

# Report to Council



**Date:** December 11, 2017

**File:** 1890-10

**To:** City Manager

**From:** Alan Newcombe, Divisional Director, Infrastructure

**Subject:** Status of Various 2017 Capital Water Utility Projects

Report Prepared by: Brian Beach, Infrastructure Delivery Department Manager

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## **Recommendation:**

THAT Council receives for information, the report from the Infrastructure Division Director dated December 11, 2017 regarding the status of various 2017 Capital Water Utility projects;

AND THAT the 2017 Financial Plan be updated to reflect the transfer of \$445,000 from completed and cancelled projects to active projects requiring additional funds as noted in the Financial/Budgetary Considerations section;

AND THAT Council approve the cancellation of the Okanagan Boulevard Water Main Replacement project and the Ash and Uplands Pressure Reducing Valves project;

AND FURTHER THAT Council authorize the additional expenditures of \$445,000 for those active projects requiring additional funds to complete as noted in the Financial/Budgetary Considerations section.

## **Purpose:**

**To cancel various Water Utility projects that require re-scoping and transfer budget to the identified 2017 Capital Water Utility projects in order to meet financial commitments.**

## **Background:**

Five Water Utility projects were tendered as a package this past year and the tender could not be awarded as all bids received were well over the cumulative project budget. Two of those projects were re-scoped and completed by City Crews below current budget amounts (Knox, Dilworth Sediment Separator and Knox Mountain Reservoir Access Road). Two projects (Morrison Ave. Water Main Replacement and Alta Vista Water Main Replacement) will be carried over and completed next year by City Crews. One project (Okanagan Boulevard Water Main Replacement) will be cancelled and re-scoped for future budget submissions.

The Ash & Uplands Pressure Reducing Valves project is also being cancelled for 2017. This project needs to be re-scoped as well for above ground installations and will be brought forward for consideration with the 2019 Capital Budget.

Remaining budgets from the completed projects and cancelled projects will be transferred to the following completed capital projects requiring additional budget amounts:

Ethel ATC Water Main Replacement	Description in separate report
Saucier Avenue Water Main Replacement	Description in separate report
Aspen Court LAS Water Main Servicing Project	Description below
Lakeshore 1 - Collett Intersection Water Main Replacement	Description below

#### Aspen Court Local Area Service (LAS) Water Main Servicing Project

This project is providing new City water servicing to an existing six lot cul-de-sac off Lakeshore Road south of Cedar Creek Beach that is currently serviced by a small, private, unreliable system from Okanagan Lake. The project is nearing completion by City Crews and has experienced a number of issues that have increased costs considerably. Some of these costs will be added to the property owners' LAS responsibilities. Others are attributed to system improvements that may benefit the larger service area and will need to be absorbed by the water utility.

Owner related cost increases include issues related to locating and protecting their existing system during construction. Some other costs that were not accounted for in the LAS estimate will need to be covered by the water utility. These include material inflation, installation of meter pits rather than internal water meters and other minor scope increases.

The bulk of the extra costs are attributed to the need for a pressure reducing valve (PRV) at the connection to the Lakeshore Road main. The current operating pressure in the trunk main is high and could affect the integrity of the private service lines and plumbing systems. It is expected that future service connections in the vicinity can benefit from this PRV and some costs can be recovered through connection fees. If this pressure issue can be addressed in the future, the PRV can be repurposed in a different capacity.

#### Lakeshore 1 – Collett Intersection Water Main Replacement

As part of the Lakeshore-Collett Roundabout Project, it was determined during the design process that the existing 150mm asbestos-cement water main that services the hydrant near the Sunshine Market was undersized and could be damaged by the construction process. This was added to the construction scope and completed by City Crews and should be covered by the Water Utility as a routine system upgrade, as it would be much more expensive to complete at a later date with the new road and sidewalk improvements.

#### **Financial/Budgetary Considerations:**

*Summary of Estimated Budget Transfer Requirements:*

<b>Capital Project</b>	<b>Original Budget</b>	<b>Addition Required</b>	<b>Total Required</b>
Ethel ATC Water Main Replacement #323401W	\$ 350,000	\$ 80,000	\$ 430,000
Saucier Avenue Water Main Replacement #325201W	\$ 280,000	\$ 150,000	\$ 430,000
Aspen Court LAS Water Main Servicing Project #3320	\$ 48,000	\$ 125,000	\$ 173,000
Lakeshore 1 - Collett Intersection Water Main Replacement	\$ Nil	\$ <u>90,000</u>	\$ 90,000
<b>Estimated Total Transfers to Completed Projects</b>		<b>\$ 445,000</b>	

*Summary of Source Projects and estimated amounts:*

<b>Capital Project</b>	<b>Original Budget</b>	<b>Actuals Spent</b>	<b>Budget Available</b>
<i>Completed projects with surplus budget:</i>			
Knox, Dilworth Sediment Separator #3147	\$ 135,000	\$ ~70,000	\$ ~65,000
Knox Mountain Reservoir Access Road #3303	\$ 100,000	\$ ~25,000	\$ ~75,000
<i>Cancelled projects:</i>			
Okanagan Boulevard Water Main Replacement #3258	\$200,000	\$ 3,722	\$ 196,278
Ash and Uplands Pressure Reducing Valves #3304	\$150,000	\$ 1,853	\$ <u>148,147</u>
<b>Estimated Total Available from Other Projects</b>			<b>\$ 484,425</b>

**Internal Circulation:**

Divisional Director, Infrastructure  
 Financial Planning Manager  
 Department Manager, Utilities Planning  
 Department Manager, Infrastructure Administration

**Considerations not applicable to this report:**

Legal/Statutory Authority:  
 Legal/Statutory Procedural Requirements:  
 Existing Policy:  
 Personnel Implications:  
 External Agency/Public Comments:  
 Communications Comments:  
 Alternate Recommendation:

Submitted by: Brian Beach,

Department Manager, Infrastructure Delivery

Approved for inclusion:

**A. Newcombe, Divisional Director, Infrastructure**

cc: Divisional Director, Infrastructure  
Director, Financial Services  
Financial Planning Manager  
Department Manager, Utilities Planning  
Department Manager, Infrastructure Administration