

REGIONAL DISTRICT OF NANAIMO

**SPECIAL BOARD MEETING
TUESDAY, JULY 8, 2008
(immediately following the Committee of the Whole)**

(RDN Board Chambers)

A G E N D A

CALL TO ORDER

ADMINISTRATOR'S REPORTS

- 2-9 Southern Community Sewer Service Area Development Cost Charges Bylaw No. 1547. (EA 'C', Nanaimo, Lantzville – Weighted Vote)
- 10-16 Northern Community Sewer Service Area Development Cost Charges Bylaw No. 1442.02. (EA's 'E', 'F', 'G', 'H', Parksville, Qualicum Beach – Weighted Vote)
- 17-19 Regional Landfill Cell One Remediation Project – Tender Award. (All Directors – Weighted Vote)

ADDENDUM

NEW BUSINESS

ADJOURNMENT

IN CAMERA

That pursuant to Section 90(1) (e) and (g) of the Community Charter the Board proceed to an In Camera Committee of the Whole meeting to consider items related to land and legal issues.



MEMORANDUM

RDN REPORT		
CAO APPROVAL		
EAP		
COW		
JUN 30 2008		
RHD		
BOARD	✓	Sp. Bnd. July 8/08
June 26, 2008		

TO: John Finnie
General Manager of Environmental Services

DATE:

FROM: Sean De Pol
Manager of Liquid Waste

FILE: 3150-01-SC

SUBJECT: Southern Community Sewer Service Area Development Cost Charges Bylaw No. 1547, 2008

PURPOSE

To consider "Southern Community Sewer Service Area Development Cost Charges Bylaw No. 1547, 2008" for third reading.

BACKGROUND

The Board gave Bylaw No. 1547, 2008 first and second reading on April 22, 2008 and the bylaw proceeded to public consultation prior to third reading.

An information meeting was held May 7, 2008 in the RDN Board Chambers. The notice of the meeting was sent to the Nanaimo Chamber of Commerce, Nanaimo Economic Development Group, Nanaimo Homebuilders Association and a number of the developers in the area, as well as being advertised in the local newspapers and posted on the RDN website. Comments arising during the meeting were clarified. Following that meeting, staff have worked further with representatives from the City of Nanaimo and the District of Lantzville to clarify specific wording in order to ensure as much consistency in the application of the bylaw between the two jurisdictions. Bylaw No. 1547 as amended is attached and is ready to be given third reading, after which it will be forwarded to the Inspector of Municipalities for approval.

ALTERNATIVES

1. To give Bylaw No.1547 as amended third reading and forward it to the Inspector of Municipalities for approval.
2. Do not approve Bylaw 1547 in its current form and direct staff to make further amendments before third reading.

FINANCIAL IMPLICATIONS

There are no changes to the financial implications as outlined in the initial report to the Board dated March 14, 2008. The proposed Development Cost Charge (DCC) rates are contained in Schedule 'A' to the bylaw.

SUSTAINABILITY IMPLICATIONS

As reflected in our Liquid Waste Management plan the wastewater treatment facilities located in the City of Nanaimo are planned to be expanded in an orderly fashion to meet future growth. In particular, the plan accounts for upgrading the facilities to a secondary level of treatment to reduce the impact on the marine environment. The existing plant operates within a regulated environment and has a very good operating history – however, secondary treatment is an even better standard.


A DCC program attempts to assign the financial implications of this type of significant investment to existing and future users as well as to the type of development which will be serviced. Local government legislation requires that DCC bylaws be the subject of consultation, in part to determine whether the charges will deter development which contributes to a healthy local economy. Staff have not heard any strong suggestion that the increases proposed by this bylaw will deter development.

SUMMARY/CONCLUSIONS


Staff have carried out an extensive review of the Southern Community Sewer Service Area DCC program. The review involved staff from the City of Nanaimo and the District of Lantzville as well as an opportunity for the development community to comment on the proposed change in rates. The rates as earlier proposed are unchanged. The bylaw language, which governs the interpretation for collecting DCC's has been updated so that there is consistency in the application of the bylaw between the two primary collection areas of Nanaimo and the District of Lantzville. Accordingly staff recommend giving the bylaw third reading and forwarding it to the Inspector of Municipalities for approval.

