



REPORT

To: Rural Budgets Administration Committee

Report Number: ENV-RBAC-035

From: Daris Gillis, Environmental Services Manager

Date: November 25, 2021

Subject: Harper Sewer 2022 Condition Assessment & Capital Request

RECOMMENDATION #1:

That the Rural Budgets Administration Committee approve the supplementary request of \$264,200 payable from the Area D Community Works Gas Tax fund, to be issued to the Function 605 - Harper Sewer, as outlined in the 2021 Harper Sewer Condition Assessment.

RECOMMENDATION #2:

That the Rural Budgets Administration Committee authorize a funding commitment of \$215,000, payable from Area D Fair Share, to be issued to Municipal Finance Authority, to pay off the long-term debt; further, that the current principal and interest payments totalling \$38,000, be transferred annually to the capital reserve for Function 605 – Harper Imperial Sewer starting in the 2023 budget cycle.

RECOMMENDATION #3:

That the Rural Budgets Administration Committee allocate \$20,000 from Area D Fair Share to be transferred into the capital reserve for Function 605 - Harper Sewer in the 2022 budget.

BACKGROUND/RATIONALE:

The Harper Sewer Collection system was constructed in 2011, and consists of a lift station, and approximately 2 km of sanitary sewer pipe and manholes.

Aligning with the current Regional Board Strategic Plan, a condition assessment of the Harper Sewer Collection system was conducted in 2021 by McElhanney. The scope of the assessment was to determine the current condition and remaining service life of the system, and to identify required system repairs along with associated costs. The Harper system is estimated to have over 40 years of remaining service life with proper maintenance and repairs. The cost for total replacement of the collection system in 2021 dollars is \$2,168,500.

Table 1 highlights the areas within the system that will require immediate repairs in order to maintain proper functioning of the collection system. Cost estimates have been built with a 30% contingency.

Table 1. Cost of Repairs and Maintenance for 2022.

Repairs/Immediate Maintenance	Estimated Cost of Repairs/Replacement
Lift Station	\$ 18,200
Pipes	\$ 207,000
Manholes	\$ 9,000
Construction Oversight	\$ 30,000
Total:	\$ 264,200

A supplemental capital request form is attached for the Committee’s consideration.

ALTERNATIVE OPTIONS:

1. That the Rural Budgets Administration Committee provide further direction.

STRATEGIC PLAN RELEVANCE:

- Organizational Effectiveness
- Develop a Corporate Asset Management Program

FINANCIAL CONSIDERATION(S):

The Harper Subdivision is under a current Municipal Financing Authority funding arrangement that costs annually approximately \$22,000 in principal and \$15,000 in interest to the taxpayers. Staff are recommending that Area D Fair Share be used to pay-off the loan and redistribute the annual funds to the capital reserve for Function 605 – Harper Sewer.

As of October 31, 2021 the balance available after the remaining commitments in Electoral Area D are as follows:

- Peace River Agreement: \$592,594.35,
- Gas Tax Reserve fund: \$1,238,444.68, and
- Fair Share Reserve fund: \$1,854,311.67.

COMMUNICATIONS CONSIDERATION(S):

None at this time.

OTHER CONSIDERATION(S):

Attachments:

1. 2021 Harper Sewer Condition Assessment
2. 2022 Harper Sewer Capital Request Form