

REPORT TO JUAN DE FUCA WATER DISTRIBUTION COMMISSION MEETING OF TUESDAY, JANUARY 7, 2020

SUBJECT Grant Application for Anderson Cove (East Sooke) Water Service Extension

ISSUE SUMMARY

The Juan de Fuca Electoral Area Director has requested that a grant application be submitted for the proposed Anderson Cove water service extension to provide project funding. The grant program is *Investing in Canada Infrastructure Program - British Columbia - Green Infrastructure - Environmental Quality* which has an application deadline of February 26, 2020.

BACKGROUND

The Anderson Cove area of East Sooke, which represents approximately 30 single family residential properties, relies on ground water sources for domestic water supply. To date, the Juan de Fuca Water Distribution system has not been extended to the area to allow connection.

In November 2016, the Juan de Fuca Water Distribution Commission (the Commission), and subsequently the Capital Regional District (CRD) Board, approved a grant application under the *Canada-British Columbia Clean Water and Wastewater Fund*, requesting project funding to extend the Juan de Fuca water distribution system to the Anderson Cove area. The project budget was set at \$3.2 million with grant program funding of up to 83% of the project costs. The remaining 17% would have been funded by the benefitting property owners. While the grant application was unsuccessful, there is now another grant program available and the Juan de Fuca Electoral Area Director is requesting that another application be submitted for the Anderson Cove project.

The new grant program, *Investing in Canada Infrastructure Program - British Columbia - Green Infrastructure - Environmental Quality* (the Grant), will fund up to 73.33% of eligible costs with the 30 benefitting property owners funding the remaining eligible costs of 26.67% plus any ineligible project costs. The 2020 intake is the second intake under this program and is to support cost-sharing of infrastructure projects in communities across the province. In particular, the Grant program requires that certain outcomes be met, one of which is “increased access to potable water”. The project scope has been modified since 2016 and the updated project budget has been set at \$2.055 million.

Project Overview

In order to extend the Juan de Fuca water distribution system to Anderson Cove, the project would encompass the following:

- 1,855 metres of 250mm diameter and 150mm diameter water main and appurtenances. (see Attachment 1 for location).

The preceding project scope is less than the 2016 grant request for the following reasons referenced on Attachment 1:

- 500 metres of water main was twinned on East Sooke Road in 2019 at a cost of \$530,000 and funded by the “Mine Road Utilities Deferred Capacity Trust Fund”.
- As a result of the twinning work on East Sooke Road, another project to connect the

pressure zones on East Sooke Road became viable which requires 430 metres of water main at an estimated cost of \$515,000 including engineering and contingency. Regardless of the success of the Anderson Cove grant application, this project will be recommended to the Commission in the 2021 capital program, to be constructed in 2022 as an enhancement to the Juan de Fuca water distribution system to connect pressure zones and increase fire and domestic storage in the area.

Project Costing

- Total eligible costs are estimated at \$1.99 million including engineering and contingency amounts.
- Reimbursable costs are estimated at \$1.46 million (73.33% of \$1.99 million).
- Ineligible costs are estimated at \$65,000.
- Total costs to be borne by the benefitting property owners are estimated at \$530,000 (26.67% of \$1.99 million) plus ineligible costs of \$65,000 which totals \$595,000.

Project Funding

As noted, the grant program would provide up to \$1.46 million in funding and the benefitting property owners would provide up to \$595,000 in funding. If the grant application is successful, in order to finance the benefitting property owners' share, subject to CRD Board approval, a CRD local service area would be established for the purpose of funding a CRD loan. (see Attachment 1 for service area boundary).

To reaffirm the property owners' support for the project and their funding contribution, the Juan de Fuca Electoral Area Director has carried out the following tasks:

- Sent a letter to all affected residents to ask them to confirm that they would be willing to pay from \$20,000 to \$25,000 per property to fund their part of the project (see Attachment 2).
- Received 100% support to his request for funding from all 30 property owners.

As a result of the property owners' support, if the grant is approved, the project is anticipated to have full funding.

ALTERNATIVES

Alternative 1

The Juan de Fuca Water Distribution Commission recommends to the Electoral Areas Committee and the Capital Regional District Board that:

Staff be directed to prepare and submit an application for an *Investing in Canada Infrastructure Program - British Columbia – Green Infrastructure - Environmental Quality* grant for the water service extension to the Anderson Cove area of the Juan de Fuca Water Distribution service area.

Alternative 2

The Juan de Fuca Water Distribution Commission directs staff not to proceed with a grant application to the *Investing in Canada Infrastructure Program-British Columbia-Green Infrastructure-Environmental Quality* program.