RECOMMENDATION

That "Southern Community Sewer Service Area Development Cost Charges Bylaw No. 1547, 2008" as amended, receive third reading and be forwarded to the Inspector of Municipalities for approval.


Report Writer


General Manager Concurrence


A/ CAO Concurrence

COMMENTS:

REGIONAL DISTRICT OF NANAIMO

BYLAW NO. 1547

**A BYLAW TO IMPOSE DEVELOPMENT COST CHARGES
WITHIN THE SOUTHERN COMMUNITY SEWER SERVICE AREA**

WHEREAS the Board may, pursuant to Section 933 of the *Local Government Act*, impose development cost charges under the terms and conditions of that section;

AND WHEREAS development cost charges may be imposed for the purpose of providing funds to assist the Regional District to pay the capital cost of providing, constructing, altering or expanding wastewater treatment facilities, including treatment plants, trunk lines, pump stations and other associated works in order to serve, directly or indirectly, the development for which the charges are imposed;

AND WHEREAS in establishing the development cost charges under this bylaw, the Board has considered the future land use patterns and development, and the phasing of works and services within the boundaries of the Southern Community Sewer Service area;

AND WHEREAS the Board is of the opinion that the development cost charges imposed under this bylaw:

- (a) are not excessive in relation to the capital costs of prevailing standards of service;
- (b) will not deter development, and
- (c) will not discourage the construction of reasonably priced housing or the provision of reasonably priced serviced land,

within the Regional District of Nanaimo.

NOW THEREFORE the Board of the Regional District of Nanaimo in open meeting assembled enacts as follows:

1. **Interpretation**

In this bylaw:

- | | |
|--------------|---|
| "Building" | means a structure that is used or intended for supporting or sheltering persons, animals, or property. |
| "Campground" | means a site intended to be occupied for the accommodation of persons in their own recreational vehicles or tents; but excludes mobile home parks, hotels, or camps licensed under the <i>Community Care Facility Act</i> . |

"City"	means those parts of the City of Nanaimo outlined on Schedule 'B' attached to and forming a part of this bylaw.
"Commercial"	means use of land or buildings for any retail, tourist accommodation, restaurant, personal or professional service, entertainment or recreational use and any other business use other than an institutional or industrial use.
"Dwelling Unit"	means a self-contained room or suite of rooms capable of use for year round residential occupancy.
"District"	means those portions of the District of Lantzville outlined on Schedule 'C' attached to and forming a part of this bylaw.
"Gross Floor Area"	means the gross floor area of a building or structure calculated to the outside of the exterior walls, including floor areas over 1.8 metres in height, canopies with an occupancy or use, and parking structures as the principle use, with the following exemptions: stairwells and elevators exceeding one floor only, gas canopies and parking portion of a structure.
"Industrial"	means use of land or buildings for the co-generation, manufacturing, processing, assembling, testing, servicing, repair, warehousing or distributing of goods, materials or things but specifically excludes commercial schools, financial institutions, furniture and appliance sales, recreational facilities, restaurants, retail of auto accessories and parts, veterinary clinics, gas stations, sales, service and rental of automobiles, boats, motorcycles, mobile homes, modular homes and recreational vehicles, lumber and building supply yards and car washes.
"Institutional"	means use of land or buildings for a school, hospital, correctional facility or care facility, including seniors' residence where a minimum of 20 percent of the floor area of all buildings located on the parcel is operated under a license issued pursuant to the <i>Community Care Facility Act (British Columbia)</i> .
"Mobile Home"	means a dwelling unit built in an enclosed factory environment in one or more sections, intended to be occupied in a place other than of its manufacture and includes mobile homes and modular homes which are either completely self contained or are incomplete, fastened together and completed on site.
"Park Model Trailer"	means a recreational unit that conforms to CAN/CSA Z-241 series of standards for park model trailers at the time of manufacture, with a width of greater than 2.6 metres (8.53 feet) in transit mode and a maximum gross floor area of 50 square meters (538.2 square feet) when in setup mode.
"Mobile Home Park"	means a site used or intended to be used for the purpose of providing pads for the accommodation of 2 or more mobile homes or park model trailers.
"Multi-Family"	means the residential use of land or a building for two or more dwelling units but does not include an institutional use.

