

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Infrastructure Services Committee – September 9, 2021

AUTHOR: Remko Rosenboom, General Manager, Infrastructure Services
Stephen Misiurak, Manager, Capital Projects

SUBJECT: Church Road Well Field Project - Update

RECOMMENDATION(S)

THAT the report titled Church Road Well Field Project - Update be received for information;

AND THAT the contract with Associated Environmental Consultants Inc. for the Groundwater Investigation - Phase 4A be increased by \$50,000 to up to \$862,182 (excluding GST);

AND THAT the delegated authorities be authorized to execute the contract;

AND THAT should the water license for the Church Road Well Field Project not be issued, that the expenses to date be funded through operational reserves;

AND FURTHER THAT these recommendations be forwarded to the September 9, 2021 Board meeting.

BACKGROUND

Currently the SCRD has a contract with Associated Environmental Consultants Inc. for engineering services for the Groundwater Investigation Phase 4A – Church Road Well Field project. At the June 10, 2021 Infrastructure Services Committee meeting staff presented [a report](#) with a status update of this project.

The purpose of this report is to provide an update on the current status of the project and request an amendment to the contract with Associated Environmental Consultants Inc. to include the additional work required in support of our Water Licence application with the Ministry of Forests Land, Natural resource Operations and Rural Development (FLNRORD).

DISCUSSION

Status update

In November 2019 SCRD staff met with Squamish Nation staff to introduce this project and inform them about the application for a Water Licence. Since the provincial consultation process on the application was initiated with a referral of our application and supporting documentation to the Nation. Since early 2020, the COVID-pandemic impacted the workload of all staff involved and limited the opportunities for staff from all three parties to meet in person. During the remainder of 2020 there FLNRORD and Squamish Nation staff discussed the project but it was not until July 29, 2021 that staff attended the first meeting dedicated to this Water Licence application.

At the July 29 meeting, it became apparent that FLNRORD had not yet forwarded relevant technical information received from the SCRD to the Squamish Nation as part of their consultation process. This was rectified shortly after the meeting.

At the meeting SCRD staff provided a status update of the projects to Squamish Nation staff, including the split into two water licences as described in the June 10, 2021 staff report. Squamish Nation staff acknowledged that they are aware of the urgency of this project to the Sunshine Coast community. Staff are expecting to receive a letter from the Nation with their comments on the project shortly. Based on the content of this letter, staff anticipate that additional meetings or information exchange might be required.

The June 10, 2021 staff report indicated that:

“The Ministry of Forests Land, Natural Resource Operations and Rural Development has been adjudicating our Water Licence application since fall 2019 and has recently requested additional support in the form of:

- Detailed technical analyses in support of our proposed EFN for Soames Creek. This type of analyses is over and above of the EFN-analysis usually required in support of a Water Licence.
- Detailed monitoring plan for the EFN in Soames Creek. Such a plan was scheduled for development post issuance of the Water licence.
- Additional technical analyses on the hydrotechnical functioning of the aquifer.”

It is common practice that as part of the review of a Water Licence application FLNRORD requests additional information or analyses, such as the ones listed above, to be completed.

Pending any additional information request from the Squamish Nation, staff are confident that by addressing these outstanding information requests FLNRORD has received all technical information required prior to a decision on the issuance of a Water Licence for the Church Road Well Field Development Project. If the Squamish Nation request additional information, staff will discuss with FLNRORD if these would need to be addressed prior to the issuance of the Water Licensing, prior to project commissioning or during the first several; years of operations.

Staff reviewed the current contract with Associated Environmental Consultants Inc. and concluded that these activities are within the scope of the current contract and that the available budget is insufficient to complete these activities. However, given the urgency of this project, Associated Environmental Consultants Inc. and staff started working on these information requests.

Financial Implications

The additional support required to meet all provincial regulatory requirements would require an additional effort by our contractor at an estimated cost of up to \$50,000. This amount includes a contingency allowance for the contractor to provide support in responding to any questions or comments we might receive from the Squamish Nation.

It is recommended to increase the value of the contract for this project with Associated Environmental Consultants Inc. by \$50,000 from \$812,182 to up to \$862,182.

Given that the total approved budget for the entire development of this well field is \$8,270,000, this contract increase does not require an increase to the project budget or the 2021-2025 Financial Plan.

If for any reason the water license is not issued and the construction does not proceed, the project, which is currently funded from capital reserves and long-term debt, would then need to be funded through user fees or operational reserves. As of the date of this report, \$895,650 of which

\$798,505 relates to Associated Environmental Consultants Inc. has been expensed and could reach as high as \$950,000. Therefore, any further reporting will provide a funding update and associated Financial Plan Bylaw amendments if required.

Timeline for next steps

Following Board adoption, staff will prepare an amended contract for signing by the delegated authorities. An additional contract amendment will be negotiated and submitted to the Board for approval for both the Tendering phase and the Construction Management Phase of this project.

Depending on the response from the Squamish Nation, a water licence could still be issued within the next few months.

Depending on the nature of the anticipated comments from the Squamish Nation, staff will assess if it would be appropriate to initiate the procurement process for a contractor to construct the project prior to the issuance of the water licence or if this would result in substantial risks to the SCRD, including financial.

The duration of the construction and commissioning phase of this project depends on several factors, including start date, weather conditions, anticipated traffic volumes along Reed Road and the delivery time for specialist components (e.g. the pumps). Staff will consider all options available to the SCRD to shorten the construction and commissioning timeline such that the projects can be brought online during the summer of 2022.

STRATEGIC PLAN AND RELATED POLICIES

The Groundwater Investigation Project supports the SCRD Board's 2019-2023 Strategic Plan to plan for and ensure year round water availability now and in the future.

CONCLUSION

The purpose of this report is to seek approval to amend the SCRD's contract with Associated Environmental Consultants Inc. to allow for the ongoing support on our Water Licence for the Church Road Well Field Project with FLNRORD.

The amended contract value would be increased from \$812,182 up to \$862,182 (excluding GST).

Reviewed by:			
Manager		CFO/Finance	X- T. Perreault
GM		Legislative	
CAO	– D. McKinley	Purchasing & Risk Management	X- V. Cropp