

# REPORT TO COUNCIL



**Date:** March 19, 2012  
**File:** 1390-11  
**To:** City Manager  
**From:** Utilities Planning Manager - Infrastructure Planning  
**Subject:** 2012 Budget Amendment: Royal View to Mountain-Phase 1; Mountain Ave Main Replacement Cancellation and Reallocation of Funds to Kane/Drysdale Road.

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## **Recommendation:**

THAT Council receives, for information, the report from the Utilities Planning Manager dated March 19, 2012 regarding the 2012 Budget Amendment for Royal View to Mountain - Phase 1 and Mountain Ave Main Replacement cancellation and reallocation of funds to Kane/Drysdale Road.

AND THAT Council approves reducing the budget for the DCC- Royal View to Mountain Ave Phase 1, 2012 Water Capital project from \$3,400,000 to \$400,000 (\$299,993 from DCC Sector A, \$94,735 from DCC Sector D and \$5,272 Water Utility) for the purposes of completing a pre-design report.

AND THAT Council approves the cancellation of the Mountain Ave Main Replacement project within the 2012 Storm Drainage Capital Budget, and that the \$225,000 of resulting taxation funding be reallocated to the Kane/Drysdale Road Detention Pond project.

AND FURTHER THAT the 2012 Financial Plan be amended accordingly.

## **Purpose:**

To defer the planned water upgrades on Royal View and Mountain in order to maximize the life of the existing asset.

To provide funds necessary to partner with the Developer of the 1966 Kane Rd. multifamily/commercial development to fix existing storm drainage deficiencies.

## **Background:**

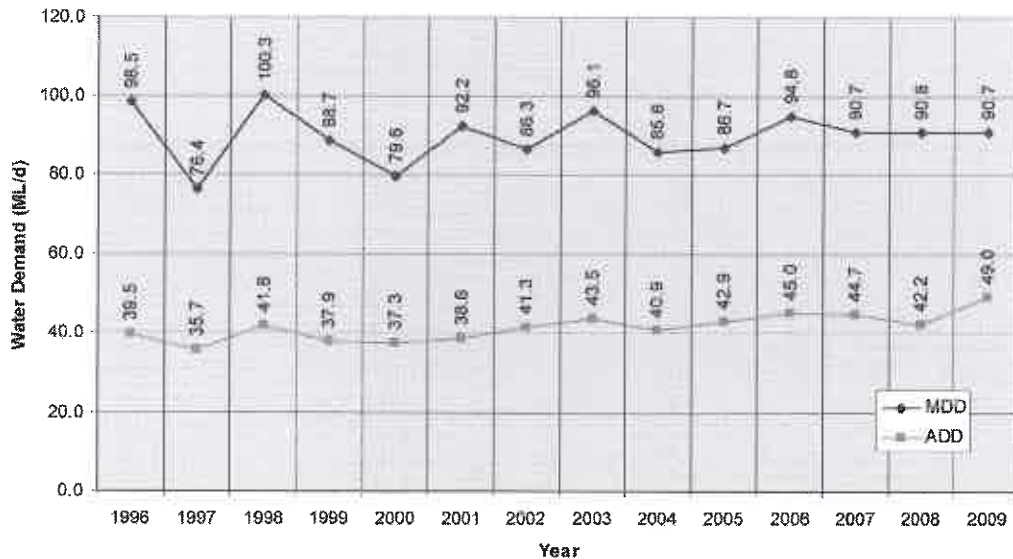
### Royal View to Mountain

In 2010 the City commissioned a study for the "2030 Water Infrastructure Upgrading Plan". This plan identified several high priority projects. The Royal View to Mountain water main upgrade was identified as a high priority project based on an insufficient capacity to meet the Maximum Daily Demand.

Upon review with City operations staff, it was observed that the water system could meet current demands. Further, it was observed that water demands have decreased over time, and have not increased with the City's population growth. The projections within the study were based on 102 ML/day. From 1996 to 2009 maximum water use has decreased by 10%

from 100ML/day to 91ML/day, while the population has increased by 29% from 89,442 to 115,582. This indicates that water conservation, metering and water restriction bylaws have had a positive effect and are working to reduce water demand.

**Historical Water Demands**



Staff recommend that a pre-design of the water main be completed in order to have a better understanding of the project timing and pipe alignment. The current pipe alignment goes through areas that have been known to have geotechnical issues (Mountain Ave near Gordon Dr). This year there have been pipe breaks possibly attributable to soil movement.

The 2012 \$3.4M project cost is phase 1 of a two phase project. The total project cost is estimated to be \$6.48M. Maximizing the life of the existing asset reduces the life cycle cost of the service. For example, extending the life of the existing pipe by five years, assuming a pipe life expectancy of 75 years, represents a \$432,000 value.

Mountain Avenue Storm Sewer

The replacement of the Mountain Avenue storm sewer main was scheduled to occur during the Royal View to Mountain water main upgrade. It is recommended that this project be deferred until staff have a better understanding of the timing and pipe alignment of the Royal View to Mountain water main upgrade. Cancellation of this project would provide for additional funds required to fund the Kane/Drysdale storm drainage detention pond project. The City is currently partnering with the developer of the 1966 Kane Road multifamily and commercial development in order to pay for the City’s share of the storm water detention pond. A partnership with the developer will eliminate land costs that the City would otherwise incur in order to fix an existing deficiency in the area regarding the storage and detention of storm water. The City has a limited opportunity to pursue this partnership.