- "Public Utilities" means utilities which are operated by the City of Nanaimo, District of Lantzville or Regional District of Nanaimo or are regulated under the *Utilities Commission Act*. Such utilities include a system, works, plant, equipment or services owned and operated by or for the City of Nanaimo, the District of Lantzville or the Regional District of Nanaimo, or by a corporation under an agreement with or under a franchise from the City of Nanaimo, District of Lantzville or Regional District of Nanaimo, or under a Federal or Provincial statute which furnishes services and facilities available at approved rates to or for the use of the inhabitants of the City of Nanaimo, District of Lantzville or the Regional District of Nanaimo, including but not limited to:
- (1) public transportation by bus or trolley coach or other vehicles;
 - (2) production, transmission, delivery or furnishing of water, gas, electricity or communication to the public at large;
 - (3) collection and disposal of sewage, garbage and other waste.
- "Recreational Vehicle" means any camper, travel trailer, fifth wheel or motor home with a maximum width of 2.6 metres (8.53 feet) in transit mode which can be used to provide sleeping accommodation and which is capable of being licensed for highway use pursuant to the *Motor Vehicle Act*.
- "Service Connection" means an improvement which allows for the attachment of a building or a unit in a mobile home park or campground to one or more public utilities.
- "Single Family" means any building consisting of one dwelling unit, but excludes a mobile home, recreational vehicle and/or tent.

2. Charges

Except where prohibited by statute, every person who obtains:

- i) approval of a subdivision for any purpose of a parcel of land under the *Land Title Act* or the *Strata Property Act* which creates fee simple or bare land strata lots; or
- ii) a building permit authorizing the construction, alteration or extension of a building or structure (including a building containing two or three self-contained dwelling units);
- iii) for the purposes of Section 2(ii) a building permit shall be considered to have a construction value in excess of \$50,000.00 where the value of construction proposed in respect of the parcel in the permit application under consideration, combined with building permits issued for the same parcel of land within the preceding two years, exceeds \$50,000.00;

shall pay the appropriate Development Cost Charge in the amount and at the time as set out in Schedule 'A', which is attached to and forms a part of this bylaw.

3. **Mixed Use Buildings**

Where a proposed building is to be used for more than one class of use under this bylaw, the charge for each portion of the building used for a separate class of use shall be calculated separately, based upon the relevant charge in the schedule, and the total amount of those charges shall be payable upon issuance of a building permit for the construction, alteration or extension of the building.

4. **Exceptions**

i) **Where a building permit is issued for the construction, alteration or extension of a multi-family building the rates in Schedule 'A' will apply as set out in this bylaw provided that the total amount payable shall not be greater than the amount that would be obtained by multiplying the number of dwelling units created times the single family rate in Schedule 'A'.**

ii) If by statute or by operation of law, this bylaw does not apply to an application to subdivide or an application for a building permit made prior to the adoption of this bylaw, any bylaw repealed by this bylaw shall remain unrepealed and in force and effect in relation to such applications, so far as is necessary to impose development cost charges under that bylaw at the time of subdivision approval or issuance of the building permit.

5. **Areas Subject to Development Cost Charges**

The charges under this bylaw shall apply within the areas outlined on Schedules 'B', 'C' and 'D' to this bylaw.

6. **Collection of Charges**

a) Where development cost charges under this bylaw are collected within the City of Nanaimo and/or the District of Lantzville, whether paid in full or by installments, the funds so collected shall be remitted to the Regional District by the 15th of the month following the month in which the charges were imposed.

b) Where charges have been paid by installments, the municipality shall provide to the Regional District a copy of the security at the same time it transfers funds under 6(a).

