

Bralorne Sewer Project

Community Information Meeting

April 23, 2019



SQUAMISH - LILLOOET
REGIONAL DISTRICT



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Agenda

1. Overview of project
 - What has been completed in Phase 1
 - What is outstanding for Phase 2
2. Options to move forward
3. Questions

Work completed in Phase 1

- Procurement process for design of new wastewater treatment system;
- Development of detailed engineering design;
- Negotiation and registration of statutory rights-of-way (ROWs);
- Preparation of an Environmental Impact Assessment and approval thereof by Ministry of Environment (MOE);
- Securing construction permits from the Ministry of Transportation and Infrastructure (MOTI);
- Determination of site for the wastewater treatment plant and associated rezoning;
- Procurement process for construction of new wastewater treatment system and entering into agreement with contractor;
- Completion of construction of:
 - 2 kilometres of collection mains;
 - 44 sanitary service connections (tied-in);
 - 30 sanitary service connections (capped at the property line for future tie-in, which will occur as part of Phase 2);
 - 18 sanitary service connections to undeveloped lots (capped at property line for future tie-in, which will occur when development occurs); and
 - 35 sanitary sewer manholes;

Work Remaining in Phase 2

- Tie-in of 30 sanitary service connections;
- Construction of 4 sanitary sewer manholes;
- Construction of 400 meters of collection mains;
- Construction of new wastewater treatment plant including septic tanks, biofilters and outfall;
- Decommission the old sewer system;
- Approval of subdivision by MOTI;
- Obtain new discharge permit from MOE for the new wastewater treatment system.



Update on Construction – Phase 2

The SLRD has identified some ways to reduce costs in respect of the project, including:

1. Scaling back of the hydro installation with respect to a backup pumping system for the treatment facility/flow meters – estimated savings of \$32,000;
2. Eliminate re-paving of the provincial roadway rights of ways – estimated savings of \$140,000;
3. Free up unused Phase 1 Contingency – estimated savings of \$100,000; and
4. Free up a portion of Phase 2 Contingency (based on Phase 1 results) – estimated savings of \$138,000.



Summary of Proposed Revisions to total Project Cost - Phase 2

Summary of Proposed Revisions to Total Project Cost	
ORIGINAL TOTAL PROJECT COST (Phase 1 & Phase 2)	\$2,860,530
Add additional construction contract costs for delay of Phase 2 to early June 2019	\$10,000
Delete portion of electrical backup system	(\$32,000)
Delete re-paving (or defer to future years)	(\$140,000)
Delete Phase 1 contingency	(\$100,000)
Reduce Phase 2 contingency	(\$138,000)
TOTAL REVISED PROJECT COST (Phase 1 and Phase 2)	\$2,460,530
TOTAL ESTIMATED SAVINGS FROM REVISIONS = \$ 400,000	



Updated Cost of Remaining Phase 2 and Funding Source

PHASE 2 – Funding Source	AMOUNT
Gas Tax Funds (available from freed-up Phase 1 contingency funds)	\$100,000
Gas Tax Funds (i.e. final 15% of total funding of \$1,999,530), <i>subject to completion of full project by December 31, 2019 deadline</i>	\$299,929
Short-Term Loan Required (repaid via increase to parcel tax requisition for a period of 5 years)	\$300,000
UPDATED PHASE 2 TOTAL REMAINING COST	\$699,929



Phase 2 Timing

- Subject to receiving elector approval (via Alternate Approval Process (AAP) having a deadline of May 21, 2019), Phase 2 will start in summer 2019 and is expected to be completed by August 2019.
- Phase 2 work will be completed by the same contractor that completed the Phase 1 work and at pricing agreed to by the parties in 2018. (With a small increase of \$10,000 for supplier pricing due to the delay to complete the project).



Total Cost of Phase 1 and Phase 2

REVISED	
PHASE 1 - Funding Source	AMOUNT
Gas Tax Funds (i.e. 85% of total funding of \$1,999,530)	\$1,699,601
Area A Gas Tax Community Works Funds	\$91,000
Bralorne Gold Mine contribution	\$10,000
Bralorne sewer reserve	\$60,000
Delete portion of Phase 1 contingency funds (i.e. freed up to be applied to Phase 2 work)	(\$100,000)
PHASE 1 TOTAL COST	\$1,760,601
PHASE 2 – Funding Source	AMOUNT
Gas Tax Funds (available from freed-up Phase 1 contingency funds)	\$100,000
Gas Tax Funds (i.e. final 15% of total funding of \$1,999,530), <i>subject to completion of full project by December 31, 2019 deadline</i>	\$299,929
Maximum Short-Term Loan (repaid via increase to parcel tax requisition for a period of 5 years)	\$300,000
PHASE 2 TOTAL COST	\$699,929

