

September 23, 2022

Woodbury Village Water System Customers
(Letter Posted to Regional District Website)

Dear Woodbury Water Customers:

RE: Woodbury Water System Projects Status

This letter is provided as an update on the Woodbury water system water line relocation project, and the treatment upgrades project.

Woodbury Waterline Relocation Project

Background

A 110 m section of Woodbury water system water line is located in the privately owned roadway of Upper Woodbury Village Road without a formal agreement in place between the Regional District and the property owner. The property owner was required to reconstruct the road as part of a planned subdivision, and the location of the existing water line conflicted with the proposed road.

Water servicing options were reviewed but the only feasible option is to relocate the existing waterline within the same private property road area.

Project Current Status & Schedule

A water line relocation design has been completed by the Regional District's engineering consultant, and an Interior Health Waterworks Construction Permit has been secured. An agreement for the Regional District to do the work has been implemented, and a Statutory Right of Way agreement will be executed once the construction is completed.

The water line was abandoned this spring to accommodate road construction, and a temporary water service has been provided to the one developed lot impacted by the water line relocation. The property owner has substantially completed road reconstruction in August. The Regional District is planning to begin water line relocation around the second week in



October. The work is anticipated to take about a week. The work will be overseen by Regional District staff and our engineering consultant.

Project Budget & Funding

The Board approved Financial Plan total project cost of \$98,040 for the project includes the following:

- \$22,000 for Legal: includes legal cost for the water line relocation agreement, Statutory Right of Way legal survey, and Statutory Right of Way agreement.
- \$12,360 for Consulting: Assessment, design and construction monitoring.
- \$63,680 for Construction & contingency.

In consideration of recent high inflation and field design changes since budget approval, staff will be seeking a Board approved budget amendment to cover potential additional contingencies. Area Director Aimee Watson has indicated that she wishes to fund as much eligible costs as possible from a Community Works grant. Legal costs, land costs and staff costs are not eligible costs under a Community Works grant, and an estimated \$4,400 staff costs and \$22,000 legal costs will need to be funded from Woodbury water system reserves. Staff is proposing that up to \$85,560 be made available from a Community Works grant. The total project cost is now estimated at \$111,960 with the additional contingencies added.

For more information, attached is the Woodbury Water Line Relocation Budget Amendment & Property Owner Agreement Board report presented at the February 17, 2022 Board meeting.

Woodbury Water Treatment Upgrades Project Status

Background

Treatment upgrades are required for the Woodbury water system to remove a long-term Boil Water Notice that was issued due to historical water quality concerns. Some treatment is currently implemented, but it does not meet the regulatory requirements.

A Strategic Priorities Fund grant has been secured for the project and it is anticipated that the grant will cover all costs for the project except staff time.

Project Current Status & Schedule

The Woodbury Water Treatment Upgrades Project has been delayed due to regulatory requirements, but is still proceeding.

The area of the proposed treatment plant was unexpectedly determined to be riparian, therefore, treatment equipment will now be located in the existing small pump station building. Some disturbance is still required outside the building and the riparian area and archeological potential still needed to be considered.



The proposed water treatment system requires an Interior Health Waterworks Construction Permit, which the Regional District have been working to secure and was expected to take some time to complete. We are anticipating the Permit will be issued soon so we are expecting that the project may still be completed this year.

Due to the financial feasibility of construction and long-term operating costs for the treatment plant, a system designed to meet full Provincial Treatment Objectives was not considered. Instead, the Regional District is proposing a treatment system similar to those installed in the Balfour and Grandview water systems, which provide safe and reliable drinking water. The primary difference of these systems is that they are under a “filtration deferral”, which removes the need for expensive filtration devices. Additional water quality monitoring and water protection plan is required to ensure water quality. The proposed system would implement some filtration, ultraviolet light disinfection, and chlorine disinfection to inactivate any harmful microbiological components in the Kootenay Lake source water.

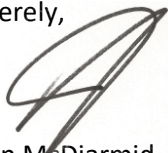
Project Budget & Funding

Even with delays and additional regulatory work, the project is anticipated to be still on budget for design and construction. The Board approved Financial Plan total project cost of \$443,840 for the project includes the following:

- \$433,840 for Design and Construction
- \$10,000 for staff Project Management time

Funding for the project is provided by a \$433,840 Strategic Priorities Fund Grant and \$10,000 from Woodbury water system reserves. Staff time is not a grant eligible expense. It is anticipated that by the time the project is completed, Project Management time costs could be higher than budgeted.