7. **Effective Date**

The effective date for the application of the rates contained within this bylaw will be the later of August 26, 2008 or the date upon which this bylaw is adopted by the Board of the Regional District of Nanaimo.

8. **Remainder of Bylaw to Remain Intact**

In the event that any portion of this bylaw is declared ultra vires, such portion shall be severed from this bylaw with the intent that the remainder of this bylaw shall continue in full force and effect.

9. **Repeal of Previous Bylaw**

"Regional District of Nanaimo Southern Community Sewer Local Service Area Development Cost Charge Bylaw No. 1020, 1996" and all amendments are hereby repealed, effective on the date that this bylaw is adopted.

10. **Title**

This bylaw may be cited for all purposes as "Southern Community Sewer Service Area Development Cost Charges Bylaw No. 1547, 2008".

Introduced and given first and second readings this 22nd day of April, 2008.

Read a third time this 8th day of July, 2008.

Approved by the Inspector of Municipalities this ____ day of _____, 2008.

Adopted this ____ day of _____, 2008.

CHAIRPERSON

SR. MGR., CORPORATE ADMINISTRATION

Chairperson

Sr. Mgr., Corporate Administration

SCHEDULE 'A'

Development Cost Charges for Wastewater Treatment/Sanitary Sewer Works and Services

1. Pursuant to Section 2 of this bylaw, development cost charges shall be levied in those areas that will be serviced by wastewater treatment/sanitary sewerage works and services as outlined on the map attached hereto as Schedule 'B' and Schedule 'C'.
2. The assist factor for wastewater treatment/sanitary sewerage works and services shall be 1%.
3. All charges shall be paid in full prior to the approval of a subdivision or building permit unless paid by way of installments in accordance with BC Reg 166/84.

The Development Cost Charge Schedule is as follows:

Category	Subdivision	Building Permit
Single Family	\$3,326.95 per lot being created	\$3,326.95 per dwelling unit constructed
Multi-Family		\$19.61 per square meter of building gross floor area provided that no development cost charge for multi-family development shall exceed an amount calculated by multiplying the number of dwelling units created by \$3,326.95
Mobile Home Park	\$1,971.32 per service connection being created	\$1,971.32 per service connection being created
Commercial		\$19.90 per square meter of building gross floor area
Industrial		\$5.07 per square meter of building gross floor area
Campground		\$550.81 per service connection being created
Institutional		\$19.90 per square meter of building gross floor area



MEMORANDUM

RDN REPORT		
CAC APPROVAL		
EAP		
COW		
JUN 30 2008		
RHD		
BOARD	✓	Sp. Brd. July 8/08
June 28, 2008		

TO: John Finnie
General Manager of Environmental Services

DATE: June 28, 2008

FROM: Sean De Pol
Manager of Liquid Waste

FILE: 3150-01-NC

SUBJECT: Northern Community Sewer Service Area Development Cost Charges Bylaw No. 1442.02, 2008

PURPOSE

To consider "Northern Community Sewer Service Area Development Cost Charges Bylaw No. 1442.02, 2008" for third reading.

BACKGROUND

The Board gave Bylaw No. 1442.02, 2008 first and second reading on April 22, 2008 and the bylaw proceeded to public consultation prior to third reading.

An information meeting was held May 14, 2008 in the City of Parksville Council Chambers. Notice of the meeting was sent to the Oceanside Development and Construction Association (ODCA) and a number of the developers in the area, as well as being advertised in the local newspapers and posted on the RDN website.

In addition to the May 14 information meeting, a special presentation was made to the ODCA on May 21, 2008. The ODCA subsequently appeared as a delegation at the RDN Board meeting on May 27 and outlined several items that they felt warranted further review. On June 18 staff attended an ODCA luncheon to respond to the items identified at the Board meeting.

Staff have summarized below the significant questions and comments arising from this series of consultations.

Why are DCC's for Single Family Homes not based on the number of fixtures?

More fixtures does not necessarily equate to more wastewater produced. A more accurate measure is the average number of persons per dwelling. Average number of persons was used to calculate the proposed DCC rates.

