



The Village of
PORT CLEMENTS
"Gateway to the Wilderness"

36 Cedar Avenue West
PO Box 198
Port Clements, BC
V0T1R0
OFFICE: 250-557-4295
Public Works: 250-557-4295
FAX: 250-557-4568
Email: office@portclements.ca
Web: www.portclements.ca

12:00 PM Special Meeting of Council, Friday, March 31, 2023

AGENDA

- 1. ADOPT AGENDA**
- 2. GOVERNMENT**
G-1—Sewer Lagoon Project – Project Update – Rob Tamaki, PS Turje & Associates
G-2—Public Works Yard Improvement Project – Project Update/Budget Increase Request
- 3. IN-CAMERA**
90(1) A part of a council meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:
 - (c) labour relations or other employee relations;
 - (d) the security of the property of the municipality;
 - (g) litigation or potential litigation affecting the community;
 - (i) the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose;
- 4. ADJOURNMENT**



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OFFICE : 250-557-4295

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REPORT FOR COMMITTEE OF THE WHOLE

Author: Marjorie Dobson, CAO
Date: March 31, 2023
RE: Sewage Lagoon Expansion Project

BACKGROUND:

The Wastewater Treatment Lagoon has been operating under the provision of the B.C. Waste Management Act. In 1978 a permit was issued to the Village which gives the approval to discharge effluent in the Masset Inlet from a treatment lagoon. The permit stipulated certain conditions that must be met and adhered to by the Village, and any violation of any of these conditions could result in prosecution.

Correspondence indicated that in 2017 an inspection by BC Ministry of Environment established that the lagoon system is not in compliance with the permit. One of the most notable issues is that the effluent failed to achieve the stipulated 5-day Biochemical Oxygen demand limit due to the lack aeration. The Village was subsequently issued a written warning.

In addition to Provincial regulations, in 2012, Canada enacted the Wastewater System Effluent Regulations. Along with these Federal regulations, the owners of wastewater systems are required to submit reports on an annual basis, within 45 days of the end of the calendar year. Given the scale of the effluent discharge of the Village's system, the averages for each month need to be reported under the Effluent Regulatory Reporting Information System (ERRIS) monthly. The Federal Regulation also provided for a Transitional Authorization to defer compliance until December 31, 2020, December 31, 2030, or December 31, 2040, provided that the owner of the wastewater system made application prior to June 30, 2014. Records showed that all communities on island were not in compliant with these regulations.

A report from Public Works to council dated March 16, 2015, indicated that there was no feedback on the progress of the application for transitional authorization to defer compliance. It was subsequently reported that the Village failed to apply by the deadline June 30, 2014 date.

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As a result of the continued compliance failures, the Village was required to immediately upgrade the wastewater treatment system in accordance with Provincial and Federal Regulation

PS Turje was contracted to facilitate the Village in meeting the Regulations. In one of their reports, they were baffled by the constant failure of the lagoon system to meet requirements. "The persistent failure of the existing lagoon to achieve the effluent quality standards stipulated in the operating permit is somewhat perplexing. The active volume and retention time is consistent with standard wastewater lagoon treatment applications in other communities. The temperate coastal climate at Port Clements does create additional problems with warmer spring and autumn temperatures, which promote algae growth in the cell that contributes to higher Total Suspended Solids (TSS) values. Also, with the aerator not functioning, Carbonaceous Biochemical Oxygen Demand (CBOD) levels will tend to be higher. However, the failure to achieve CBOD and TSS limits predates the failure of the aerator, so the problem is more complex than simply repairing the aeration system. Furthermore, with the requirement to bring the system into compliance with the Wastewater Systems Effluent Regulations (WSER) regulation, the lagoon system needs to achieve a significantly higher performance level than at present".

Several measures were proposed aimed at meeting the Regulations, and the decision to build a new Sewage Lagoon was chosen. The estimated cost at the time (2021) was \$3,425,832.00. The project was approved for funding in 2021. Investing in Canada Infrastructure Programme provided \$2,512,161.00, while \$ 913,671.00 was provided by the Village from the Northern Capital and Planning Grant Reserves.

The project execution phase began in 2022 where the logging of timber and site preparation were completed. The construction phase should have started but has been hampered by the complexities of Construction Industry globally. Prices are at a substantially higher rates than 2021 estimates. Note however, that increased prices is just one of the factors that is adversely impacting the construction industry presently. One can assume with some degree of accuracy that the current issues impacting the industry will not be resolved anytime soon.

DISCUSSION

The staff has been having discussions and reviews with the project contractor PS Turje & Associates who has been preparing tender documents for the construction phase of the project. Estimates have shown that it will require additional funding to complete the project. See spreadsheet below.