Sincerely,



Jason McDiarmid, P.L.Eng.
Utility Services Manager

JM/jm

Attach: February 17, 2022 Woodbury Water Line Relocation Budget Amendment & Property Owner Agreement Board report



Board Report

Date of Report: September 14, 2022 (Revised for Public Release)
Date & Type of Meeting: February 17, 2022 Board Meeting
Author: Jason McDiarmid, Utility Services Manager
Subject: Woodbury Water Line Relocation Budget Amendment & Property Owner Agreement
File: 5700-WDV-20
Electoral Area/Municipality: Electoral Area D

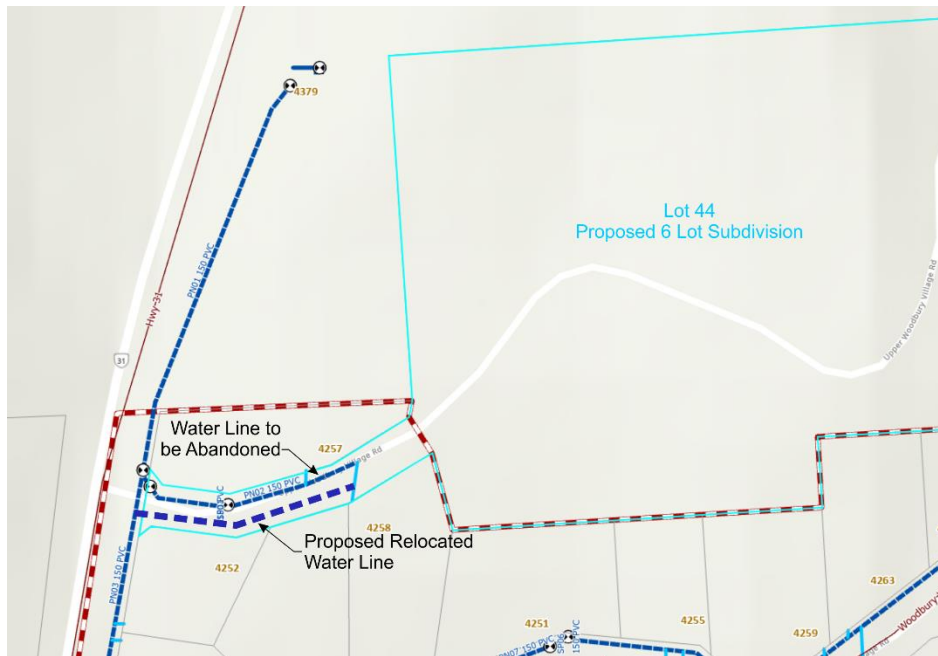
This report was originally presented to the Regional District Board of Directors In Camera at the February 17, 2022 Board meeting. Parts of the following report have been redacted or modified for the purpose of release to the Public. Parts of the original report dealt with legal matters, legal opinion or potential specific Regional District and property owner legal agreement terms. Under S.14 of Freedom of Information and Protection of Privacy Act, the Regional District is not required disclose information that is subject to solicitor client privilege.

SECTION 1: EXECUTIVE SUMMARY

The purpose of this report is to seek Board approval to allocate funding for Service S259, Water Utility-Area D (Woodbury) for a Regional District owned water line relocation on private property and to seek Board direction to draft Regional District and property owner agreements to be approved and executed by staff to accommodate property owner road reconstruction.

SECTION 2: BACKGROUND/ANALYSIS

The Regional District owns a water line and water service connections on private property in the Woodbury water service area without a Statutory Right of Way (SRoW) agreement. The area where the water line is located is part of a larger Lot 44 and the area contains a private road which provides access to Lot 44 and other properties in the Woodbury water service area.



The private property owner intends to reconstruct the private road to support a 6 lot subdivision of Lot 44 and the road will remain a private road. Lot 44 is not serviced from the Woodbury water system and the property owners do not wish to be serviced from the water system.

Our Planning department referred the subdivision application to the Water department in February 2019. Provision of a SRoW was requested by the Regional District but was not made a condition of subdivision approval by the Ministry of Transportation and Infrastructure, who is the subdivision authority.

In October 2020, the property owner made a request to the Regional District to relocate the water line as it conflicted with his proposed road. At the time, the Regional District had hoped the water line and road conflict could be resolved by protecting the water line with insulation and executing a SRoW agreement. \$30,000 was allocated in the 2021 Board approved S259 Water Utility-Area D (Woodbury) Financial Plan for waterline protection works and costs associated with executing as Statutory Right of Way agreement.

The Regional District commissioned a consultant review of the potential water line and road conflict and provide a recommendation. Upon request, the property owner provided a copy of the roadway design to the Regional District in June 2021. The Regional District consultant concluded that the water line would need to be relocated as it conflicted with the proposed roadway ditch cut, and installing the water line deeper in the current location was not feasible due to bedrock. The Regional District consultant was then commissioned to work with the property owner's consultant to coordinate on a water line relocation design. The water line relocation design was completed.

Staff informed the property owner in late 2021 via the property owner's lawyer that we agree to relocate the water line outside of the road top area and to abandon the existing water line and provide temporary water servicing by April 2022 to accommodate road reconstruction but financial plan approval is required by the Board. The cost estimate to relocate the water line and execute a SRoW is estimated at \$98,040. The work could not be completed sooner due to winter freezing conditions.