Can an assist factor be applied to recognize the benefits of affordable housing?

The assist factor is a discretionary rate adjustment that local governments can apply to shift the payment of capital infrastructure to the existing taxpayer base. The current legislation does not recognize an assist factor attached to a particular type of construction -- rather the assist factor is applied to the overall capital program and acts to reduce the overall amount of the program to be financed by DCC's.

The DCC rate as proposed on multi-family buildings will not promote affordable housing.

Currently the *Local Government Act* allows a reduction only for not-for-profit rental housing. New Provincial legislation to be adopted in the fall 2008 (Bill 27) will exempt very small housing units—defined as no larger than 29 square metres— from DCC's. Local Governments will also have broader discretion to account for other factors such as green buildings and sustainable development. These aspects will be taken into account in the next review of this DCC bylaw.

For multi-family, is the DCC rate calculated on gross floor area or by unit?

Multi-family buildings will pay DCC's on the basis of "gross floor area". This is defined as "*the total of the horizontal areas of all floors in a building, including the basement, measured to the outside of the exterior walls of the building, but not including any floor area used exclusively for vehicle parking or vehicle access, any basement area where the ceiling is less than 1.8 metres above the floor, exits, vertical service spaces, and their enclosing assemblies.*" Effectively, multi family buildings do not pay DCC's on floor areas used for parking and elevator shafts, but will pay DCC's for common hallways and areas which support the residential use of the building.

Why was a public hearing not held?

A public hearing is not a statutory requirement. The Regional District made a considerable effort to afford the building community opportunities to contribute to the discussion about the DCC rates and how they were structured.

Do secondary suites pay DCC's?

Secondary suites as defined in the BC Building Code are not considered to meet the definition of a dwelling unit in the DCC bylaw and will not be subject to the single family dwelling unit rate. Some experience has shown that homes with secondary suites produce a negligible amount of additional wastewater.

Multi-family construction will pay more than single family dwellings which discourages more compact building footprints.

The bylaw calculates the maximum multi family DCC's as the lesser of:

- Gross floor area x DCC rate, or
- Number of dwelling units created x single family rate

The rate equivalent for a multi family unit is 136m² which is approximately 1,465 square feet. This size is considered reasonable for duplex or townhome type construction. Apartment style units tend to be smaller than 136m² but given common hallways and entrance areas, could average up to 136m².

In addition to the external consultation meetings, staff have worked with representatives from the Town of Qualicum Beach and the City of Parksville to achieve reasonable consistency in the definitions in the bylaw to enable staff in all three jurisdictions, to apply the bylaw in a manner similar to their own DCC bylaws. Bylaw No. 1442.02 as amended is attached and is ready to be given third reading, after which it will be forwarded to the Inspector of Municipalities for approval.

ALTERNATIVES

1. Give Bylaw No.1442.02 as amended third reading and forward it to the Inspector of Municipalities for approval.
2. Do not approve Bylaw No. 1442.02 in its current form and direct staff to make further amendments before third reading.

FINANCIAL IMPLICATIONS

There is only one change to the financial implications as outlined in the initial report to the Board dated March 28, 2008; the multi-family rate has been reduced from \$103.41/m² to \$79.54/m². The proposed Development Cost Charge rates are contained in Schedule 'A' to the bylaw.

SUSTAINABILITY IMPLICATIONS

As reflected in our Liquid Waste Management Plan the wastewater treatment facilities located in the Northern Community Sewer Service Area are planned to be expanded in an orderly fashion to meet future growth. The largest of these expansions are required to ensure the treatment plant continues to achieve a secondary level of treatment. Innovative treatment processes will be incorporated in the plant to expand capacity where appropriate and the treated wastewater from this plant will be used for all on-site mechanical processes, as well as irrigation for on-site landscaping and the Morningstar golf course.

A DCC program attempts to assign the financial implications of this type of significant investment to existing and future users as well as to the type of development which will be serviced. Local government legislation requires that DCC bylaws be the subject of consultation, in part to determine whether the charges will deter development which contributes to a healthy local economy. Staff have not heard any strong suggestion that the increases proposed by this bylaw will deter development.