G-1

Sewage Lagoon Project

2020 Budget
3,425,832.00

Investing in Canada Infrastructure Prgm				2,512,161.00
Northern Capital & Planning Grant				913,671.00
Revised Budget		2023	4,781,000.00	
Previous Budget			3,425,832.00	
Funding Required			1,355,168.00	
Less Proceeds from Log Sales			199,458.00	
Additional Funding Required			1,155,710.00	
INTERNAL SOURCES				
Grow Community Fund			600,000.00	
Canada Community Build Fund			317,618.00	
Northern Capital Grant			238,092.00	1,155,710.00

CONCLUSION: The 2023 forecast for the Construction industry is one of continuing challenges as the industry grapples with ongoing supply chain issues, skilled labour, among other factors. Given the uncertainty in the construction industry, conservatively, the Village should be looking for an additional \$1.5 million instead of \$1.2 million.

STRATEGIC Staff continues to seek funding from external sources to finance the completion of the project
The Village only use current reserves as last resort.

FINANCIAL **(Corporate Budget Impact)**
Additional Funding for this project is required that will have to be included in the Village's Financial Plan

ADMINISTRATIVE **(Workload Impact and Consequence)**
Staff will strive towards eliminating further setbacks with the project.
Additional time necessary to meet the objective.

Respectfully submitted:
Marjorie Dobson. CAO

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REPORT TO COUNCIL

Author: Elizabeth Cumming, Deputy CAO
Date: March 31, 2023
RE: Public Works Yard Improvement Project Update

BACKGROUND:

At the end of 2020 the Village applied to Gwaii Trust for a project to improve the public works yard. This application was made to utilize the remaining balance of the Village's allocation of the Vibrant Haida Gwaii Communities Grant that Gwaii Trust that was in its last year of availability before they closed it.

DISCUSSION:

The applied for project was a total of \$83,122 with \$55,741 coming from Gwaii Trust and the remaining paid by the Village, primarily utilizing Northern Capital and Planning Grant Funds.

The project composed of: leveling the yard area and capping with gravel and crush rock (complete), fencing the yard (complete), installing a gate, purchasing large cement blocks (complete), purchasing two sea cans for use in the building (complete), and a metal storage building structure (purchased, delivered, but not assembled), and a cement pad to go underneath the seacans with the metal storage building structure.

Unfortunately, this project has struggled significantly. This project was initially intended to only take one year to complete, but it had to be extended several times and its budget revised (to reallocate funds within the existing budget) at points due to capacity and procurement struggles experienced during the onset of the COVID-19 pandemic, especially with the dramatic price increase for services and materials cost from when the project budget was initially factored, as well as the significant staff turnover immediately after the grant was applied for. Staff have pushed through the aspects of the project, but there has been a particular struggle with the assembly of the storage building and the cement pad to go underneath it. Staff have continually run into challenges to find contractors to undertake these aspects of the project, being unavailable to undertake the work and unwilling to quote due to said unavailability. The project has a final completion deadline of November 2023 that the Village is working against.

There are only three aspects that remain to be completed: installing a reinforced cement pad for the storage building footprint (to just to go under the seacans), assembling the storage building structure (moving seacans into place onto the cement pads and assembling roofing on top), and then installing gates at the vehicle entry points to the yard.

Staff have located a willing contractor that has quote on and that is available to undertake the work of installing the reinforced cement pad needed to go underneath the seacans. Unfortunately, it would completely utilize the remaining budget for cement and contingency and goes \$6,404 over the approved total project budget. This would leave no funds to complete the building assembly (which relied on contingency), or any contingency available for if the gate installation went over budget.

Staff have not been able to secure a quote for building assembly but have sourced from Masset Services their prices for use of their crane truck equipment (\$201.25/hour plus GST), which would be a main component needed to move the seacans and lift the metal building roofing structure onto said seacans. As such, staff generated a very rough estimate of \$8,000 - \$16,100 for potential building assembly, though staff are uncertain if this is a conservative estimate or overestimating. It would push the budget overrun up to \$22,500. Given the uncertainty, and the experience up to this point with this project of budgets not being enough, staff would prefer to go with a higher estimate of needing \$30,000 in additional funds to complete this project.

CONCLUSION:

Staff are requesting that Council authorize an additional \$30,000 from the Village's Northern Capital and Planning Grant Funds to be utilized for this project to enable this project to be completed, such as enabling staff to be able to hire the contractor available and willing to undertake the cement pad installation.

G-2

STRATEGIC

(Guiding Documents Relevancy –Strategic Planning)

The public works yard improvement project is a strategic priority and has been for several years. The project, once completed, would give much needed and critical storage space and facilities for public works, especially giving a secure dry-storage area for the Village’s sand and salt stock.

FINANCIAL

(Corporate Budget Impact)

The requested \$30,000 in additional budget increase to complete this project would come from the Northern Capital and Planning Grant Fund which is available to the Village for infrastructure projects.

ADMINISTRATIVE

(Workload Impact and Consequence)

Significant staff time has been involved over the last three years to get this project completed. With the unavailability of contractors, Public Works has been relied on for undertaking many aspects of the project that they were not initially expected to be involved in, which has been a strain on capacity.

Recommended Motion:

THAT Council authorizes \$30,000 in additional funds from its Northern Capital and Planning Fund to be utilized to complete the outstanding project aspects needed to complete the Public Works Yard Improvement Project.

Respectfully submitted: Elizabeth Cumming, Deputy CAO.