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## REPORT TO SKANA WATER SERVICE COMMITTEE MEETING OF TUESDAY, FEBRUARY 01, 2022

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**SUBJECT**     Investing in Canada Infrastructure Program – Green Infrastructure – Environment Quality Grant Application for the Skana Water System Storage Tank Replacement

### **ISSUE SUMMARY**

A Capital Regional District (CRD) Board resolution is required to endorse the *Investing in Canada Infrastructure Program* (ICIP) – *Green Infrastructure – Environmental Quality*, grant application for the Skana Water System Storage Tank Replacement project.

### **BACKGROUND**

The Skana water system has two horizontal steel water storage tanks. The tanks were installed in the 1970's, mounted on concrete cradles, on a gravel pad adjacent to the primary water source.

Operations staff noted increased rust coloured sediment when flushing the water storage tanks prompting a condition assessment in 2015. A structural consultant was retained to conduct an assessment consisting of visual inspections, ultrasonic thickness testing from the exterior, and estimate of remaining service life. Exterior and interior corrosion was observed, and the storage tanks were beyond their estimated service life of 40 years based on industry standards. Additionally, the foundations required retrofits or replacements if the tanks were to remain in service.

### **Project Overview**

The proposed scope of work is to complete the replacement of the two steel tanks with a bolted steel tank and seismically appropriate foundation with proper water level control.

The new grant program will fund portions of the consulting and construction costs for design, supply and construction of the bolted steel tank and associated piping, and removal of the old steel tanks and concrete cradles.

The Skana water service will be responsible for ineligible costs such as CRD staff time associated with managing the project and operations staff facilitating design and construction. Additionally, the *Green Infrastructure – Environmental Quality* grant funds to a maximum of 73.33% of eligible costs.

### **Project Costing**

- Total eligible costs are estimated at about \$729,950 including engineering and contingency amounts.
- Reimbursable costs are estimated at \$535,272 (73.33% of \$729,950).
- Ineligible costs are estimated at \$19,170 (for staff time associated with managing the project).
- Total costs to be borne by the Skana Water Service property owners are estimated at \$194,678 (26.67% of \$729,950) plus ineligible costs of \$19,170 which totals \$213,848.

#### Project Funding

As noted, the grant program could provide up to \$535,272 and the Skana Water Service property owners would be responsible for \$213,848. An alternative approval process or referendum would be required for voter assent to borrow required funds.

#### **ALTERNATIVES**

##### *Alternative 1*

The Skana Water Service Committee recommends the Electoral Areas Committee recommend to the Capital Regional District Board:

That staff be directed to submit an application for an *Investing in Canada Infrastructure Program - British Columbia – Green Infrastructure - Environmental Quality* grant for the project's grant-eligible costs for the Skana Water System Storage Tank Replacement.

##### *Alternative 2*

That the Skana Water Service Committee directs staff not to proceed with a grant application to the *Investing in Canada Infrastructure Program (ICIP) - Green Infrastructure – Environmental Quality* program.

#### **IMPLICATIONS**

If the recommendation is approved, staff will complete and submit the grant for the February 23, 2022 submission deadline. Should the grant be approved, there could be up to a \$535,272 benefit to the community. Should the grant not be approved, the project can still commence at an estimated cost of \$749,120 to be approved via an alternative approval process or referendum. Replacement of the water storage tanks are required and will improve system resilience.

#### **CONCLUSION**

An opportunity for grant funding to replace the deteriorating water storage tanks is available through the *Investing in Canada Infrastructure Program*. A resolution from the Capital Regional District Board is required to endorse the application. The deadline for submitting the grant application is February 23, 2022.

### **RECOMMENDATION**

The Skana Water Service Committee recommends the Electoral Areas Committee recommend to the Capital Regional District Board:

That staff be directed to submit an application for an Investing in Canada Infrastructure Program - British Columbia – Green Infrastructure - Environmental Quality grant for the project's grant-eligible costs for the Skana Water System Storage Tank Replacement.

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