SUMMARY/CONCLUSIONS

Staff have carried out an extensive review of the Northern Community Sewer Service Area DCC program. The review involved staff from the Town of Qualicum Beach and the City of Parksville as well as an opportunity for the development community to comment on the proposed change in rates. There is only one change to the rates as earlier proposed; the multi-family rate has been reduced from \$103.41/m² to \$79.54/m². The bylaw language, which governs the interpretation for collecting DCC's has been updated so that there is consistency in the application of the bylaw between the two primary collection areas of the Town of Qualicum Beach and the City of Parksville. Accordingly staff recommend giving the bylaw third reading and forwarding it to the Inspector of Municipalities for approval.

RECOMMENDATION

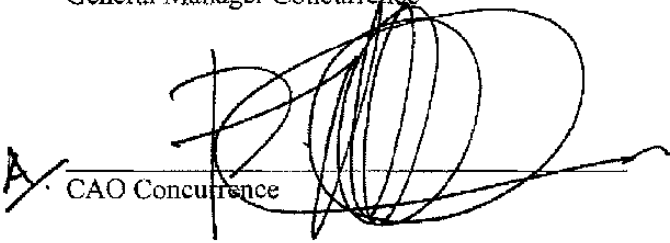
That "Northern Community Sewer Service Area Development Cost Charges Bylaw No. 1442.02, 2008" as amended, receive third reading and be forwarded to the Inspector of Municipalities for approval.



Report Writer



General Manager Concurrence



CAO Concurrence

COMMENTS:

REGIONAL DISTRICT OF NANAIMO

BYLAW NO. 1442.02

**A BYLAW TO AMEND THE DEVELOPMENT COST CHARGES WITHIN
THE NORTHERN COMMUNITY SEWER SERVICE AREA**

WHEREAS the Regional District of Nanaimo has adopted "Northern Community Sewer Service Area Development Cost Charges Bylaw No. 1442, 2005;

AND WHEREAS the Board wishes to amend the development cost charges for wastewater treatment/sanitary sewer works and services;

NOW THEREFORE the Board of the Regional District of Nanaimo in open meeting assembled enacts as follows:

Northern Community Sewer Service Area Development Cost Charges Amendment Bylaw No. 1442 as amended to date is further amended by:

1. Definitions

The definition of Dwelling Unit is deleted and replaced with the following:

"Dwelling Unit" means one self-contained unit with a separate entrance intended for year-round occupancy and the principal use of such dwelling unit is residential, with complete living facilities for one or more persons, including permanent provisions for living, sleeping, cooking and sanitation, but does not include a secondary suite as defined in the British Columbia Building Code.

The definition of Gross Floor Area is deleted and replaced with the following:

"Gross Floor Area" means the total of the horizontal areas of all floors in a building, including the basement measured to the outside of the exterior walls of the building, but not including any floor area used exclusively for vehicle parking or vehicle access, any basement area where the ceiling is less than 1.8 metres above the floor, exits, vertical service spaces, and their enclosing assemblies.

A new definition of Vertical Service Space is added as follows:

"Vertical Service Space" means a shaft oriented essentially vertically that is provided in a building to facilitate the installation of building services including mechanical, electrical and plumbing installations and facilities such as elevators, refuse chutes and linen chutes.

2. Adding to Paragraph 4 the following subsection (d):
 - d) where a building permit is issued for the construction, alteration or extension of a multiple family residential building the rates in Schedule 'A' will apply as required in this bylaw, provided that the total amount payable shall not be greater than the amount that would be obtained by multiplying the number of dwelling units to be constructed by the single family dwelling unit rate in Schedule 'A'.
2. Schedule 'A' to Bylaw No. 1442 is hereby repealed and Schedule 'A' attached to and forming part of the this bylaw is substituted therefore.
3. This bylaw may be cited as the "Northern Community Sewer Service Area Development Cost Charges Amendment Bylaw No. 1442.02, 2008".