**Internal Circulation:**

- Director, Design and Construction
- Director, Financial Services
- Manager, Roads, Drainage and Solid Waste Projects
- Manager, Utilities Design and Construction
- Manager, Development Engineering, Subdivision

**Financial/Budgetary Considerations:**

The proposed change would amend the 2012 financial budget as stipulated:

Royal View to Mountain Ave-Phase 1 (2912W)

The 2012 DCC Area A expenditure will be reduced by \$2,249,949

The 2012 DCC Area D expenditure will be reduced by \$710,510

The 2012 water utility expenses will be reduced by \$39,541

The total Royal View to Mountain Ave project cost is estimated to be \$6,475,000

Mountain Ave Main Replacement (3033)

There will be no net change in general taxation in order to cancel the Mountain Ave Storm Sewer Project and transfer these funds to the Kane/ Drysdale project (3032)

**Considerations not applicable to this report:**

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Existing Policy:

Personnel Implications:

External Agency/Public Comments:

Communications Comments:

Alternate Recommendation:

Submitted by:



A. Reeder, Utilities Planning Manager

Approved for inclusion:

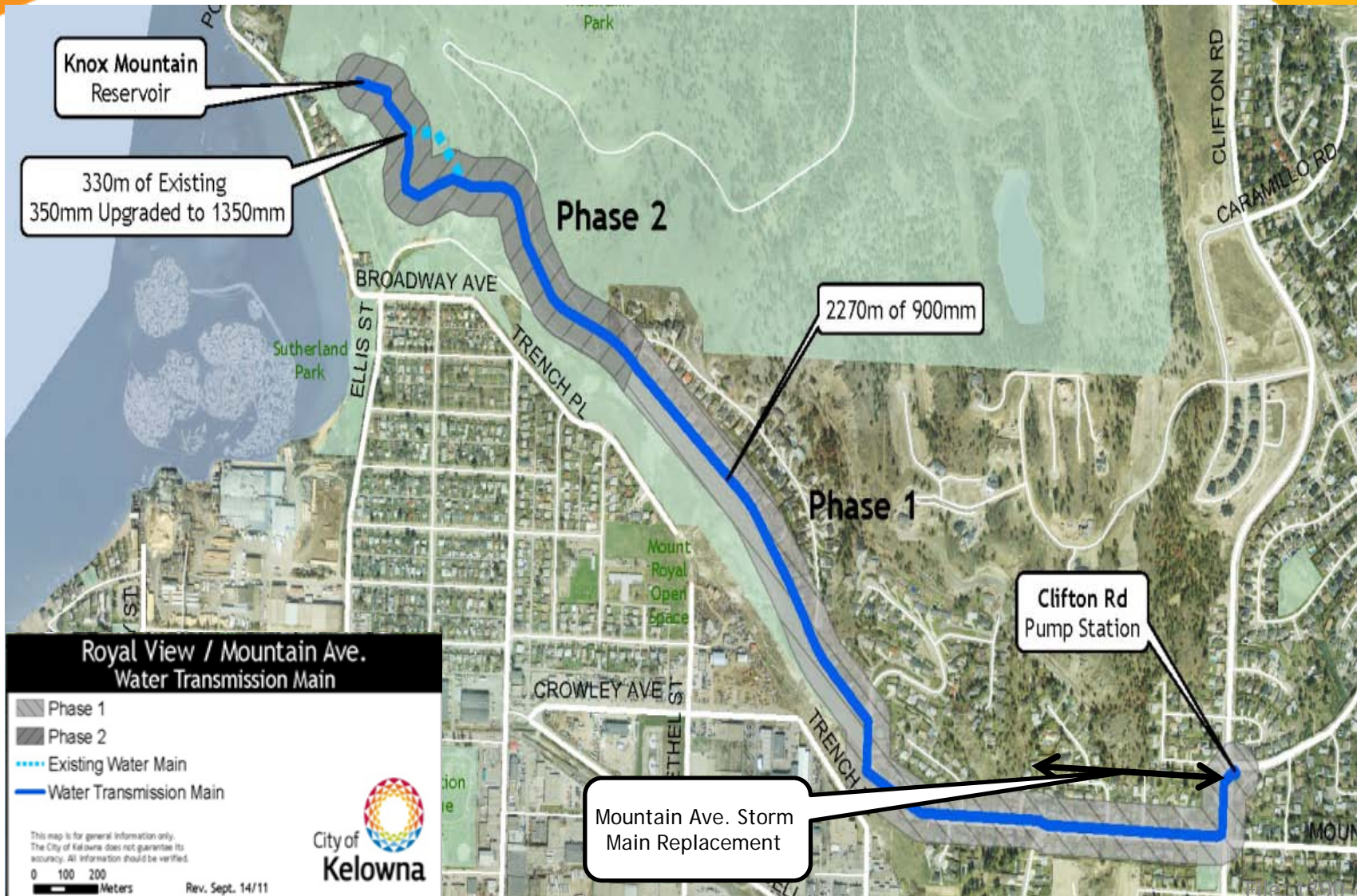


R. Cleveland, Director, Infrastructure Planning

cc: Director, Design and Construction  
Director, Financial Services

# 2012 BUDGET AMENDMENT

Royal View to Mountain-Phase 1;  
Mountain Ave Main Replacement Cancellation  
and Reallocation of Funds to Kane/Drysdale Road.





## PARTNERSHIP WITH THE DEVELOPER:

- The city is responsible for the costs of the infrastructure areas in **GREEN**;
- The **GOLD** area infrastructure represents a shared cost with the developer;
- The **BLUE** area infrastructure represents a sole cost born by the developer.