



REQUEST FOR DECISION

Pilot Project to Provide Grant Funding for 2 Whiting Avenue Properties to Connect to the New Bralorne Sewer

Date of Meeting: Board - March 24, 2021

Recommendation

THAT using budgeted funds from Cost Centre #2800 (Bralorne Sewer), the Squamish-Lillooet Regional District initiate and implement a grant funding pilot project for property owners of two Whiting Avenue properties to engage a contractor of their choice to complete the connection of those respective properties to the new sewer system.

THAT if staff considers the pilot project to be successful, staff is directed to:

- use the lessons learned from the pilot project to develop a proposed grant funding program to complete the connection of the 14 remaining Whiting Avenue properties within an acceptable period of time taking into consideration the system's operating permit requirements; and
- bring the proposed grant funding program to a future regular Board meeting for consideration by the Board.

Attachments

Attachment "A" – Bralorne Wastewater Project Timeline of Relevant Board Resolutions, Bylaws and Project Dates

Attachment "B" – Background information

Key Information

Background

In 1989, the Province of British Columbia required the SLRD to assume ownership of the Bralorne sewer systems which were constructed more than 90 years ago by the mining company operating in the area. Attachment "A" and Attachment "B" provide the detailed background and timeline of relevant Board resolutions, bylaws and project dates associated with the sewer system from the time of SLRD ownership to date.

Current Status

In mid-2020, staff explored the possibility of undertaking the connections of the remaining 16 properties. On June 18, 2020, the SLRD issued a Request for Proposals ("RFP") for Bralorne – Residential Sewer Service Connection Project, which was posted on BCBid and on the SLRD website, with a closing date of July 13, 2020. The archived RFP is available at this link:

[Archived Request for Proposals - Bralorne Residential Sewer Service Connection Project](#)

The approach set out in the RFP contemplated the SLRD engaging a contractor to complete the installation of sewer service connections to 16 lots on Whiting Avenue and included labour,



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equipment, materials and permitting for the tie-in, installation works and all restoration. Following discussions with the Electoral Area A Director, this approach was not pursued.

Following the commissioning of the wastewater treatment system in September 2020, staff continued exploring other approaches to the connection of the remaining 16 sanitary service connections on Whiting Avenue. It has been anticipated that this final portion of the project would be challenging due to the low-lying nature of these properties on Whiting Avenue and the need for connections to be made at the front of the property (existing infrastructure is in the back of the properties and is in trespass and the new sewer main, to which the properties are to be connected is now located at the front of the properties). Individual property owners would normally be responsible for all work at their own expense from the property line; however, the SLRD has previously committed to funding this portion of the work as well as the connection from the property line to the sewer main.

With the assistance of the SLRD's engineering consultant (TRUE Engineering), staff have explored two potential approaches for completing these connections:

- Option 1: Pursuing registered statutory rights of ways (SRWs) at the back of the 16 properties, as the existing infrastructure is in trespass. Construction of one lift station for all 16 properties situated at the back of one of the properties which would pump effluent to the new collection system. This solution would entail trenching at the back of the properties and replacing the old collection system with new collection pipe to the lift station. Preliminary costs for this option are \$400,000, which does not include costs associated with pursuing SRW's. **This option has been deemed not feasible due to the tax burden to the small service area.**
- Option 2: Individual pumps in the homes on each of the 16 properties. Make grant funding available to the property owners to undertake these connections. There is currently \$104,000 budgeted in 2021 for these connections and funding could be granted to property owners for this purpose. **This option is now being considered, via an initial pilot project.**

As part of Option 2, due to the anticipated phasing of property owners completing their connections (with the assistance of grant funding from the SLRD), staff are pursuing with the Ministry of Environment (MoE) an operating permit amendment of the old wastewater system. Staff have proposed a reasonable timeline to the MoE along with the rationale on when all properties will be on the new system and the request will be considered as part of the old system amendment review process as outlined below:

- Reasonable timeline – 10 years
- Rationale – Property owners may require some time before they pursue the connection to the new infrastructure, and some may wish to undertake this work when they redevelop their properties in the coming years.



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It should be noted that there are expenses associated with continuing to keep the old system operational and until this system can be fully decommissioned, expenses associated with keeping it operational will be allocated to Cost Centre #2800 (Bralorne Sewer).

On January 13, 2021, staff and the Area A Director hosted a community meeting via Zoom with the Whiting Avenue property owners to provide an update on the connection project, with 12 of the 16 property owners in attendance. As part of the update, staff communicated that if anyone was planning to upgrade existing plumbing in their home or tying into the new system that the SLRD would make funds available to tie into the new wastewater system. In follow up to the meeting, property owners have expressed interest in connecting in 2021. Staff will reach out to these owners to inquire if they wish to be involved in the pilot project.

