



Agenda No:

8.2

Meeting Date:

May 10, 12

Environmental Services

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ENVIRONMENTAL SERVICES DEPARTMENT REPORT

For the Board May 10, 2012

TO: Chair & Members of the Regional Board

FROM: Chris Radford, Director of Environmental Services

DATE: May 3, 2012

SUBJECT: Gas Tax Funding – Innovations Fund Killiney Beach Water System

RECOMMENDATION:

THAT the Regional Board endorses an application for funding through the Gas Tax- Innovations Fund for eligible costs associated with the Killiney Beach water system upgrades to approximately \$2,000,000.

Funding Opportunity

Environmental Services staff feels that the existing community water system is a good candidate for infrastructure funding through the Gas Tax- Innovations Fund. The project will meet the criteria of this funding program through:

- Reduced GHG by eliminating existing facilities, which will reduce pumping, heating and control circuit electrical demands.
- Water Quality improvement through a longer contact time for chlorine disinfection, reduction in water storage vessels, resulting in lower potential exposure to risk.
- Contribution to efficient use of infrastructure and other resources.
- Feasibility Studies- comprehensive up to date review
- Enhancing the existing asset renewal plan progressing further to achieving a sustainable community.

It should be noted that there are eligible and ineligible costs associated with the funding program. Ineligible costs for this particular project would include works already in construction or tendered. In order not to delay the current planned projects and meet resident's expectations, capital projects will proceed with scheduled improvements as identified in the current year financial plan.

Staff and consulting engineers are currently refining the cost estimates in preparation for the funding application. The improvements may be proposed as phased projects after consultation with Provincial staff. This program may be greatly subscribed to and therefore a phased approach may improve the Regional District's chances of success.

Background

The Killiney Beach water system, built in the early 1980's, requires upgrades to ensure adequate storage; efficiency and capacity can meet demands. Previous reports have identified significant infrastructure upgrades are required within the 4 pressure zones.

Further, a more comprehensive review has been completed that includes the Capital requirements to meet the Interior Health water quality objectives, storage requirements and fire flows. The capital plan has been projected over a 20 year term.

2013-2032 Capital Requirements

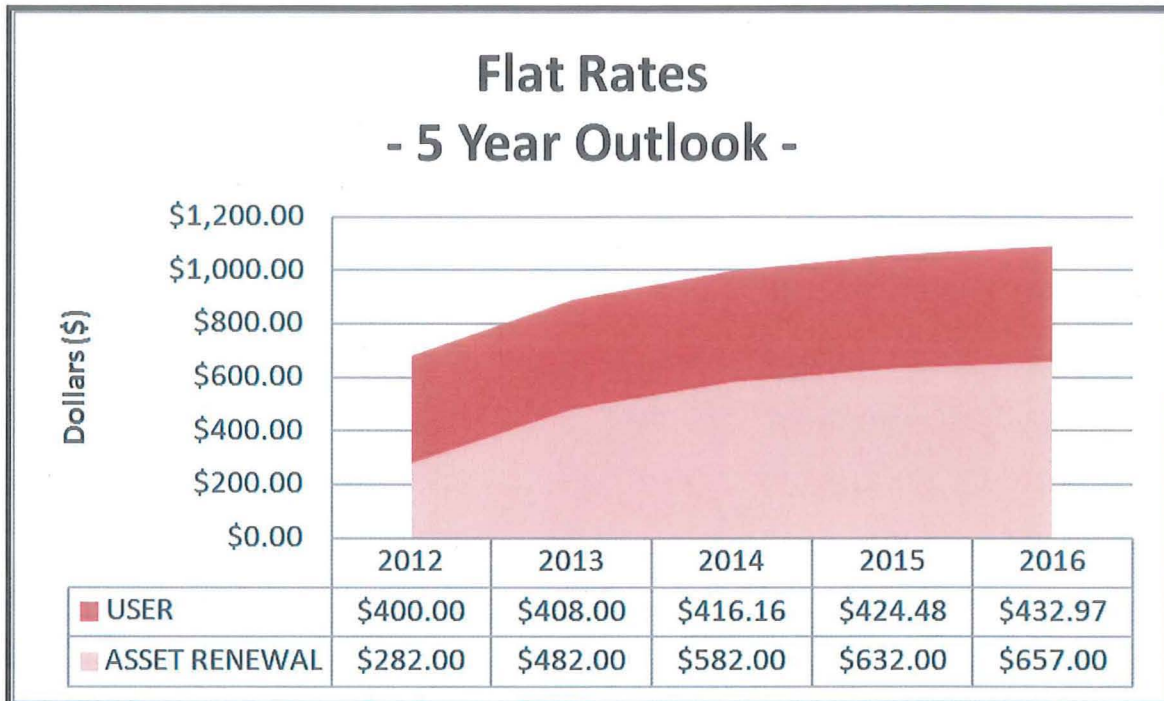
Water Source/Lake Intake	\$1,157,000
SCADA Improvements	\$ 57,000
Distribution System	\$3,528,000
Engineering Studies	\$ 60,000
Universal Metering	\$ 100,000
Pump Stations/Reservoirs	<u>\$1,577,000</u>
Total	\$6,479,000

The Killiney Beach water system serves 429 lots and currently has 285 active customers. The source is Lake Okanagan and is pumped through a series of pumping stations to storage reservoirs to serve the hillside development. Over the past 3 years systems improvements include the following:

2010 - 2012 Improvements & Initiatives			
	\$	Utility Reserves	Grant Funding
Water System Improvements	\$443,300	20%	80%
Updated Chlorine System (Lake Pump House)			
Installation of HMI screens			
Updated Remote Communications to ADSL Internet			
Leak Detection & Repair Program			
Distribution System Improvements			
Studies & Engineering Reports	\$118,606	31%	69%
Comprehensive System Review & 20 yr Capital Improvement Plan			
Rate Review			
Source Assessment (Okanagan Lake)			
Universal Water Metering	\$202,061		100%
SCADA System c/w Online Monitoring	\$97,984		100%
Udell Reservoir Upgrade	\$241,678	20%	80%
3 Year Total Value	\$1,103,629	\$173,302	\$930,327

A majority of the improvements (84%) were funded through external sources, Towns for Tomorrow Program, Infrastructure Planning Grant Program and Community Works Fund. This equates to approximately \$2,170 per connection from external funding.


The recently adopted water rate bylaw (March 30,2012) includes an asset renewal component that is designed to fund the required capital projects for the next 20 years at a 50% funding level. This asset management plan, fee recovery along with the implementation of water meters, is consistent with the Provinces guidelines managing community water systems.



This system was chosen as a candidate for this funding program as comprehensive engineering reviews and field observations indicate it as a priority in comparison with other RDCO community water systems.

Staff will report back to the Board on the outcome of the application. At this time successful applicants will be notified as soon as possible after funding decisions have been made.

Respectfully submitted,


 Chris Radford
 Director Environmental Services