

DATE OF MEETING    APRIL 1, 2019

AUTHORED BY        MIKE SQUIRE, MANAGER, WATER RESOURCES

**SUBJECT              EMERGENCY PUMP STATION – WATER SUPPLY**

## **OVERVIEW**

### **Purpose of Report**

To seek Council's approval to increase the Emergency Pump Station budget by \$755,000.

### **Recommendation**

That Council approve increasing the Emergency Pump Station budget by \$755,000 from \$3,131,086 to \$3,886,086 with the funding coming from the Water Reserve Fund.

## **BACKGROUND**

The City tendered construction services for supply, installation and commissioning for the City's new post disaster Emergency Water Supply Pump Station. This work is part of the City's Water Supply Capital Improvements and supports the City's Water System Emergency Plan.

Nanaimo's drinking water supply relies on a single surface water source and water treatment plant. Should the City's water source or water treatment plant be disrupted for a significant time, water delivery and firefighting services are at risk of being compromised. In 2011, the City entered into an agreement with Nanaimo Forest Products Harmac Pacific Mill to supply water to each other in the event of an emergency, as our systems rely on different water sources.

The first phase of the interconnecting pipeline was installed in 2011, cost-shared between the two parties. For the City to receive water from Nanaimo Forest Products' water supply, the second phase requires a pump station to lift the water into the City's supply network.

Having a secondary source to provide water to the City in case of disruption will preserve fire-fighting capability, and will help avert environmental and public health disasters by allowing sanitary sewers to continue functioning. Without this pump station, the City's water supply, in its local reservoirs, is limited to a matter of hours.

The Emergency Water Supply Pump Station is located in a statutory right-of-way on Nanaimo Forest Products Harmac Pacific Mill property at 1010 Wave Place, Nanaimo.

Construction of the Emergency Pump Station is planned to begin in the second quarter of 2019 and be completed by the first quarter of 2020.

## DISCUSSION

With closing of the public tender on Tuesday, March 12, 2019, project cost information has been updated. Knappett Industries (2006) Ltd. submitted the lowest of six bids at \$3,322,704. Pricing represents a solid, competitive bid within the current busy economy, new tariffs leading to major equipment costs and long delivery times.

With the above information, the project cost projection was updated and the expected cost to complete the project is \$3,754,974.40. The current available budget is \$3,000,000; therefore, an additional \$755,000 will be required to complete the project.

A budget adjustment is required in this amount. These funds are available from Water Reserves.

## OPTIONS

1. That Council approve increasing the Emergency Pump Station budget by \$755,000 from \$3,131,086 to \$3,886,086 with the funding coming from the Water Reserve Fund.
  - **Budget Implication:** This change will be included in a future budget bylaw amendment for the 2019-2023 Financial Plan.
2. That Council direct Staff to cancel the project.
  - **Budget Implication:** Canceling the project will not relieve the need to address the back-up emergency water supply required for the City. This would delay the project in an effort to re-budget appropriate funds, resources would be required to be redirected to potentially more costly options and current market pricing would be lost.

## SUMMARY POINTS

- An additional \$755,000 is required to complete the Emergency Pump Station, based on receiving updated cost information.
- The additional funds will come from the Water Reserve Fund.
- The final 2019-2023 Financial Plan will be amended for this change.
- Construction of the Emergency Pump Station is planned to begin in the second quarter of 2019.

### **Submitted by:**

Mike Squire  
Manager, Water Resources

### **Concurrence by:**

Laura Mercer  
A/Director, Financial Services

Bill Sims  
Director, Engineering and Public Works