



STAFF REPORT

DATE: November 9, 2021 **FILE:** 0550-04 Board

TO: Chair and Directors,
Regional Board

FROM: Dave Leitch
Chief Administrative Officer

RE: QUADRA ISLAND INFRASTRUCTURE PROJECTS – GRANT OPPORTUNITY

PURPOSE/PROBLEM

To consider submitting a funding application to the Canada Infrastructure Program - Green Infrastructure – Environmental Quality Grant program for Area C.

EXECUTIVE SUMMARY

The attached report was reviewed at the November 3, 2021 meeting of the Electoral Areas Services Committee at which time the following resolution was passed:

Leigh/Whalley: EASC 226/21

THAT the Committee recommend that an application be submitted to the Investing in Canada Infrastructure Program – Green Infrastructure – Environmental Quality Grant Program for the replacement of the Quathiaski Cove wastewater treatment facility, and

THAT the Regional District commit to its share of any ineligible costs or cost overruns associated with the project.

The actions outlined below are offered in support of the Committee's recommendation.

RECOMMENDATIONS

1. THAT the report from the Chief Administrative Officer be received.
2. THAT a grant application through the Canada Infrastructure Program – Green Infrastructure – Environmental Quality Grant funding program be submitted for the replacement of the Quathiaski Cove wastewater treatment facility, and

THAT the Regional District commit its share of any ineligible costs or cost overruns associated with the project.

Respectfully:

A large, handwritten signature in black ink, appearing to be "Dave Leitch", is written over a horizontal line. Below the line, the name and title are printed.

Dave Leitch
Chief Administrative Officer

Prepared by: E. Watson, Senior Executive Assistant

Attachments: Copy of October 28, 2021 staff report to the Electoral Areas Services Committee



STAFF REPORT

DATE: October 28, 2021

FILE: 0550 EASC

TO: Chair and Directors
Electoral Areas Services Committee

FROM: David Leitch
Chief Administrative Officer

RE: AREA C APPLICATION TO THE INVESTING IN CANADA INFRASTRUCTURE PROGRAM – GREEN INFRASTRUCTURE – ENVIRONMENTAL QUALITY GRANT PROGRAM

PURPOSE/PROBLEM

To consider submitting an application to the Investing in Canada Infrastructure Program – Green Infrastructure – Environmental Quality Grant Program for Area C.

EXECUTIVE SUMMARY

On October 8, 2021, Canada and British Columbia committed up to \$270 million towards the third intake of the Environmental Quality Program to support cost-sharing of infrastructure projects in communities across the province. The Environmental Quality Program is dedicated to capital infrastructure that will support:

- Access to drinking water
- Treatment and management improvements for wastewater

The program guidelines stipulate that Regional Districts may submit one application for each community in their area. A community is defined as a settlement area within a regional district electoral area or an established or proposed service area.

Electoral Area C, specifically Quadra Island, has two eligible infrastructure projects which would benefit from funding through this grant program as both are cost prohibitive without external funding sources:

- Quathiaski Cove Wastewater Treatment Plant Replacement
- Quathiaski Cove Community Water System

Based on the SRD's interpretation of the program guidelines, only one of the above projects could be submitted to consideration of grant funding.

FINANCIAL AND OTHER IMPLICATIONS

As with previous intakes for this program, funding is available for up to 73.33% of the eligible project costs (40% Government of Canada, 33.33% Province of British Columbia) and requires a commitment from the Board for its share (26.67%) of the costs. Although these projects are both of significant importance to the community, there are several factors to consider when choosing which one to pursue for this intake period. The most important of which is the likelihood of successfully being awarded the grant and the ability to implement the project within the time constraints of the program.

Option 1 - Quathiaski Cove WWTP Replacement

Based on the study completed by the Koers Engineering in February 2020, the estimated cost to replace major components of the Quathiaski Cove WWTP with a package WWTP is \$3,100,000 + GST. The SRD would be responsible for 26.67% of the cost or approximately \$825,000.

At its January 15, 2020, meeting an application for the replacement of the WWTP for the second intake of the program was endorsed by the Board:

Abram/Cornfield: SRD 16/20

THAT an application be submitted to the Investing in Canada Infrastructure Program - Green Infrastructure - Environmental Quality Grant Program for the replacement of the Quathiaski Cove wastewater treatment facility, and

THAT the Regional District commit to pay its share of any ineligible costs associated with the project through future borrowing.

Unfortunately, the application was not successful due the oversubscribed nature of the program. This project, however, is "shelf ready" and can be completed within the time constraints of the program. As has been presented previously, the WWTP is beyond its designed useful life and is in a constant state of repair with the threat of substantial environmental impact being the potential outcome when shutdowns occur.

Option 2 - Quathiaski Cove Community Water System

Based on the study completed in February 2021 by Koers Engineering the estimated cost for development of a water system servicing the same area as the sanitary sewer (there is currently no established water service area for Quathiaski Cove) is \$10,200,000+GST. The SRD would be responsible for 26.67% of the cost or approximately \$2,720,000.

As stated in the Koers *Quathiaski Cove Water System Feasibility Study*, exploratory drilling is required to ensure that source water is both of the quality and quantity needed for a community water system. In 2020, the BC Government observation well (Well No. 383) was categorized to be in a large rate of decline based on the calculated annual rate of decline of 0.12 m/year over the past 12 years (June 2008 – November 2019). This documented decline creates uncertainty surrounding the ability of the aquifer to supply a community water system.

Quantity is not the only unknown factor as the quality of the water (which would dictate the level of treatment required), has also not been established. Both concerns need further testing before a comprehensive cost estimate can be completed. It would be prudent to begin the drilling and source water analysis to prepare for a potential fourth intake of this grant program in the future.

The level of uncertainty surrounding this project from resource security perspective as well as from a cost estimate perspective (Class D estimates are usually not funded as they represent a high level of uncertainty to the funder), makes it a high-risk project under the program guidelines with a low chance of being a successful application.

RECOMMENDATIONS

1. THAT the report from the Chief Administrative Officer be received.
2. THAT the Committee recommend that an application be submitted to the Investing in Canada Infrastructure Program – Green Infrastructure – Environmental Quality Grant Program for the replacement of the Quathiaski Cove wastewater treatment facility, and

THAT the Regional District commit to its share of any ineligible costs or cost overruns associated with the project.

Respectfully:



David Leitch
Chief Administrative Officer

Prepared by: J. Humphreys, Engineering Services Coordinator
Reviewed by: W. Parada, Manager engineering services

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