Next Steps

If the Recommendations are approved, staff will complete the pilot project and using the lessons learned from the pilot project:

- Develop a grant funding program for providing the 14 Whiting Avenue property owners with SLRD grant funds in which to hire a contractor and complete the service connections. The process will identify:
 - eligible and ineligible expenses covered by the SLRD;
 - scope of work for the property owner to provide the contractor for quote; and
 - SLRD's disbursement of funds to the property owner.
- Once all 16 connections are complete, all of the remaining properties will be tied into the new wastewater treatment system and the SLRD will decommission manholes and septic tanks that are no longer required. The MoE operating permit associated with the old system can also be discontinued.
- Staff have had discussions with the Ministry of Transportation and Infrastructure (MoTI) regarding the repaving of Main Street (which is MoTI's responsibility), and the SLRD will align the repaving work with MoTI for the road crossings impacted by the wastewater project (which is the SLRD's responsibility). This will result in cost savings for the service area. At this time MoTI has not provided a schedule for repaving. The SLRD will continue to schedule yearly dust abatement services until repaving is complete.

Budgetary Impact

The Bralorne wastewater system is funded through the Bralorne Sewer Service (CC#2800) Anticipated expenses for each Whiting Avenue property to connect to the new sewer system is between \$8,000 and \$14,000 per property. The 2021 operating budget has allocated up to \$104,000 for this project, which is enough funding for connections in respect of 7 to 13 properties to be completed in 2021 and additional funds will have to be allocated in 2022 for the remainder of the properties. Of the \$300,000 short-term loan from 2020 there is \$135,909 available for this project and up to \$150,000 in respect of this loan remains to be drawn in the



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future as needed. Staff will continue to look for potential grant opportunities to fund completion of the connections on Whiting Avenue.

Options

- 1) (***preferred option***) Implement a grant funding pilot project for property owners of two Whiting Avenue properties to complete the connection of those respective properties to the new sewer system and then bring back a grant funding program for the remaining properties to a future Board meeting.
- 2) Not proceed with the pilot project at this time.
- 3) Other options, as directed by the Board.

Submitted by:	Angela Belsham, Director of Environmental Services
Reviewed by:	Kristen Clark, Director of Legislative and Corporate Services
Approved by:	Melany Helmer, Chief Administrative Officer

Attachment A - Bralorne Wastewater Project Timeline of Relevant Board Resolutions, Bylaws and Project Dates

	Activities related to Project (Phase 1 and Phase 2)
	Bylaws that were not adopted, relating to funding shortfall
	Bylaws that were adopted, relating to funding shortfall

Date of Board Meeting	Name of Bylaw (or Board Resolutions)	Details	Notes
February 25, 2015 Minutes: Minutes (Item 7)	Board Resolutions: <i>THAT the SLRD submit an application to the Gas Tax Agreement - Strategic Priorities Fund, for a capital project to upgrade the sewer infrastructure in Bralorne.</i> <i>THAT up to \$3,000 from Cost Centre #2800 Bralorne Sewer be allocated to TRUE Consulting to prepare the Gas Tax Agreement – Strategic Priorities Fund grant application for the Bralorne Sewer on behalf of the SLRD.</i> <i>THAT the Chair and/or the CAO be authorized to sign the Gas Tax Agreement – Strategic Priorities Fund grant application for the Bralorne Sewer.</i>		
April 15, 2015	Deadline to submit application to Gas Tax Agreement - Strategic Priorities Fund, which included estimated project budget of \$1,999,530.		
February 2016	SLRD received confirmation of grant funding of \$1,999,530 for the Project.		
July 27, 2016 Minutes: Minutes (Item 16)	Board Resolution: <i>THAT the Board award TRUE Consulting Ltd. The contract to design and create the tendering documents for Bralorne Sewer System Upgrades project at a maximum contract value of \$110,659 plus GST.</i>		
August 2016	Initiation of Phase 1 of the Project which involved the design and pre-construction components in preparation for construction.		
July 25, 2018 Minutes: Minutes (Item 16)	Board resolutions: <i>THAT the Chair and/or CAO enter into an agreement with Hazelwood Construction Services for contracting services to construct the Bralorne Sewer project with a contract value of approximately \$2,173,264.</i> <i>THAT \$91,000 of Area A Gas Tax Community Work Funds be allocated towards capital cost of the Project.</i> <i>THAT \$38,000 from CC#2800 Capital Works and Equipment Reserve be allocated towards capital cost of the Project.</i>		
July 25, 2018 Staff Report: Request for Decision Minutes: Minutes (Item 8.3)	Three readings of Bralorne Wastewater Treatment System Loan Authorization Bylaw No. 1595-2018 Board resolution: <i>THAT \$60,000 per year (2019-2022) be transferred from Area A PILT Funds to CC#2800 to assist in repaying the loan and to establish a reserve.</i>	30 year loan of up to \$700,000, to address the project’s funding shortfall. Annual debt servicing costs were estimated to be \$38,750 (see below).	Inspector approval was received. In November 2018, elector approval (via Alternative Approval Process - AAP) was not obtained.

