



Prowse Road Upgrades

AAP Open House

June 4, 2019

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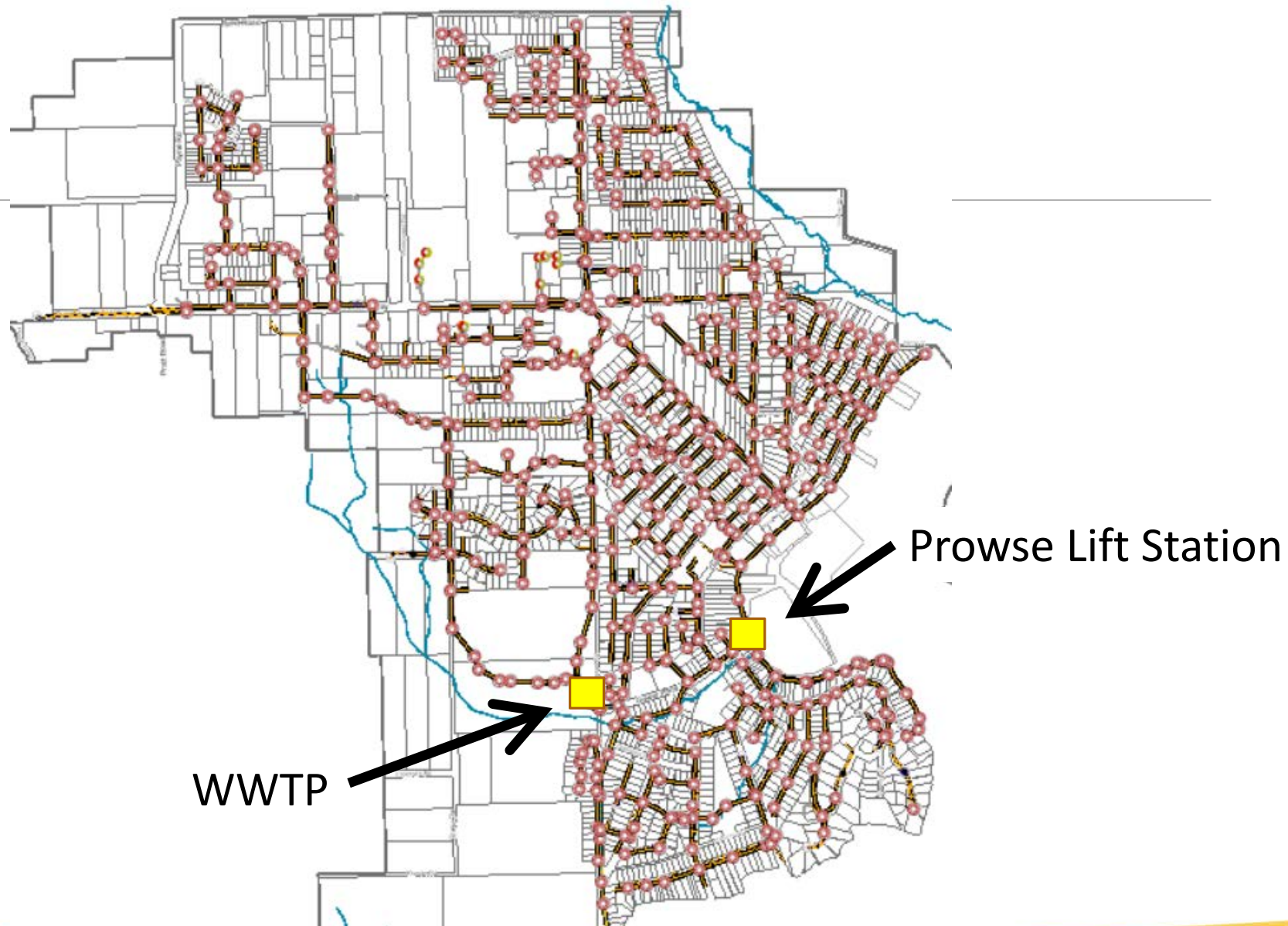


Overview

1. Town Sanitary System
2. What area of Town relies on the Prowse Road Lift Station?
3. Capacity and Condition
4. Retrofit vs Reconstruction
5. Funding and Debt Payments
6. DCCs and Excess Service Charges
7. Why Now?
8. What Next?

