

DATE: April 9, 2021**FILE:** 5600-01/BCOB**TO:** Chair and Directors
Black Creek – Oyster Bay Services Committee**FROM:** Russell Dyson
Chief Administrative OfficerSupported by Russell Dyson
Chief Administrative Officer*R. Dyson***RE: Budget Amendment for Schultz Road Watermain Extension****Purpose**

To obtain approval for a budget amendment to the 2021 - 2025 financial plan for the Black Creek – Oyster Bay (BCOB) water local service area (WLSA), function 313, for the Schultz/ Paulsen/ Oyster River Way watermain connection project.

Recommendation from the Chief Administrative Officer:

THAT the 2021 – 2025 financial plan and capital expenditure program for the Black Creek – Oyster Bay water local service area, function No. 313, be amended by increasing water capital expenditures in 2021 by \$100,796 for the Schultz/ Paulsen/ Oyster River Way watermain connection project (1040), resulting in a total project budget in 2021 of \$580,000 to be funded by capital works reserves and a contribution which is anticipated to be recovered from nearby development.

Executive Summary

The Schultz/ Paulsen/ Oyster River Way watermain connection project is required to improve fire flows for Miracle Beach Elementary and flow and redundancy in the system for surrounding residential properties. The project was included in previous financial plans going back to 2016 originally as an upgrade to an existing watermain, however in 2020 the scope of the project was changed as Comox Valley Regional District (CVRD) staff identified potential for an improved design while working with developers in the area.

The project will now include the extension of a watermain along Shultz Road, within a right-of-way at Miracle Beach Elementary, to connect to an existing watermain along Paulsen Road. The updated project provides a number of benefits including improved water quality and quantity provided by the opportunity to loop the watermain, which couldn't be achieved with the previous design.

The 2021 – 2025 approved financial plan for the service currently includes total expenditures of \$479,204 in 2021 for this project to be funded from capital works reserves. However, actual construction costs were necessary to confirm project viability with the developer, so a tender was released in February 2021. The construction tender closed on March 18, 2021 and 10 compliant tenders were received, resulting in very competitive pricing for this project.

A budget amendment is now required in order to increase the total project costs in 2021 to \$580,000 based on the results of the recent public procurement process.

Based on negotiations to date it is anticipated that between one third and half of the total project costs will be funded by developers in the area; no increase to CVRD's reserve contributions to the project over and above what was previously included within the financial plan are expected.

A budget amendment is required ahead of confirmation and agreement on the final developer contribution as the period of irrevocability on tender bids is 60 day from the date of tender close. Construction is planned for summer 2021, while Miracle Beach Elementary is out for summer break, construction will not commence prior to a completed and agreed upon cost sharing agreement with the developer.

Prepared by:

Z. Berkey

Zoe Berkey, EIT
Engineering Analyst

Concurrence:

K. La Rose

Kris La Rose, P.Eng
Senior Manager of Water/
Wastewater Services

Concurrence:

M. Rutten

Marc Rutten, P.Eng
General Manager of
Engineering Services