Attachment A - Bralorne Wastewater Project Timeline of Relevant Board Resolutions, Bylaws and Project Dates

<p>July 25, 2018</p> <p>Staff Report: Request for Decision</p> <p>Minutes: Minutes (Item 8.4)</p>	<p>Three readings of Bralorne Sewer System Local Service Conversion and Establishment Bylaw No. 585, 1995, Amendment Bylaw No. 1594-2018</p>	<p>Increase the max. annual requisition by \$38,750 (i.e. from \$31,250 to \$70,000).</p> <p>\$429.31 per parcel for total max. requisition of \$775.53 per parcel (i.e. existing max. requisition of \$346.22 + \$429.31 = \$775.53).</p>	<p>Inspector approval was received.</p> <p>In November 2018, elector approval (via Alternative Approval Process - AAP) was not obtained.</p>
<p>August 2018</p> <p>Initiation of Phase 1 of the Project which involved the construction components related to the collection system (collection mains, connections and manholes).</p>			
<p>November 28, 2018</p> <p>Staff Report: Request for Decision</p> <p>Link - Minutes: Minutes (Item 8.2)</p>	<p>Authorize assent voting for: Bylaw No. 1594-2018 and Bylaw No. 1595-2018</p>	<p>Increase the max. annual requisition by \$38,750 (i.e. from \$31,250 to \$70,000).</p> <p>\$429.31 per parcel for total max. requisition of \$775.53 per parcel (i.e. existing max. requisition of \$346.22 + \$429.31 = \$775.53).</p>	<p>In January 2019, elector approval (via assent voting) was not obtained.</p>
<p>January 30/31, 2019</p> <p>Staff Report: Information Report</p> <p>Minutes: Minutes (Item 8.5)</p>	<p>Bylaw No. 1594-2018 and Bylaw No. 1595-2018</p>	<p>Board received the results of failed assent voting.</p>	
<p>January 30/31, 2019</p> <p>Staff Report: Direction Request</p> <p>Minutes: Minutes (Item 13.1)</p>	<p>Board resolutions: <i>THAT the CAO be authorized to negotiate & finalize the Bralorne Wastewater Treatment project & to pursue the necessary funding to do so, including a combination of borrowing and the potential use of Area A PILT Funds.</i></p>		
<p>February 27, 2019</p> <p>Staff Report: Request for Decision</p> <p>Minutes: Minutes (Item 8.3)</p>	<p>Board resolutions: <i>THAT up to \$300,000 be borrowed, under LGA s. 403, from the MFA, to complete construction of new wastewater treatment system & repaid within 5 years.</i></p>	<p>Increase the max. annual requisition by \$49,000 (i.e. from \$31,250 to \$80,250).</p> <p>Purpose of increase was for annual debt servicing of \$49,000 related to loan of up to \$300,000. After applying the PILT</p>	<p>Inspector approval was obtained.</p> <p>In May 2019, elector approval (via Alternative Approval Process - AAP) was obtained.</p>

Attachment A - Bralorne Wastewater Project Timeline of Relevant Board Resolutions, Bylaws and Project Dates

