

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Infrastructure Services Committee – July 7, 2016

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SUBJECT: **CHAPMAN LAKE WATER SUPPLY EXPANSION BUDGET UPDATE**

RECOMMENDATION(S)

THAT the report titled “Chapman Lake Water Supply Expansion Budget Update” be received;

AND THAT the 2016 Financial Plan for Regional Water [function 370] be amended to include the additional environmental assessment work related to the Chapman Lake Expansion Project in the amount of \$125,425 to be funded through debt.

BACKGROUND

The SCR D applied for an amendment to its Chapman Lake Park Use Permit (PUP) on April 13, 2016 and Water Licence Amendment on April 18, 2016, to allow the installation of a gravity fed withdrawal system to provide additional water supply from Chapman Lake.

The Board was informed at the June 9, 2016, Special Infrastructure Services Committee meeting that the SCR D received formal notice from BC Parks, by letter received June 6, 2016, requiring further field investigation work in order to fully adjudicate the proposal and issue the Parks Use Permit Amendment.

In addition to the BC Parks requirement, the Ministry of Forests, Lands and Natural Resource Operations (FLNRO) formally requested by email received June 20, 2016, that a new water license application be submitted along with an Environmental Flow Needs (EFN) study as part of the Chapman Lake Water Supply Expansion project.

The purpose of this report is to inform the Committee on the additional requirements and budgetary impacts to meet BC Parks and FLNRO’s approval process and grant the necessary permits.

DISCUSSION

In order to meet the additional requirements outlined by the Province, staff requested and received a draft cost proposal from AECOM for review. Staff have also received a proposal from a local biological consultant to perform an EFN study and fish assessment on Chapman Creek which will satisfy FLNRO’s requirements for a new water license application.

Financial Implications

The 2016 Capital Budget for the Regional Water Service currently includes the following budgeted projects, both to be funded by long term debt:

<i>Chapman Lake Supply Expansion Construction (2016 R1, Rec No. 45)</i>	<i>\$4,225,000</i>
<i>Chapman Lake Supply Expansion Consulting Services (021/16)</i>	<i>\$503,490</i>
TOTAL BUDGET	\$4,728,490

Table 1 (below) outlines the breakdown of AECOM's proposal to complete the additional tasks required:

Table 1: AECOM Proposal: Additional Studies and Reporting

Task	Description	
1	Project Management	
2	Watershed Hydrodynamics/Climate Change	
3	Limnology	
4	Fish and Fish Habitat Assessment (Chapman Lake)	
5a	Terrestrial - Ecosystem mapping	
5b	Terrestrial - Plant surveys (rare + medicinal)	
5c	Terrestrial - Herptiles	
6	Data Analysis and Reporting	
Consulting Cost		\$82,895
Helicopter Flights		\$13,000
Total		\$95,895

In addition to AECOM's proposal, staff received a quote from FSCI Biological Consultants to perform a Chapman Creek low flow study to satisfy FLNRO's requirements, at a cost of \$27,530.

Both proposals have been reviewed for completeness and staff have determined they are reasonable, accurate and, in the case of AECOM, qualify as extra work to the contract

Table 2 (below) identifies the increase in the capital budget required to accommodate the estimated extra costs associated with completing the additional work.

Table 2: 2016 Budget Impact – Chapman Lake Supply Expansion Project Extras

Project Item	Costs
Chapman Lake Supply Construction	\$4,225,000
Chapman Lake Supply Expansion Consulting Services	\$503,490
ADD: AECOM Additional Environmental Field Work	\$95,895
ADD: Chapman Creek Low Flow / Fish Habitat Assessment	\$27,530
TOTAL	\$4,851,915

An Alternative Approval Process (AAP) is currently underway to authorize long term borrowing of up to \$5 million for the Chapman Lake Access (Supply) Expansion Project. Given that the anticipated extras required to move forward with the PUP amendment application and associated water license approvals are still below the AAP value of \$5 million, it is being recommended that the extra costs of \$123,425 identified above be funded through long term debt.

Timeline for next steps or estimated completion date

AECOM has committed to complete the additional field work by the end of August and have the final report and PUP application completed and submitted to the regulatory authorities by the end of September.

This timeline is consistent with what was communicated to the Board by AECOM at the June 9, 2016, Special Infrastructure Services Committee meeting, whereby agency approval would be expected no later than early November 2016.

The Chapman Creek low flow assessment work could begin in July/August 2016 and most likely continue into the fall where higher water levels are required to complete parts of the studies. These studies are required for the new water license application, which will be submitted by the 4th quarter 2016.

STRATEGIC PLAN AND RELATED POLICIES

This project supports the SCRD Strategic Plan priority to Embed Environmental Leadership through responsible management of the region’s water supply.

CONCLUSION

The SCRD submitted a PUP amendment application to BC Parks in April 2016. BC Parks has requested that additional project information as well as additional environmental studies and impact assessments be performed and submitted in order to complete their review.

Proposals have been received from AECOM and FSCI Biological Consultants, to complete the additional tasks needed to meet both BC Parks and FLNRO’s application requirements. Both proposals have been reviewed for completeness and staff have determined they are reasonable, accurate and, in the case of AECOM, qualify as extra work to the contract.

Staff recommend that the 2016 Financial Plan be amended with increases in the Regional Water Service capital budget in the amount of \$123,425 (\$95,895 and \$27,530) to be funded by debt.

Reviewed by:			
Manager		Finance	X-TP
GM	X-BS	Legislative	X-AL
CAO	X- JL	Other	