



STAFF REPORT TO COMMITTEE OF THE WHOLE

DATE OF REPORT October 6, 2023
-MEETING TYPE & DATE Committee of the Whole of December 13, 2023
FROM: Utilities Division
Operations Department
SUBJECT: Mill Springs Sewer System Extension Agreement
FILE: 2240-85

PURPOSE/INTRODUCTION

The purpose of this report is to authorize signing of a Mill Springs Sewer System Extension Agreement with Brentwood College School, Mill Bay Mall, Shell, Bayview, Mill Bay Marine Group, Stonebridge (Limona), Cove Apartment Strata VIS5068, and Peninsula Co-Op so that the Cowichan Valley Regional District (CVRD) will receive assets for upgrades to the Mill Springs, Sentinel Ridge, Brulette and Kerry Village Sewer Systems for connections to the Mill Springs Sewer System.

RECOMMENDED RESOLUTION

That it be recommended to the Board that the Cowichan Valley Regional District enter into the Mill Springs Sewer System Extension Agreement with the following owners based upon the following allocated system capacity units (the "Equivalent Units") within the Mill Springs Sewer System:

1. Brentwood College School - 150 Equivalent units
2. Bayview – 30 Equivalent Units
3. Peninsula Co-Op – 20 Equivalent Units
4. Cove Strata VIS 5068 – 24 Equivalent Units
5. Limona and Stonebridge Development affiliated companies – 325 Equivalent Units
6. Mill Bay Synergy Mall Properties – 32 Equivalent Units
7. Mill Bay Marine Group – 25 Equivalent Units
8. Shell – 40 Equivalent Units

BACKGROUND

In 2018, the CVRD was successful in obtaining a \$5.8 million Union of BC Municipalities (UBCM) grant, Strategic Priorities Fund for Mill Bay Wastewater Integration project. This project served to

construct a Class A Wastewater Treatment Plant capable of meeting wastewater demands for the Mill Bay community. The treatment plant upgrade is now complete, with the next phase including pumping, collection and disposal/recharge system expansion proceeding. The expanded service is intended to include partners in the community, including proposed development and existing aging private sewer systems, as well as the integration of existing CVRD wastewater systems. For the scope of the next phase of this project, new properties considered for sewer servicing are limited to those within the Area A Growth Containment Boundary (GCB).

The Partnership group have proposed to construct a sewer forcemain from Handy Road lift station to Mill Springs treatment plant, for the benefit of properties east of the highway. They have also proposed to construct a forcemain from Stonebridge properties to Deloume Road, which also benefits the Kerry Village and Brulette sewer systems. Partners will work with CVRD staff and engineering consultants, utilizing capacity connection fees based on the number of equivalent units for each partner.

CVRD supports this proposal as staff does not have capacity to undertake this large project with other capital commitments. An agreement with each partner will be required for this undertaking.

ANALYSIS

The addition of customers to the Mill Springs sewer system is supported by staff, as it would provide funding to operate the larger waste water treatment plant and fund the expanded collection and pumping system for CVRD systems and partners. Without developer funding, amalgamation of the various CVRD Mill Bay sewer systems would take years to fund.

Project partners will be responsible to fund next phase of expansion, the collection system, under the supervision of the CVRD.

The CVRD has received petitions from the above property owners, requesting inclusion. Following the execution of the agreement by all parties, and payment of equivalent connection fees, the recommendation to amend the Mill Springs Establishment Bylaw No. 3711, will be brought forward to committee and the Board, for consideration.

FINANCIAL CONSIDERATIONS

In addition to approximately \$3 million in upgrades by partners, new lots joining the Mill Springs service area would pay an administrative charge of \$300 each, and will contribute a parcel tax of approximately \$407 per year and user fees of \$376 per unit, based on equivalency of use.

The current \$5,000 capacity fees will be held in trust by the Partners lawyer, and progress payments will be approved by project Contract Administrator (McElhanney), and will be used for the project. All surplus from this total will be transferred to Mill Springs reserve funds. There is no consideration of latecomer fees in this agreement.

CVRD's contribution to this project will be the purchase of the material, funded by allocated gas tax 2.0 and 3.0, and funding from the Mill Springs and Kerry Village budgets for construction of the disposal system expansion, as proposed in the 2024 budget.

COMMUNICATION CONSIDERATIONS

Communication with internal and external stakeholders is ongoing throughout this project.

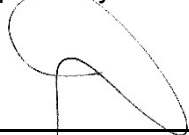
STRATEGIC/BUSINESS PLAN CONSIDERATIONS

Integrating small systems into large ones, provide for a more cost-effective level of service to the customers of the systems; integration of utilities was identified in the utility review completed by INNOVA Strategy Group as a key component in achieving long-term financial sustainability. The Corporate Strategic Plan includes an objective to demonstrate strong fiscal leadership. The recommended resolution provides a reliable essential service.

Referred to (upon completion):

- ☐ Community Services (*Cowichan Community Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Facilities & Transit*)
- ☐ Corporate Services (*Finance, Human Resources, Information Technology, Legislative Services*)
- ☐ Operations (*Utilities, Parks & Trails, Recycling & Waste Management*)
- ☐ Land Use Services (*Community Planning, Strategic Initiatives, Development Services, Building Inspection & Bylaw Enforcement*)
- ☐ Strategic Services (*Communications & Engagement, Economic Development, Emergency Management, Environmental Services*)

Prepared by:



Todd Etherington
Utility Operations Manager

Reviewed by:



Vanessa Thomson, P. Eng.
Manager



Darcy Mooney
General Manager, Operations

Reviewed for form and content and approved for submission to the Committee:

Resolution:

☒ Corporate Officer

Financial Considerations:

☒ Chief Financial Officer

ATTACHMENTS:

Attachment A – Draft Mill Springs Sewer System Extension Agreement
Attachment B – Cost Estimate
Attachment C – Proposed Works