relationships
- Providing Cost Effective High Quality Services
- Focusing on Being Well Governed

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CAO Comments:

This is an important project, and in my view, is an appropriate use of Community Works Funding. I concur with the recommendation.

Options:

- 1) Endorse recommendation;
- 2) Receipt and other action;
- 3) Defer.

Recommendation:

That the agenda item summary from Peter Hughes, Manager of Environmental Services, dated January 28, 2019, regarding the Lexington Water System project, be received. Further, that an additional commitment of \$225,000, plus \$25,000 contingency from Community Works Funds be approved to enable completion of the Lexington Water System capital project.