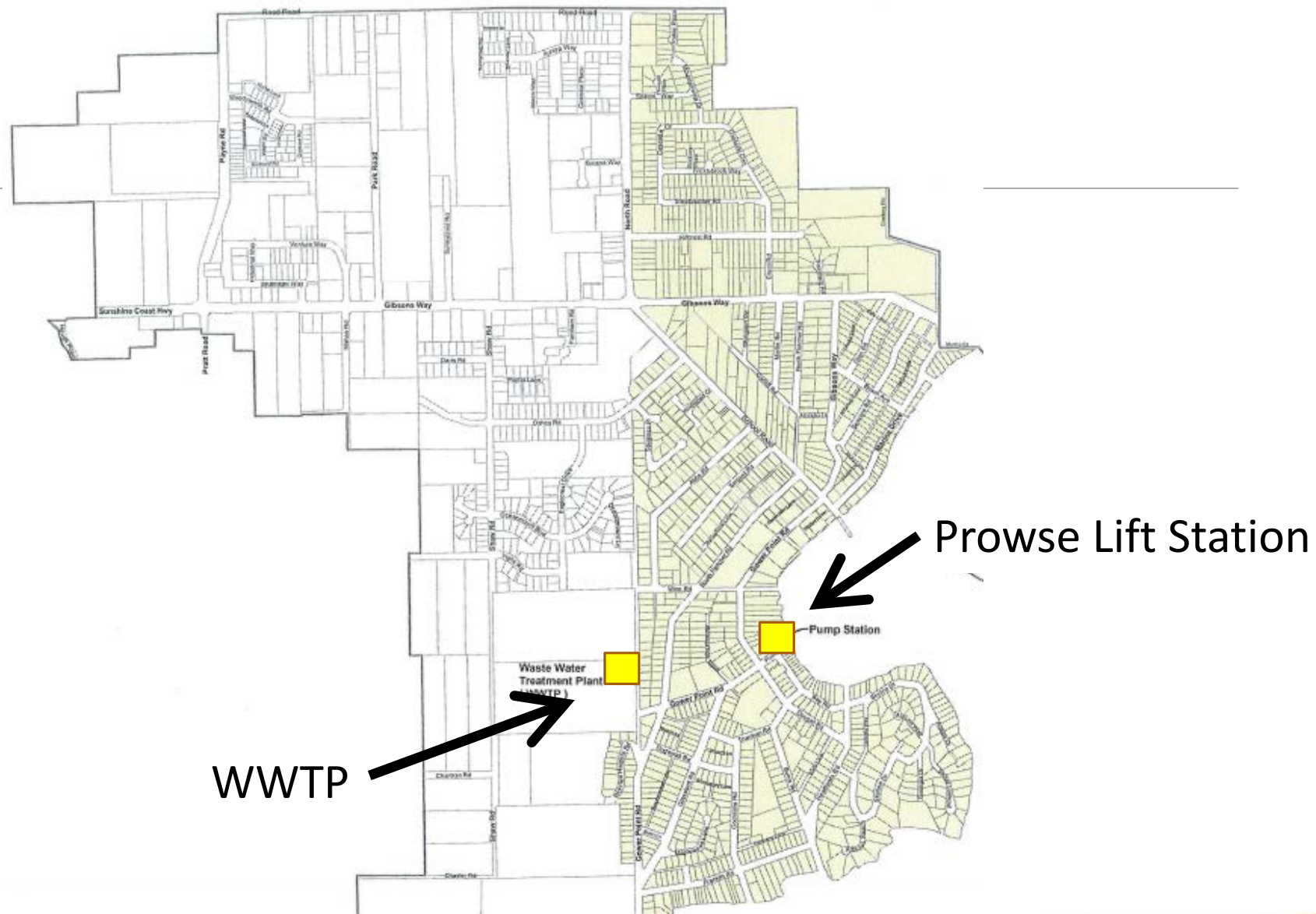