Introduced for first and second readings this 22nd day of April, 2008.

Read a third time this 8th day of July, 2008.

Approved by the Inspector of Municipalities this ____ day of _____, 2008.

Adopted this ____ day of _____, 2008.

CHAIRPERSON

SR. MGR., CORPORATE ADMINISTRATION

Chairperson

Sr. Mgr., Corporate Administration

SCHEDULE 'A'

Development Cost Charges for Wastewater Treatment/Sanitary Sewer Works and Services

1. Pursuant to Section 2 of Bylaw No. 1442 and subsequent amendments, development cost charges shall be levied in those areas that will be serviced by wastewater treatment/sanitary sewerage works and services as outlined on the map in Schedule 'B'.
2. The assist factor for wastewater treatment/sanitary sewerage works and services shall be 1%.
3. All charges shall be paid in full prior to the approval of a subdivision or building permit unless paid by way of installments in accordance with BC Reg 166/84.
4. The Development Cost Charge Schedule is as follows:

Development Type	Subdivision	Building Permit
Single family	\$10,817.06 per lot	\$10,817.06 per dwelling unit
Multiple family residential		\$79.54 per m ² of gross floor area
Commercial		\$46.36 per m ² gross floor area
Industrial		\$46.36 per m ² gross floor area
Airport Industrial		\$5.15 per m ² gross floor area
Institutional		\$56.66 per m ² gross floor area



RDN REPORT	
CAC APPROVAL	
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BOARD	✓ Sp. Brd. July 8/08

MEMORANDUM

TO: Carey McIver.
Manager Solid Waste

DATE: June 30, 2008

FROM: Helmut Blanken, P. Eng
Superintendent, Engineering & Disposal Operations

FILE: 5330-20-RLCOR

SUBJECT: Regional Landfill Cell One Remediation Project
Tender Award

PURPOSE

To consider tenders for the Cell One Remediation Project at the Regional Landfill.

BACKGROUND

The 2008 capital plan for the Regional Landfill includes funds for upgrading the stormwater management and leachate collection systems installed in Cell One, which comprises the unlined natural control portion of the landfill. In May 2008 the Board approved proceeding to tender for this capital project and awarded the associated engineering services to XCG Consultants Ltd (XCG).

The tender documents prepared by XCG for this project included schedules for core work and additional work that may be required for project completion. As discussed in the May report, the potential additional work, related to blasting, slope stabilization and replacement of existing manholes was identified during the detailed design of the project and may significantly increase the cost of the project.

Consequently, the Form of Tender for the project was structured on a best case basis, placing work items that may not be required in the Schedule of Additional Unit Prices as a contingency measure. Bidders were clearly advised that in addition to the total contract price for the Core Work, the RDN would also consider the rates included in the Schedule of Additional Unit Prices in the evaluation of tenders. In addition bidders were also advised that approximately 2,000 cubic metres of bedrock may require excavation.

On June 27, 2008 the following bidders submitted tenders:

Bidder	Core Work	Additional Work	Total Cost
Fournier Excavating	\$712,808.00	\$254,750.00	\$967,558.00
Hazelwood Construction	\$677,342.80	\$612,000.00	\$1,289,342.80
Locar Industries	\$775,004.00	\$613,000.00	\$1,388,004.00
Western Industrial	\$1,152,831.00	\$407,000.00	\$1,559,831.00

With respect to potential Additional Work, XCG completed an evaluation of the bids including an allowance for 2,000 cubic metres of blasting and replacement of existing manholes that more closely reflects the actual work that is anticipated to be required. Based on the adjusted evaluation it is apparent that the tender from Fournier provides that best combination of Core Work Unit Prices and Additional Work Unit Prices, and will result in the lowest contract price based on the most likely scope of work.

It is further noted that the lowest tender, submitted by Hazelwood Construction, exceeds that submitted by Fournier Excavating if blasting exceeds 205 cubic metres. Based upon XCG's understanding of existing conditions, it is highly likely that blasting will be significantly higher than this threshold.

