



REPORT

To: Chair and Directors

Report Number: ENV-BRD-098

From: Daris Gillis, Environmental Services Manager

Date: July 14, 2022

Subject: Request for Additional Funds – Sewer System Upgrades

RECOMMENDATION #1: [Corporate Weighted]

That the Regional Board authorize additional funding commitments to be used for wastewater infrastructure repairs totalling \$575,000 (excluding taxes), payable from Electoral Area D Peace River Agreement (PRA) Funds, Spending Item # 9 – PRRD Sewer Services Assistance, and amend the 2022 Financial Plan to include the following increases to appropriate functions as capital revenue and expenditures:

- Function 602 – Chilton Sewer: increase in transfer from PRA and increase in capital expenditures by \$130,000 each;
- Function 604 – Friesen Sewer: increase in transfer from PRA and increase in capital expenditures by \$200,000;
- Function 605 – Harper Imperial Sewer: increase in transfer from PRA and increase in capital expenditures by \$230,000; and,
- Function 607 – Rolla Sewer: increase in transfer from PRA and increase in capital expenditures by \$15,000;

and further, that all carry forward dollars be allocated towards future required capital repairs and upgrades to each of the respective systems.

RECOMMENDATION #2: [Corporate Weighted]

That the Regional Board award Invitation To Tender #11-2022 'Sewer Infrastructure Capital Works - Harper, Chilton, Friesen, and Rolla Sewer Systems' to Knappett Industries Ltd. for a total amount of \$1,362,738 (excluding taxes) for identified repairs of the following sewer systems until December 31, 2022:

- Function 602 – Chilton Sewer capital expenditures \$269,127;
- Function 604 – Friesen Sewer capital expenditures \$277,645;
- Function 605 – Harper Imperial capital expenditures \$456,670; and,
- Function 607 – Rolla Sewer capital expenditures \$315,345;

further, that the Chair and Chief Administrative Officer be authorized to sign the contract on behalf of the Peace River Regional District.

BACKGROUND/RATIONALE:

As part of the Peace River Regional District (PRRD) 2019-2022 Strategic Plan, condition assessments were completed or are underway for all PRRD owned and operated assets. Condition assessments were conducted for the Chilton, Harper, Friesen, Kelly Lake, and Rolla Collection systems in 2021.

The assessment reports prioritized immediate repairs necessary to maintain the usable service life and functionality of each system. These estimated repair costs were previously requested through supplemental requests for Gas Tax funds to be used for capital expenses in the 2022 budget.

The identified repairs were tendered under Invitation to Tender #11-2022 'Sewer Infrastructure Capital Works - Harper, Chilton, Friesen, Rolla, Kelly Lake'. Knappett Industries was the only bidder. With the exception of the Kelly Lake repairs, the tender prices for each system are higher than what was budgeted. Additional request for funds are needed to cover the difference between the 2022 capital budget amounts and the tender value. PRA Funds are being requested to cover the difference. An overview of the requested funds is shown in Table 1 in the 'Financial Considerations' section of this report.

ALTERNATIVE OPTIONS:

1. That the Regional Board provide further direction.

STRATEGIC PLAN RELEVANCE:

- ☒ Organizational Effectiveness
- ☒ Develop a Corporate Asset Management Program

FINANCIAL CONSIDERATION(S):

Electoral Area D PRA Funds balance as of June 30, 2022 is \$1,193,333.49. Throughout this contract, all capital works conducted on each sewer system will be billed to the appropriate sewer system through a purchase order.

Table 1 – Overview of Sewer Capital Budgets, Grant Funds & Tender Price

<i>System</i>	<i>Gas Tax (\$)</i>	<i>Total Capital (\$)</i>	<i>Knappett Tender Price (\$)</i>	<i>Difference (between Tender Price & Original 2022 Capital Budget, \$)</i>	<i>PRA Request (Includes contingency for unforeseen additional works, \$)</i>
Chilton					
Manholes	32,500				
Sewer lines	91,000				
SUBTOTAL LINEAR	123,500		269,127.00	145,627.00	
Lift station repairs	32,690		13,866.95	(18,823.05)	
Construction oversight	30,000		19,175.10	(10,824.90)	
TOTAL	186,190	316,190	302,169.05	115,979.05	130,000
Friesen					
Manhole	4,500				
Sewer lines	89,000				
SUBTOTAL LINEAR	93,500		277,645.00	184,145.00	
Construction oversight	30,000		19,175.10	(10,824.90)	
TOTAL	123,500	323,500	296,820.10	173,320.10	200,000

System	Gas Tax (\$)	Total Capital (\$)	Knappett Tender Price (\$)	Difference (between Tender Price & Original 2022 Capital Budget, \$)	PRA Request (Includes contingency for unforeseen additional works, \$)
Harper					
Manhole repairs	9,000				
Sewer line repairs	207,000				
SUBTOTAL LINEAR	216,000		456,670.00	240,670.00	
Lift station repairs	18,200		5,579.65	(12,620.35)	
Construction oversight	30,000		19,175.10	(10,824.90)	
TOTAL	264,200	494,200	481,424.75	217,224.75	230,000
Rolla Collection					
Manhole repairs	65,000				
Sewer line repairs	235,000				
SUBTOTAL LINEAR	300,000		315,345.00	15,345.00	
Construction Oversight	30,000		19,175.10	(10,824.90)	
TOTAL	330,000	345,000	334,520.10	4,520.10	5,000

COMMUNICATIONS CONSIDERATION(S):

None at this time.

OTHER CONSIDERATION(S):

None at this time.