



**REPORT TO JUAN DE FUCA WATER DISTRIBUTION COMMISSION
MEETING OF TUESDAY, JULY 5, 2022**

SUBJECT Rocky Point Water Upgrade Budget Amendment

ISSUE SUMMARY

The Juan de Fuca Water Distribution Service 2022 capital plan and budget requires amendment as a result of additional work required on the Rocky Point Water Upgrade Project.

BACKGROUND

As reported to the Juan de Fuca Water Distribution Commission on September 7, 2021, the total approved budget for the Rocky Point Water Upgrade project, as per the capital plan, was \$9,314,000. This project is cost-shared with the Federal government and in March of 2021, the Capital Regional District (CRD) entered into a Contribution Agreement with the Department of National Defence (DND) to provide funding for construction and construction phase engineering services.

A breakdown of the current budget is as follows:

Project Name & Budget No.	Engineering Design Phase Budget	Engineering Construction Phase Budget	Construction Budget	Total Budget	Funding Source	
					CRD	DND
Rocky Point Water Upgrades No. 18-05	\$408,000	\$367,000	\$8,539,000	\$9,314,000	\$3,550,000	\$5,764,000

After tender award and consultation with Scia'new First Nation (Beecher Bay), additional archeological and environmental monitoring is required to be undertaken within the DND funding portion of the work. DND has fully committed to funding this work, however the CRD is administering the project and therefore must revise the 2022 capital plan. The cost of the archeological and environmental monitoring is approximately \$358,000 and \$53,000 respectively totaling \$411,000.

A breakdown of the revised budget is as follows:

Project Name & Budget No.	Engineering Design Phase Budget	Engineering Construction Phase Budget	Revised Construction Budget	Revised Total Budget	Revised Funding Source	
					CRD	DND
Rocky Point Water Upgrades No. 18-05	\$408,000	\$367,000	\$8,950,000	\$9,725,000	\$3,550,000	\$6,175,000

ALTERNATIVES

Alternative 1

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

That the 2022 Juan de Fuca Water Distribution Service capital plan and Project 18-05, Rocky Point Water Upgrades, budget be amended to \$9,725,000 to reflect an increase in Federal funding of \$411,000 for the additional archeological and environmental monitoring costs.

Alternative 2

That the budget amendment request not be approved and that the matter be directed back to staff.

IMPLICATIONS

Financial Implications

The budget amendment requested is being funded 100% by DND and will not have any impact on the Juan de Fuca Water Distribution Service capital plan.

Service Delivery Implications

Should the budget amendment not be approved, then the project would be at risk of a funding shortfall which may impact final project delivery.

CONCLUSION

Additional archeological and environmental monitoring is required to be undertaken on the DND portion of the Rocky Point Water Upgrades project. As a result of the additional work, a budget amendment to the 2022 Juan de Fuca Water Distribution Service capital plan is required. The cost of this additional work is estimated at \$411,000 and will be 100% funded by DND.

RECOMMENDATION

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

That the 2022 Juan de Fuca Water Distribution Service capital plan and Project 18-05, Rocky Point Water Upgrades, budget be amended to \$9,725,000 to reflect an increase in Federal funding of \$411,000 for the additional archeological and environmental monitoring costs.

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