



Agenda No: 7.2

Mtg. Date: February 12, 2015

Regional Board Report

TO: Regional Board
FROM: Chris Radford
Director of Community Services
DATE: February 2, 2015
SUBJECT: Application Endorsement – Building Canada Small Communities Fund

Purpose: To receive a Board endorsement to commit up to \$950,000 for the Killiney Beach Water System Improvement project.

Executive Summary:

On October 16, 2014 the first intake of the Canada-British Columbia New Building Canada Fund – Small Communities Fund (NBCF-SCF) was announced. Regional District staff prepared an application targeting a major water system improvement project on the Killiney Beach Water System. This project is a high priority as currently the system is inadequate in many respects. A requirement of the application is a Board resolution or bylaw, committing the proponent to contribute its share (\$950,000) of the total eligible project costs (\$2,850,000) and all the ineligible costs.

RECOMMENDATION:

THAT the Regional Board approve committing up to \$950,000 from the Killiney Beach Water System Reserve Fund to the Killiney Beach Water System Improvement project submission to the New Building Canada Fund – Small Communities Fund (NBCF-SCF) program.

Respectfully Submitted:

A handwritten signature in black ink, appearing to read 'Chris Radford', is written over a white background.

Chris Radford
Director of Community Services

Prepared by: Peter Rotheisler, Manager of Environmental Services

Approved for Board's Consideration

A handwritten signature in black ink, appearing to read 'Brian Reardon', is written over a white background.

Brian Reardon, CAO

Implications of Recommendation:

Financial: Accountability and transparency
Grant funding

Strategic Plan: Sustainability

Background:

On October 16, 2014 the first intake of the Canada-British Columbia New Building Canada Fund – Small Communities Fund (NBCF-SCF) was announced. Project categories eligible for this funding include:

- Drinking Water
- Wastewater (includes Storm Water)
- Green Energy
- Solid Waste Management
- Highway & Major Roads
- Public Transit
- Brownfield Redevelopment
- Connectivity and Broadband
- Local & Regional Airports
- Disaster Mitigation
- Innovations
- Shortline Rail
- Short Sea Shipping

Regional District staff prepared an application for NBCF-SCF funding targeting a major improvement project for the Killiney Beach Water System. Currently, the Killiney Beach Water System requires improvements to work toward achieving Provincial water quality objectives and Regional District requirements in including storage volumes, water pressure and fire flows. The proposed project includes the following components which will address many of the current challenges within the water system.

- Install 4,900m of 150 mm water pipe.
- Construct a new 500 cubic meter cell on upper reservoir.
- Decommission lower zone reservoir and pump station and convert to pressure reducing valve station
- Upgrade pumps at water intake
- Improve electrical efficiency by extending three phase power to new pumps at intake

Regional Districts may submit one application per intake for each community in their area. The deadline for application is February 18, 2015.

Financial Considerations:

The NBCF-SCF program offers funding up to a maximum of two-thirds of the total eligible project costs (i.e. \$1,900,000). One-third is contributed by the Government of Canada and one-third by the Province of British Columbia. The remaining eligible project costs, plus all ineligible project costs are the responsibility of the applicant. A general requirement of the application is a council/board resolution or by-law, committing the proponent to contribute its share (one-third) of the eligible project costs and all the ineligible costs. If maximum grant funding is not received, the project will be scaled down based on the total funds available. Killiney Beach Water System Reserve funds are projected to exceed \$1,000,000 by the time construction of this project is completed as identified in the attachment below from the 2014-2018 Financial Plan.

REGIONAL DISTRICT OF CENTRAL OKANAGAN
2014 - 2018 Five Year Program Budget Projections

Program: 301 -- Killiney Beach Water System

Department: Community Services (Water Systems)

Water Revenue Fund Budgets

| | 2014 Budget | 2015 Projected Budget | 2016 Projected Budget | 2017 Projected Budget | 2018 Projected Budget |
|----------------------------------|------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Revenue: | | | | | |
| Water User Fees | (120,000) a | (122,400) a | (124,847) a | (127,346) a | (129,892) a |
| Maintenance / Asset Renewal Fees | (247,350) | (268,600) | (279,225) | (280,000) | (280,000) |
| Previous Year's Surplus/Deficit | 1,627 | (0) | (0) | 0 | 0 |
| Engineering Admin OH | 5,558 | 5,669 | 5,783 | 5,899 | 6,017 |
| Administration OH | 18,792 | 19,168 | 19,552 | 19,943 | 20,341 |
| Total Revenue | (341,373) | (366,163) | (378,737) | (381,504) | (383,534) |
| Expenses: | | | | | |
| Operations | 132,341 b | 134,988 | 137,688 | 140,441 | 143,250 |
| Transfer to Reserves | 209,032 | 231,175 | 241,050 | 241,063 | 240,284 |
| Total Expenses | 341,373 | 366,163 | 378,738 | 381,504 | 383,534 |
| (Surplus) / Deficit | (0) | (0) | 0 | 0 | 0 |
| FTE's | 0.60 | 0.60 | 0.60 | 0.60 | 0.60 |

Water Capital Fund Budgets

| | 2014 Budget | 2015 Projected Budget | 2016 Projected Budget | 2017 Projected Budget | 2018 Projected Budget |
|-----------------------------|------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Revenue | | | | | |
| Transfer From Reserves | (108,024) | (18,648) | (684,136) | (18,648) | (18,648) |
| Total Revenue | (108,024) | (18,648) | (684,136) | (18,648) | (18,648) |
| Expenses | | | | | |
| Metering Program | 3,098 | 3,098 | 3,098 | 3,098 | 3,098 |
| Pump & Filter Upgrade | 34,450 | 0 | 0 | 0 | 0 |
| Facility Improvements | 23,513 | 0 | 0 | 0 | 0 |
| Engineering & Design Costs | 5,163 | 0 | 0 | 0 | 0 |
| Controls & Instrumentation | 10,450 | 0 | 0 | 0 | 0 |
| Distribution Improvements | 10,450 | 0 | 300,000 | 0 | 0 |
| Reservoirs | 20,900 | 0 | 350,000 | 0 | 0 |
| Equipment | 0 | 10,325 | 10,325 | 10,325 | 10,325 |
| Electrical / Communications | 0 | 5,225 | 5,225 | 5,225 | 5,225 |
| Vehicle (share of purchase) | 0 | 0 | 15,488 | 0 | 0 |
| Total Expenses | 108,024 | 18,648 | 684,136 | 18,648 | 18,648 |
| (Surplus) / Deficit | 0 | 0 | 0 | 0 | 0 |
| Reserve Fund Balance at Y/E | (563,887) | (784,178) | (344,503) | (572,587) | (802,166) |

Notes

- a. Operations and consumption fees under review.
b. Increase: Contract Services \$5k, Payroll, Electricity, Fees, Travel \$3k.