Staff reviewed other water servicing options for the properties serviced by the subject waterline but no economic solution was identified due to steep topography and exposed bedrock and need for crossing of other private properties.

Staff is recommending the following:

- 1) Relocate the water line on private property to outside of the proposed road top area.
- 2) Execute an agreement with the property owner for water line relocation.
- 3) Execute a SRoW agreement with the property owner.

SECTION 3: DETAILED ANALYSIS

3.1 Financial Considerations – Cost and Resource Allocations:

Included in Financial Plan: Yes No **Financial Plan Amendment:** Yes No
Debt Bylaw Required: Yes No **Public/Gov't Approvals Required:** Yes No

The 2021 Board approved S259 Water Utility-Area D (Woodbury) Financial Plan included \$30,000 for waterline protection works and costs associated with executing as Statutory Right of Way agreement.

The water line now needs to be relocated. Consultant costs incurred to date in 2021 is \$7,180 and the cost estimate to complete the relocation work in 2022 is \$76,040. Land Titles now requires legal surveys for SRoW agreements for new infrastructure. The estimated cost for the SRoW and legal is \$22,000. Total 2022 cost is estimated at \$98,040 excluding associated staff cost.

Early approval for the project is required because the 2022 Financial Plan has not yet been adopted by the Board, and the works need to start by April 2022.

A separate Community Works grant in the amount of \$50,000 will also be presented to the Board for consideration to partially fund the project. The remainder will be funded from water service reserves, leaving an estimated \$105,000 in reserves at year end 2022.

3.2 Legislative Considerations (Applicable Policies and/or Bylaws):

Legislative Consideration include the Regional District Water Bylaw 2766, 2021; Local Government Act; Expropriation Act; and Trespass Act.

3.3 Environmental Considerations

None.

3.4 Social Considerations:

Water servicing needs to continue to be provided to existing customers.

3.5 Economic Considerations:

The project costs would have a substantial impact on water system reserves without any Community Works grant.

3.6 Communication Considerations:

Project information regarding water line relocation will be provided to the Woodbury Village Water Service Community Advisory Committee and Woodbury customers.

3.7 Staffing/Departmental Workplace Considerations:

A significant amount of time has already been spent by staff dealing with this matter. The quicker it can be resolved the lower the additional staff time required.

3.8 Board Strategic Plan/Priorities Considerations:

To Excel in Governance and Service Delivery.

SECTION 4: OPTIONS & PROS / CONS

Option 1 – Do Nothing

Pros

- None.

Cons

- Civil court proceedings.
- Potential very high cost to provide alternate water servicing.
- Potential removal of existing water customer from the water service area.

Option 2 – Expropriate the Lands

Pros

- Water line would be protected for access, maintenance and repairs.

Cons

- Lengthy and costly process.
- Regional District would be responsible for road maintenance.
- Regional District would be subject to property owner compensation for the lands.
- Potential negative public opinion.
- Potential that the expropriation is unsuccessful or being legally challenged.

Option 3 – Expropriate a Statutory Right of Way

Pros

- Water line would be protected for access, maintenance and repairs.

Cons

- Lengthy and costly.
- Regional District would be subject to property owner compensation.
- Potential negative public opinion.

Option 4 – Negotiate and Execute a Road Relocation Agreement, Statutory Right of Way Agreement, and Provide Financial Plan Budget for Water Line Relocation

Pros

- Water line would be protected for access, maintenance and repairs.
- Most economical solution.
- Most timely solution.
- Solution already generally agreed to in principal by the property owner.

SECTION 5: RECOMMENDATIONS

RECOMMENDATION NO. 1

That Board approve the allocation of \$76,040 in the 2022 Financial Plan to Water Utility - Area D (Woodbury) Service S259 Capital Account 60000 for water line relocation, and that the project commence in March 2022.

RECOMMENDATION NO. 2

That the Board approve the allocation of \$22,000 in the 2022 Financial Plan to Water Utility - Area D (Woodbury) Service S259 Account 54010 Legal for the costs associated with a water line relocation agreement on private property, Statutory Right of Way Agreement and legal survey.

RECOMMENDATION NO. 3

That the Board direct staff to negotiate and execute a water line relocation agreement, and a statutory right of way agreement with the property owner of PID 009-970-240, LOT 44 PLAN NEP14423 DISTRICT LOT 6283 KOOTENAY LAND DISTRICT EXCEPT PLAN NEP23102, & DL 6284 for water line relocation, access, operation, maintenance and repair; and that the Chair and Corporate Officer be authorized to sign the necessary documents.

Respectfully submitted,
Jason McDiarmid, Utility Services Manager

CONCURRENCE

Chief Administrative Officer – Stuart Horn	Approved
General Manager of Environmental Services – Uli Wolf	Approved

ATTACHMENTS:

None.