	<p><i>THAT conditional on adoption of Bylaw No. 1614-2018 and to assist in repayment of the Loan, total funding of \$100,000 from Area A PILT Funds be transferred to CC#2800 as follows:</i></p> <ul style="list-style-type: none"> • \$20,000 in 2019; • \$20,000 in 2020; • \$20,000 in 2021; • \$20,000 in 2022; • \$20,000 in 2023. <p>Three readings of Bralorne Sewer System Local Service Conversion and Establishment Bylaw No. 585, 1995, Amendment Bylaw No. 1614-2019</p>	<p>funding, this increase was estimated to be \$543 per parcel for a total max. requisition of \$889 per parcel (i.e. existing max. annual requisition of \$346.22 + \$543 = \$889 per parcel) for a period of 5 years.</p>	
<p>May 22, 2019</p> <p>Staff Report: Request for Decision</p> <p>Minutes: Minutes (Item 8.1)</p>	<p>Adoption of Bylaw No. 1614-2019</p>	<p>Increase the max. annual requisition by \$49,000 (i.e. from \$31,250 to \$80,250).</p> <p>Purpose of increase was for annual debt servicing of \$49,000 related to loan of up to \$300,000. After applying the PILT funding, this increase was estimated to be \$543 per parcel for a total max. requisition of \$889 per parcel (i.e. existing max. annual requisition of \$346.22 + \$543 = \$889 per parcel) for a period of 5 years.</p>	<p>\$150,000 of the short-term loan will be issued by the MFA this Fall.</p> <p>(The remaining \$150,000 will be requested by the SLRD when needed.)</p>
<p>May 2019</p>	<p>Initiation of Phase 2 of the Project which involved the construction components related to the wastewater treatment plant, additional collection mains and manholes.</p>		
<p>October 2019</p>	<p>Completion of Phase 2 of the Project (construction component), subject to deficiencies and not including the commissioning of the plant.</p>		
<p>October 7, 2019</p>	<p>Operating permit application was submitted to the Ministry of Environment</p>		
<p>May 27/28, 2020</p>	<p>Board resolution: <i>THAT funding of up to \$12,000 be allocated to CC#2800 from Area A PILT Funds for development of a plan by TRUE Consulting to tie-in 15 homes.</i></p>		

**Attachment A - Bralorne Wastewater Project Timeline of
Relevant Board Resolutions, Bylaws and Project Dates**

June 24, 2020	Board resolution: <i>THAT funding of up to \$5,000 from Area A PILT Funds be allocated for legal services related to the completion of the Bralorne Sewer Project including tie-in of the remaining properties and decommissioning of the old sewer lines.</i>
August 10, 2020	MOE issues new operating permit, enabling the commissioning of the plant to occur.
September/October 2020	Commissioning of new wastewater treatment facility and related activities.
Estimated November 2020	Determination of next steps for the remainder of Phase 2 of the Project, which is the process associated with connection of 16 properties on Whiting Avenue.
December 16/17, 2020 Minutes: Item 12.2	Board Resolution: <i>THAT funding of \$50,000 be allocated from the Electoral Area A Northern Area BC Hydro Payment in Lieu of Taxes (PILT) Reserve funds to Cost Centre #2800 (Bralorne Sewer) to bring down the short-term loan associated with the Bralorne Sewer Upgrade Project which will help to lower the parcel tax increase related to the loan.</i>
January 27/28, 2021 Minutes: Item 11.5	Board Resolution: <i>THAT funding of \$50,000 be allocated from the Electoral Area A Northern Area BC Hydro Payment in Lieu of Taxes (PILT) Reserve funds to Cost Centre # 2800 (Bralorne Sewer) to bring down the Alternate Approval Process Loan for the Bralorne Sewer Upgrade Project.</i>

Attachment “B” – Bralorne Sewer Background Information

Bralorne was serviced by the original sanitary sewer system, which was constructed more than 90 years ago by the mining company operating in the area and well before the time of generally accepted wastewater standards. A development company later took over ownership of the system after purchasing the mine site from the mining company.

In 1989, the Province of British Columbia required the SLRD to assume ownership of the sewer systems upon the insolvency of the development company.

Until recently, the sewer system remained essentially as originally constructed, with vitrified clay tile and PVC collection pipes and two cast-in-place septic tanks with effluent discharged throughfall outfall pipes into Cadwallader Creek.

Much of the collection pipes trespassed across private property, without statutory right of ways having been put in place (likely due to the original ownership of the town site and sewer infrastructure by the mining company.)

In 1995, the SLRD established a service area for the sewer system via the Bralorne Sewer System Local Service Conversion and Establishment Bylaw No. 585, 1995.

In 2014, the Ministry of Environment advised the SLRD of its plans to update the SLRD's operating permit to bring the Bralorne system into compliance with the provincial Wastewater System Effluent Regulations. These regulations required all sewer systems to provide, at minimum, secondary treatment. This meant that the SLRD was being required to install a process to substantially degrade the organic content of the sewage prior to dispersion into Cadwalladar Creek and hence an upgraded system would be necessary.

Without grant funding (which after several unsuccessful funding applications was finally obtained in 2016), it was beyond the ability of the small tax base to contemplate financing a replacement.

Grant Funding

In 2015, the SLRD submitted the grant application to the Federal Gas Tax Agreement Strategic Priorities Fund for funding to replace the wastewater system.

In February 2016, the SLRD received confirmation that the grant application was successful and that grant funding of \$1,999,530 would be provided from the federal Gas Tax program.