FINANCIAL IMPLICATIONS

If the recommendation is approved, there will be a cost to hire a consultant to complete the grant application. The estimated cost is \$5,000, which will be paid with Community Works Fund monies offered by the Juan de Fuca Electoral Area Director. The grant application nor the project as a whole will not result in any capital costs for the Juan de Fuca Water Distribution Service. If the project is completed, on-going infrastructure operating costs will be funded through the water rate revenue.

LAND USE POLICY IMPLICATIONS

Leading up to the 2016 grant application, at its October 12, 2016 meeting, the CRD Board resolved to permit the extension of water service to the Anderson Cove area, deeming the extension in accordance with Action 1.1 (5) of the 2003 Regional Growth Strategy (RGS). The RGS has since been updated (January 2018). The proposed Anderson Cove water service extension aligns with RGS Objective 2.2 (Manage Regional Infrastructure Services Sustainably) and the principles and policies set out thereunder, namely:

- The service extension will service existing dwellings/lots only, replacing ground water wells for domestic water supply
- The negative financial impacts to those currently serviced will be minimized as the benefitting property owners will be funding the initial capital (in excess of grant funding) and on-going operating costs
- The proposed service extension falls within the Juan de Fuca Electoral Area outside the Urban Containment Policy Area, but within the East Sooke water service area referenced under RGS Objective 2.2, Policy 2.b (See Attachment 3 – RGS Map 5)

CONCLUSION

At the request of the Juan de Fuca Electoral Area Director, approval for a grant application to install water service to the Anderson Cove area of East Sooke is required. The grant program, *Investing in Canada Infrastructure Program - British Columbia - Green Infrastructure - Environmental Quality*, provides up to 73.33% funding with 26.67% funding coming from 30 benefitting property owners. The total project budget has been set at \$2.055 million. If the CRD receives the grant, the project would be funded through \$1.46 million in grant funds and \$595,000 in funding from the benefitting property owners. Project and funding support was sought from the property owners and all of the owners have agreed through an informal petition process, to pay their portion (estimated at \$20,000 to \$25,000 per property). Other than grant funds, the full capital cost of the project will be borne by the benefitting property owners and the on-going operating costs will be funded through the water rate revenue. The deadline for submitting the grant application is February 26, 2020.

RECOMMENDATION

The Juan de Fuca Water Distribution Commission recommends to the Electoral Areas Committee and the Capital Regional District Board that:

Staff be directed to prepare and submit an application for an *Investing in Canada Infrastructure Program - British Columbia – Green Infrastructure - Environmental Quality* grant for the water service extension to the Anderson Cove area of the Juan de Fuca Water Distribution service area.

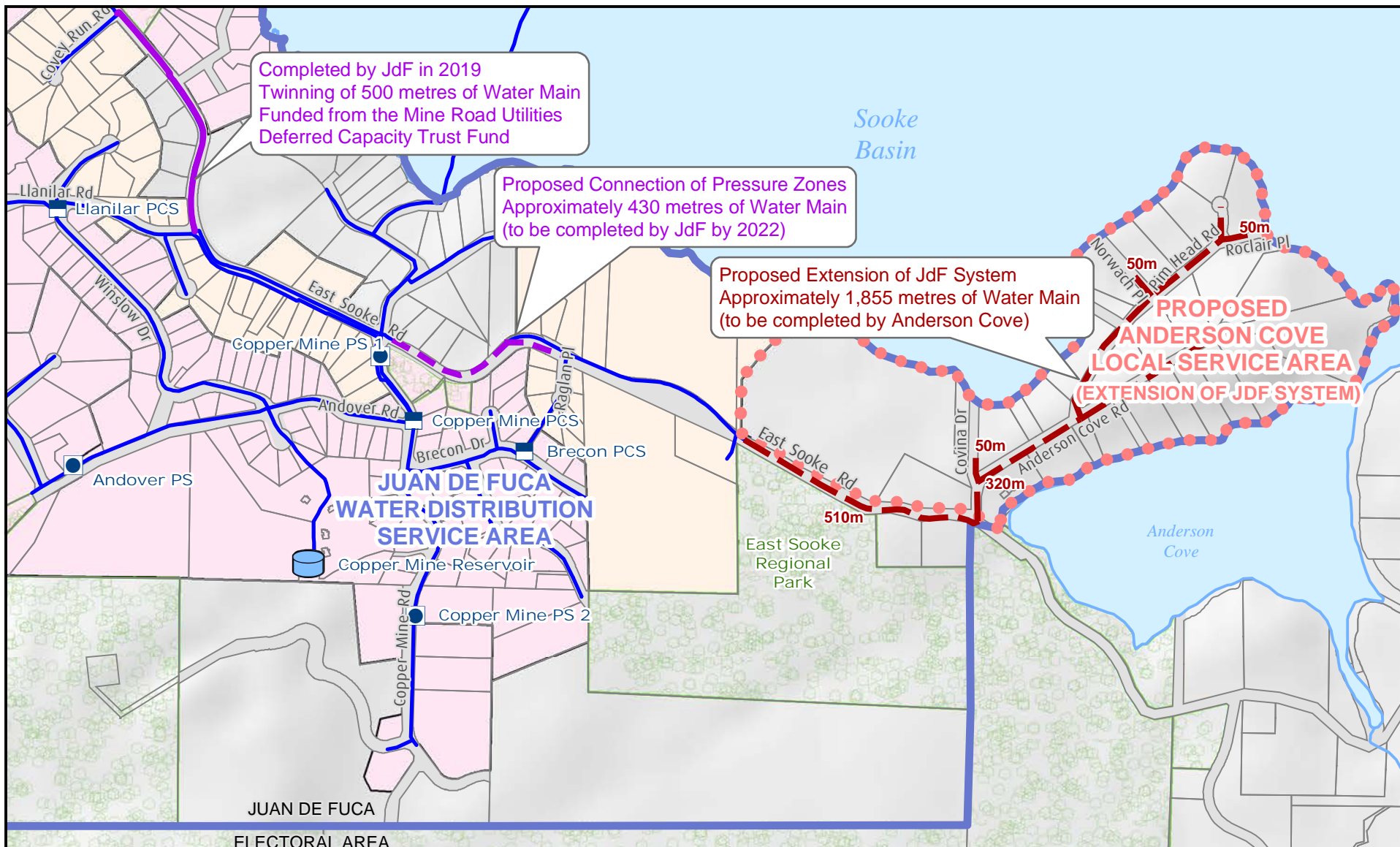
Submitted by:	Ted Robbins, B.Sc., C.Tech., General Manager, Integrated Water Services
Concurrence:	Ted Robbins, B.Sc., C.Tech., Acting Chief Administrative Officer