TOTAL REVISED PROJECT COST/FUNDING (PHASE 1 and PHASE 2)	\$2,460,530
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PILT Funding

- The Electoral Area A Director and the Board have agreed to provide Area A Northern Area BC Hydro Payment in Lieu of Taxes Funds Reserves (PILT Funds) to be applied towards the debt servicing.
- PILT Funds of \$20,000 per year for 5 years, a total of \$100,000 over 5 years, to be applied against the annual debt servicing costs will reduce the amount to be paid by the 95 taxable parcels in the Bralorne Sewer service area.
- A contribution of PILT Funds of \$20,000 per year for 5 years would reduce the debt servicing costs of \$300,000 loan to approximately \$49,000 (i.e. \$69,000 - \$20,000 = \$49,000) which is \$543 per parcel (when including the 5.25% provincial fee).



Will I be paying this maximum requisition amount each year?

	With no PILT Funds applied to debt servicing costs	With \$20,000 annual PILT Funds applied to debt servicing costs
New annual maximum requisition amount	\$100,250 (\$31,250 + \$69,000)	\$80,250 (\$31,250 + \$49,000)
New annual maximum requisition amount - inclusive of provincial fee	\$105,513	\$84,463
New annual maximum requisition amount per parcel - inclusive of provincial fee	\$1,111 <i>For Five Years</i>	\$889 <i>For Five Years</i>

When added to the current maximum annual requisition amount, a property owner could be paying the following:

Current Maximum Annual Requisition	\$346
Proposed Additional Requisition Amount	\$543
Total Maximum Annual Requisition Amount (per parcel per year)	\$889



What happens next?

The SLRD must obtain electoral approval via Alternate Approvals Process (AAP) in order to increase the maximum tax requisition so that it can undertake a short-term loan to complete the project. Until the loan is secured, the SLRD is unable to provide the construction contractor with notice to proceed with Phase 2 work. The construction contractor has agreed to hold pricing in respect of the Phase 2 work until early June 2019 with the exception of having to pass along some of its suppliers and subcontractors increased costs (i.e. \$10,000). This timing will enable the elector approval process via AAP to proceed in respect of the proposed amendment bylaw.

This AAP is the third attempt to obtain elector approval of the funding required to complete the Project. If elector approval is not obtained, then the following will occur:

- The Project will not be completed at this time;
- It is expected that the 15% claw back of the Grant will be applied (i.e. which means forfeiting funding of \$299,929);
- The existing, outdated sewage treatment system will continue to be used. Although the sewer system is currently exempt regarding the requirement to have a secondary treatment component, the provincial government has previously advised the SLRD that it could require the secondary treatment via imposing a permit amendment to the existing discharge permit.

Could MOE require upgrades/changes to the Bralorne wastewater system and if it did, how would such upgrades be funded?

The Bralorne wastewater system is currently operating under a discharge permit issued by MOE in the 1970s that requires septic-only treatment. To date, the Bralorne wastewater system has been exempt from having to meet current community wastewater standards, such as the requirement of secondary treatment.

If the Project is not completed and the provincial government requires a secondary treatment component to be implemented, the SLRD would then have to implement it. At a minimum, what would be required is the total of \$300,000 (current identified funding shortfall) + \$299,929 (portion of Grant expected to be forfeited) + undetermined construction cost escalation, resulting in substantially increased costs (and thus required tax requisitions) to the Bralorne community.

It is expected that at some point in the future, MOE will impose permit amendments that will require the Bralorne wastewater system to meet current community wastewater standards.



Why can't the SLRD just apply for more grant funding if and when MOE requires upgrades to the Bralorne wastewater system?

Given the large amount of the Gas Tax funding received in respect of Phase 1 of this project, the SLRD does not expect that it would be the recipient of more grant funding to complete Phase 2 of the project. As well, as the Gas Tax funding received incorporates both federal and provincial grants, both sources of grant funding have been utilized by this grant.

It took over 10 years to secure the 2015 Gas Tax funding, so any grant-writing efforts are a long-term project that would likely not meet the deadline that MOE could impose in respect of coming into compliance with a new discharge permit.



What about pursuing private septic systems as an alternative to completing the Phase 2 work?

- Due to the lot sizes and geography of the area, private septic systems are not viable options.

Questions?



- For additional information regarding this project, visit:
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