The Project comprised of sewer pipes, service connections and a new wastewater treatment plant capable of meeting modern standards. At the time of submitting the grant application, the location of the treatment plant was anticipated to be in the Ministry of Transportation and Infrastructure road right of way.

The original project completion deadline was December 31, 2018, which was extended to December 31, 2019 and to December 31, 2020. For grant purposes, the project was deemed completed in December 2020.

System Design and Construction

In June 2016, the SLRD issued a Request for Proposals for design services for the New Sewer System and TRUE Consulting was the successful proponent. By early 2017, detailed drawings for the New Sewer System were developed.

Preliminary Matters

Before finalizing the engineering, drawings and tendering the project for construction, the SLRD had to initiate or resolve various matters, including:

- acquiring statutory rights of way with property owners (i.e. so as to eliminate the trespass situation with the new collection pipes);
- after the anticipated location of the treatment plant (in the MOTI road right of way) fell through, securing a new location and undertaking the associated rezoning process;
- undertaking an Environmental Impact Study, applying for the updated operating permit from MOE; and
- making application and obtaining a permit for construction in MOTI road right of ways (for new collection pipes).

Since preparing the grant application during the summer of 2015 (with the project budget of \$1,999,530), the SLRD saw a significant increase in construction costs in the region.

In April 2018, the SLRD issued a Request for Proposals for the construction of the new wastewater system. The RFP process closed on May 8, 2018, with all bids coming in over budget. The SLRD Board selected Hazelwood Construction Services (Hazelwood), and a funding shortfall of \$700,000 was identified.

While the bylaw process was underway to secure the additional funding for the project (i.e. up to \$700,000), Hazelwood proceeded with Phase 1 work, with Phase 2 work to start when funding was secured.

The construction portion of the Phase 1 work consisted 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 the property line for future tie-in, which will occur when development occurs); and
- 35 sanitary sewer manholes.

After elector approval for a \$700,000 loan failed in January 2019, staff was directed to explore other ways to address the shortfall so that Phase 2 work could proceed. The Phase 2 work consisted of:

- tie-in of sanitary service connections;
- construction of sanitary sewer manholes;

- construction of remaining collection mains;
- construction of new wastewater treatment plant including septic tanks, biofilters and outfall; and
- decommissioning of the old sewer system, manholes and septic tanks.

The funding shortfall was addressed as follows:

- Removal of the hydro installation with respect to a backup pumping system for the treatment facility/flow meters - savings of \$37,000;
- Removal of re-paving of the provincial roadway rights of ways (in anticipation that the province would assume responsibility for this as the original condition of the pavement was already in poor shape or at the least allow this to be done over time or coordinated when a contractor was otherwise going to be in the area) – savings of \$140,000;
- Availability of a portion of Phase 1 contingency funds (with the completion of Phase 1 deficiencies, there was more certainty to be able to re-purpose contingency funds towards Phase 2 work - savings of \$100,000; and
- Adjustment to the amount of Phase 2 contingency funds (based on how Phase 1 progressed and with the above-noted scope reductions) – savings of \$138,000.

Loan Funding

The processes undertaken by the SLRD to obtain elector approval to secure loan financing are outlined in the timeline document (please refer to Attachment A).

In May 2019, the Board adopted Bylaw No. 1614 which increased the maximum annual requisition to \$80,250 (to facilitate a short-term loan of up to \$300,000). This bylaw together with a resolution to provide funding from Area A PILT funds over a 5-year period (2019-2023) and the Board's resolution for a short-term loan of up to \$300,000 allowed Phase 2 work to start in summer 2019.

Parcel Tax

The parcel tax amount for 2020 was \$349.50.

As part of the budgeting process for the 2021-2025 Financial Plan, the parcel tax for 2021 will be \$483.24 and will include the debt servicing for \$150,000 of the short-term loan. Up to \$150,000 in respect of this loan remains to be drawn in the future as needed.

Project Milestones

Phase 1 – Completed 2018

- 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);
- Acquisition of site for the wastewater treatment plant and associated rezoning;
- Procurement process for construction of new system and entering into agreement with contractor;
- 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 the property line for future tie-in, which will occur when development occurs); and
 - 35 sanitary sewer manholes.

Phase 2 - Completed 2019

- 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;
- Approval of subdivision by MOTI.

Phase 2 – Completed 2020

- Tie-in of 4 sanitary service connections (3 residential and the firehall);
- The Request for Proposals process (for 16 sanitary service connections on Whiting Avenue) posted in June 2020 and did not result in the selection of a contractor;
- Operating permit for the new wastewater treatment system received on August 10, 2020;
- Commissioning of the new wastewater treatment system (September 25, 2020).