

DATE OF MEETING JULY 17, 2024

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**SUBJECT REGIONAL DISTRICT OF NANAIMO WELLINGTON PUMP  
STATION COST SHARE PROJECT**

## **OVERVIEW**

### **Purpose of Report**

To present the Finance and Audit Committee with an opportunity to undertake sewer main replacements in collaboration with the Regional District of Nanaimo's Wellington Pump Station Upgrades project.

### **Recommendation**

That the Finance & Audit Committee recommend that Council enter into a cost share agreement with the Regional District of Nanaimo to complete a sewer main replacement in conjunction with the Wellington Pump Station Upgrades project and add a project to 2024 for \$400,000 for the work, funded from the Sewer Operating Reserve.

## **BACKGROUND**

The Regional District of Nanaimo (RDN) is planning to undertake upgrades to the Wellington Pump Station with construction starting in the summer of 2024 and with completion expected by summer 2025.

The City of Nanaimo has aging asbestos cement (AC) sewer pipes adjacent to the pump station that were installed when the pump station was constructed in 1978. Although there haven't been problems with the sewers, the disruption from the pump station upgrades will put it at significant risk. It is common for older AC pipes to become brittle, and experience breaks either during adjacent construction or shortly thereafter.

## **DISCUSSION**

To ensure the sewer service remains reliable and to take advantage of the planned larger construction project, there is an opportunity for the City to replace the sewer mains, in concert with the RDN project.

The cost to replace the sewer pipes in the area is expected to be approximately \$400,000.

The project is proposed to be funded from the Sewer Operating Reserve which has sufficient funding available for the project. The revised 2024 closing balance of the reserve would be \$11.8 million.

## **OPTIONS**

1. That the Finance & Audit Committee recommend that Council enter into a cost share agreement with the Regional District of Nanaimo to complete a sewer main replacement in conjunction with the Wellington Pump Station Upgrades project and add a project to 2024 for \$400,000, funded from the Sewer Operating Reserve.
  - The advantages of this option are that it will:
    - i. reduce the risk of unplanned disruption to the sewer service;
    - ii. take advantage of a larger adjacent project for economy of scale.
  - The disadvantages of this option: Less funds will be available in the reserve to support other sewer projects.
  - Financial Implications: The 2024 – 2028 Financial Plan will be amended at a later date to incorporate the additional project.
  
2. That the Finance & Audit Committee do not recommend that Council enter into a cost share agreement with the Regional District of Nanaimo to complete a sewer main replacement in conjunction with the Wellington Pump Station Upgrades project..
  - The advantages of this option: Funds will be available in the reserve to support other sewer projects.
  - The disadvantages of this option:
    - i. There will be a risk that the construction will damage the sewers and there will be an unplanned disruption to the sewer service;
    - ii. The pipes will need to be renewed at a future time without the cost savings of being included in a larger project.
  - Financial Implications: The Sewer project will need to be completed in the near future. Deferring the project to a future year at current inflation rates will likely mean the project will cost more.

### **SUMMARY POINTS**

- The Regional District of Nanaimo is undertaking an upgrade to the Wellington Pump Station.
- The City has an opportunity to replace the sewer mains adjacent to the pump station.
- Replacing the sewer mains will reduce risk to the service and renew the infrastructure.

### **ATTACHMENTS:**

Attachment A – Location Plan

**Submitted by:**

Phil Stewart  
Manager, Engineering Projects

**Concurrence by:**

Poul Rosen  
Director, Engineering

Wendy Fulla  
Director, Finance

Laura Mercer  
General Manager, Corporate Services

Bill Sims  
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