ATTACHMENTS

Attachment 1: Water Main Extension Map

Attachment 2: Juan de Fuca Electoral Area Director Letter to Residents

Attachment 3: RGS Map 5 – Juan de Fuca Water Service Area (East Sooke & Otter Point)



1:11,000
0 100 200 400 Metres
UTM Zone 10N NAD 1983



DISCLAIMER
Important This map is for general information purposes only. The Capital Regional District (CRD) makes no representations or warranties regarding the accuracy or completeness of this map or the suitability of the map for any purpose. **This map is not for navigation.** The CRD **will not be liable** for any damage, loss or injury resulting from the use of the map or information on the map and the map may be changed by the CRD at any time.

December 2019 | EastSookeAndersonCove_11x17.mxd | helpdesk@crd.bc.ca

- Juan de Fuca Water Distribution Service Area
- Proposed Anderson Cove Local Service Area
- Existing JdF Water Main
- Completed JdF Twinning of Main
- Proposed JdF Connection
- Proposed Anderson Cove Extension

Anderson Cove - East Sooke - JdFEA Water Mains Required for Extension

December 2019



Attachment 1

ATTACHMENT 2



Mike Hicks
Regional Director
Juan de Fuca Electoral Area
#3 – 7450 Butler Road
Sooke, BC V9Z 1N1
250 216 5802
directorjdf@crd.bc.ca

November 19, 2019

Dear Anderson Cove resident,

We have another chance to apply for a Federal Government grant to extend water from the East Sooke Fire Department to the Anderson Cove area. Before submitting the application we must complete the engineering and cost analysis and get approval from the JDF Water Commission and CRD Board. As they only meet once a month and with Xmas holidays coming soon, I need your immediate reply to my letter if possible.

If successful the grant Federal Government will cover 70% of the costs leaving 30% to the Anderson Cove area property owners. The cost to extend the water will be somewhere between \$ 20,000 and \$ 25,000 per property. Family owning 2 properties will have to pay 2 parcel taxes or \$ 40-50,000. There are 30 properties affected. The project would not happen for at least a year and financing options would be available.

At this time, I need to know if you want us to proceed with the grant application. I need to know if you are willing to contribute your share. This is not legally binding but there are many folks needing water in the Juan de Fuca Electoral Area and as we only have one application, I must feel comfortable that most if not all of Anderson Cove want to proceed.

Please send me an e-mail to: directorjdf@crd.bc.ca with your name, phone number and Yes or No to proceed. Give me a call if you have questions please 250 216 5802

Sincerely,

A handwritten signature in blue ink, appearing to read 'Mike Hicks', is placed over a large, light grey circular watermark.

Mike Hicks
Regional Director
Juan de Fuca Electoral Area

ATTACHMENT 3

Otter Point

East Sooke

CAPITAL REGIONAL DISTRICT
Map 5: Juan de Fuca Water Service Area



Water Service Area

