



**REPORT TO JUAN DE FUCA WATER DISTRIBUTION COMMISSION
MEETING OF TUESDAY, MAY 7, 2024**

SUBJECT **Juan de Fuca Water Distribution 2024 Capital Plan Amendment**

ISSUE SUMMARY

To recommend amendments to the Juan de Fuca Water Distribution 2024 Capital Budget and Five Year Capital Plan.

BACKGROUND

The Capital Regional District (CRD) Board approved the 2024 Operating and Capital Budget and the Five Year Capital Plan on March 13, 2024. This staff report outlines amendments to the following projects in the Five-Year Capital Plan:

Project 16-05 – Comprehensive Pump Station Upgrades (10-year Program)

The Copper Mine Pump Station Upgrades project (part of the Comprehensive Pump Station Upgrades Program) was tendered in 2024. Despite receiving four bids, the pricing surpassed the available budget. All four bids were within 15%, which indicates that pricing is fair and competitive. The 2024 budget is being increased by \$1,100,000 to \$3,200,000 and the 2025 budget is being decreased by \$500,000 to \$500,000.

These adjustments will accommodate for market escalation, align with more current schedule expectations, and expand the scope to upgrade both Pump Stations #1 and #2, and an existing Pressure Control Station under one contract. Given the somewhat remote location of the work in East Sooke, staff believe that completing the expanded scope under one Contract will be beneficial to the service, since this will allow staff to deliver more work with the resources (staff, consultants, contractors) available. The improvements will also remove existing confined spaces that are part of the existing facilities, which will further improve operational safety and improve efficiency of operational and maintenance efforts. Pending approval of the revised budget, the project is slated for award in 2024, with completion anticipated in 2025.

Project 20-03 – Asbestos Cement (AC) Replacement Program

The 2025 budget for the AC Replacement Program has been increased by \$2,020,000 to \$5,520,000. This additional funding, combined with anticipated 2024 carry forward funds, will allow staff to tender a larger project in the District of Sooke (Sooke Road from Church Road to Belvista Place) while maintaining a similar volume of replacement work by CRD staff in 2024 and 2025.

Project 21-02 – Sooke Road - 2,200 meters of 600-millimeter Pipe – Veterans Memorial Parkway to Jacklin Road

Construction of this project is proposed to be deferred to 2026 and funding in 2024 and 2025 will be reallocated to fund other projects noted in this Capital Plan Amendment. This project is being deferred to allow the AC pipe replacement project on Sooke Road (as noted above in Project 20-

03) to be completed prior to undertaking this project. Undertaking these two projects simultaneously would have a significant impact on the Sooke Road commuter route and the AC replacement project is deemed to have a higher criticality. CRD will use the interim time to initiate a concept design and better assess the project budget for Project 21-02.

Project 24-02 – Highway 14 Watermain Relocation

Project 24-02 has \$2,000,000 in funding available for 2024. The actual work, being completed by Ministry of Transportation, is now planned to be completed in 2025. The amendment is deferring \$1,180,000 of funding to 2025, which is not expected to be required in 2024. This will allow for the excess funding in 2024 to be available to fund the work described under Project 16-05.

Project 24-03 – Meter Reading Equipment

Staff have identified additional meter reading equipment failures which is over and above planned and requires replacement. A new project with funding of \$80,000 has been added to the Capital Plan to account for this equipment replacement and is fully funded by the budget adjustments within this proposed Capital Plan amendment.

It is proposed to fund the capital project adjustments from within the capital plan and there is no financial impact anticipated on the 2024 water rates with these adjustments.

Budget Adjustment Summary

The budget adjustments to the Capital Projects listed above are summarized below in Table 1. These updates will be incorporated into the 5-year Capital Plan as outlined Appendix A.

Table 1 - Summary of Budget Adjustments

Project #	2024 Change	2025 Change	2026 Change	2027 Change	2028 Change
16-05	\$1,100,000	\$(500,000)	\$0	\$0	\$0
20-03	\$0	\$2,020,000	\$0	\$(2,700,000)	\$0
21-02	\$0	\$(2,700,000)	\$0	\$2,700,000	\$0
24-02	\$(1,180,000)	\$1,180,000	\$0	\$0	\$0
24-03	\$80,000	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0	\$0

ALTERNATIVES

Alternative 1

The Juan de Fuca Water Distribution Commission recommends that the Capital Regional District Board:

Approve amending the 2024 Juan de Fuca Water Distribution Five Year Capital plan to reallocate funding for projects 16-05, 20-03, 21-02, 24-02 and 24-03 as outlined in Table 1 of the staff report and reflected in the updated Capital Plan shown in Appendix A.

Alternative 2

That this report be referred back to staff for additional information.

Service Delivery Implications

The Juan de Fuca Water Distribution system will enhance service reliability for East Sooke residents through the introduction of the new pump stations. The Coppermine Pumpstation Upgrades will ensure the provision of adequate fire flows and the capacity to fill the existing tank at a higher flow rate.

Financial Implications

There are no net impacts on the capital budget for 2024-2025 or on the 2024-2025 water rates. Updated project forecasting indicates the proposed additionally requested funds will be offset within the capital plan. Appendix A reflects the Five-year Capital Plan revised to include the changes outlined in this report.

CONCLUSION

A Capital Plan amendment is required to better align funding to advance projects that are ready to move forward in 2024. The updated expenditures are fully funded and balanced and will not increase the 2024 capital funding requirements or water utility rates beyond what was previously approved by the Juan de Fuca Water Distribution Commission.

RECOMMENDATION

The Juan de Fuca Water Distribution Commission recommends that the Capital Regional District Board:

Approve amending the 2024 Juan de Fuca Water Distribution Five Year Capital plan to reallocate funding for projects 16-05, 20-03, 21-02, 24-02 and 24-03 as outlined in Table 1 of the staff report and reflected in the updated Capital Plan shown in Appendix A.

Submitted by:	Jared Kelly, P.Eng., Manager, Capital Projects
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ATTACHMENT(S)

Appendix A: Updated 2024-2028 Juan de Fuca Water Distribution Service Five Year Capital Plan