

DATE OF MEETING JULY 20, 2022

AUTHORED BY PHIL STEWART, MANAGER, ENGINEERING PROJECTS

SUBJECT KITE WAY AND MEADOW LANE WATER PROJECT

OVERVIEW

Purpose of Report:

To advise the Finance and Audit Committee of a budget transfer greater than \$75,000 to replace watermains along Meadow Lane and Kite Way.

BACKGROUND

In November of 2020, Council directed Staff to proceed with watermain replacements along Meadow Lane and Kite Way, as part of a cost share with the Regional District of Nanaimo (RDN) and the upgrades to the Departure Bay Force Main sewer that serves most of Nanaimo, conveying flows to the Greater Nanaimo Pollution Control Centre.

With the location and size of the RDN sewer, the construction impacted existing watermains in the area. The watermains are asbestos cement (AC) installed in the early 1970's. Although there haven't been problems with the watermains, the disruption from the adjacent sewer construction carries significant risk. It is common for older AC pipes to become brittle and experience breaks during adjacent construction or shortly thereafter, sometimes just after the road is repaved.

Independent of the RDN work, the City had plans to upgrade the watermain along Meadow Lane in 2024, to increase capacity.

DISCUSSION

The City's portion of the project was budgeted at \$550,000. Construction of the project is now complete and the project costs will be \$867,000. Several factors contributed to the project being over budget, including:

- The project was tendered during the summer of 2021 which was an extremely busy construction market, and the prices reflected the markets limited capacity.
- Unexpected poor geotechnical conditions were encountered, which led more material needing to be removed and replaced than expected.
- During construction, several culverts were discovered in poor condition and needed to be replaced.

The additional \$317,000 required to cover these costs can be found within the 2022 budget and will be allocated from water infrastructure contingency, a project under budget and projects reprioritized to future years. Given the magnitude of the budget transfer, specific disclosure to Council is warranted. |

SUMMARY POINTS

- The costs for the Kite Way and Meadow Lane Project, exceeded the budget by about \$317,000.
- The project exceeded the budget due to an extremely busy construction market, poor geotechnical conditions and culverts that were discovered in poor condition during construction that needed to be replaced.
- Funds are available within the 2022 budget to cover the additional costs of the project.

Submitted by:

Phil Stewart
Manager, Engineering Projects |

Concurrence by:

Poul Rosen
Director, Engineering

Bill Sims
General Manager, Engineering and Public Works

Laura Mercer
Director, Finance |