ALTERNATIVES

1. Award the contract to Fournier Excavating for the tendered price of \$712,808.00 understanding that additional work may likely result in a total contract price of approximately \$967,558.00.
2. Do not award the contract.

FINANCIAL IMPLICATIONS

Alternative 1

The budget estimate included in the 2008 capital plan for the construction and engineering costs to remediate Cell One is \$990,000. In May staff advised the Board that the preliminary design estimate had increased to \$1,232,275 based on the results a geotechnical assessment which concluded that the excavation will be deeper than the original estimate, dewatering will be required, more bedrock will need to be excavated and blasting will be necessary. The size of the stormwater pipe has also been increased since the current stormwater piping system is inadequate to handle the significant increases in short duration rainfall events predicted as a result of climate change.

Based on the detailed design and final tender amounts the total cost of the project is as follows:

Table 1: Cell One Remediation Project Cost Estimates

	<i>Pre-Design Estimate</i>	<i>Preliminary Design Estimate</i>	<i>Pre-Tender Estimate</i>	<i>Final Cost Estimate</i>
Core Construction	\$845,000	\$875,275	\$850,604	\$712,808
Additional Construction	N/A	N/A	\$250,000	\$254,750
Engineering	\$145,000	\$162,000	\$164,296	\$194,296
Contingency	\$0	\$195,000	\$100,000	\$100,000
Total	\$990,000	\$1,232,275	\$1,364,900	\$1,261,854

The increased engineering cost is associated with addressing geotechnical concerns associated with construction of the works. This additional engineering cost includes the installation of slope inclinometers along that toe of landfill slope, in the region in which blasting is to be undertaken, and geotechnical engineering oversight be implemented during excavation activities to ensure worker safety and to protect existing infrastructure.

Staff has reviewed the budget implications of this cost increase and has concluded that there are sufficient funds in the 2008 budget to fund this project.

Alternative 2

The Cell One Remediation project is an essential component of the remedial action plan identified in the draft D&O Plan to address the issues and concerns outlined in the 2007 Hydrogeological Study. If the Board does not proceed with this project in the 2008 construction season, the project will need to be constructed in 2009.

ENVIRONMENTAL IMPLICATIONS

The Regional Landfill must be operated in accordance with the design, performance and operational requirements of the Operational Certificate (OC) for the site issued by the Ministry of Environment in 2004. The OC requires that leachate must be collected and conveyed to a municipal sewage treatment system. The 2007 Hydrogeological Study has confirmed the potential for off-site impacts from the leachate mounding in Cell One. The remediation of the Cell One storm water management and leachate collection systems will address this issue.

SUSTAINABILITY IMPLICATIONS

In November 2004, after consultation with the community in the vicinity of the landfill and staff from the City of Nanaimo regarding a range of potential options for the site, the Board approved the construction of a park as the preferred post-closure use. The creation of a community amenity such as a park was seen as a sustainable approach that balanced social, environmental and economic concerns at the site. This sustainable park concept cannot be implemented until the stormwater management and leachate collection systems in Cell One have been remediated.

CONCLUSIONS

The 2008 capital plan for the Regional Landfill includes funds for upgrading the stormwater management and leachate collection systems installed in Cell One, which comprises the unlined natural control portion of the landfill. In May 2008 the Board approved proceeding to tender for this capital project and awarded the associated engineering services to XCG Consultants Ltd (XCG). On June 27, 2008 Fournier Excavating submitted the low tender for this project (including estimated additional unit price items). XCG recommends the award of the contract to Fournier Excavating Ltd. for the tendered amount of \$712,808.00. There are adequate funds in the 2008 budget to fund this project.

RECOMMENDATION

That the Regional District of Nanaimo award the Regional Landfill Cell One Remediation Project to Fournier Excavating Ltd. for the tendered amount of \$712,808.00 with an allowance of \$254,750 for additional work if required.

Carey McAvell
per _____
Report Writer

[Signature]

General Manager Concurrence

Carey McAvell

Manager Concurrence

[Signature]

CAO Concurrence