

**REPORT TO JUAN DE FUCA WATER DISTRIBUTION COMMISSION
MEETING OF TUESDAY, JUNE 2, 2020**

SUBJECT **2020 - 2021 Juan de Fuca Water Distribution Capital Plan Amendment**

ISSUE SUMMARY

It is proposed to amend the 2020 – 2021 Capital Plan and Financial Plan to adjust the budget and schedules for the Goldstream Avenue and Walfred Road – Phase 2 Asbestos Cement (AC) Pipe Replacement projects.

BACKGROUND

The approved 2020 – 2024 Juan de Fuca Water Distribution Capital Plan includes approximately 30 projects, many of which were planned or were instream for the 2020 budget year. One of the projects, the Goldstream Avenue AC pipe replacement project, is a highly complex project due to the extensive planning required both with the City of Langford and the existing commercial and residential customers served along the route. This project has a \$5 million (M) budget and was originally scheduled to be started and completed in 2020. As a result of the impacts of COVID-19 and the logistical challenges created with stakeholder engagement, the Goldstream Avenue project design schedule has been delayed. It is now proposed to begin project design in the fall of 2020 and begin construction in the spring of 2021. This will change the budget expenditure on this project to \$0.2M in 2020 and \$4.8M in 2021.

Further, in order to utilize the capital project delivery capacity resulting from the proposed Goldstream Avenue project schedule adjustment, it is proposed to reschedule Phase 2 of the Walfred Road AC pipe replacement project in the City of Langford from 2021 to 2020. Phase 1 of the Walfred Road project is currently under construction, so all design and permits are in place to continue on with Phase 2 construction this year. Phase 2 of the Walfred Road project consists of approximately 900 metres of 300 mm diameter ductile iron pipe with a budget of \$1.2M.

ALTERNATIVES

Alternative 1

The Juan de Fuca Water Distribution Commission recommends to the Capital Regional District Board, that the 2020-2021 Juan de Fuca Water Distribution Service Financial Plan be amended as shown in Appendix A.

Alternative 2

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

IMPLICATIONS

Financial Implications

Capital reserves are funded by transfers from the operating budget. Both projects were to be funded from capital reserve in 2020 and 2021. There is no expected impact to the current approved water rates.

CONCLUSION

The \$5M Goldstream Avenue AC Pipe Replacement project is unable to be completed as planned in 2020. To take advantage of timing and available resources, an alternate AC pipe replacement project originally scheduled for construction in 2021, Walfred Road – Phase 2, is now proposed to begin in 2020. The Walfred Road – Phase 2 project is valued at \$1.2M and would require no additional funding in 2020 due to the adjusted schedule for Goldstream Avenue project.

RECOMMENDATION

The Juan de Fuca Water Distribution Commission recommends to the Capital Regional District Board, that the 2020-2021 Juan de Fuca Water Distribution Service Financial Plan be amended as shown in Appendix A.

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Concurrence:	Nelson Chan, M.B.A., C.P.A., C.M.A., Chief Financial Officer
Concurrence:	Robert Lapham, M.C.I.P., R.P.P., Chief Administrative Officer