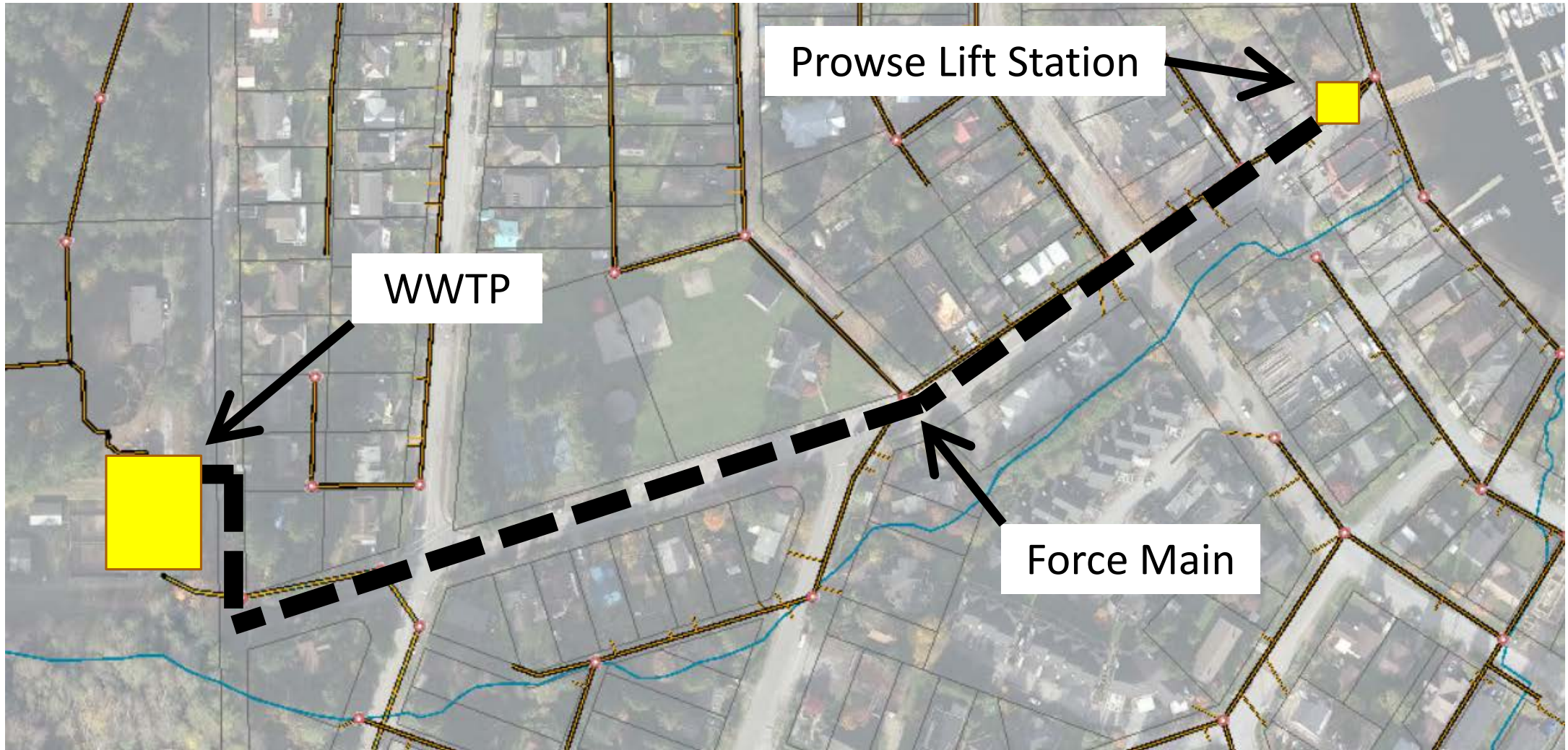
Town Sanitary System

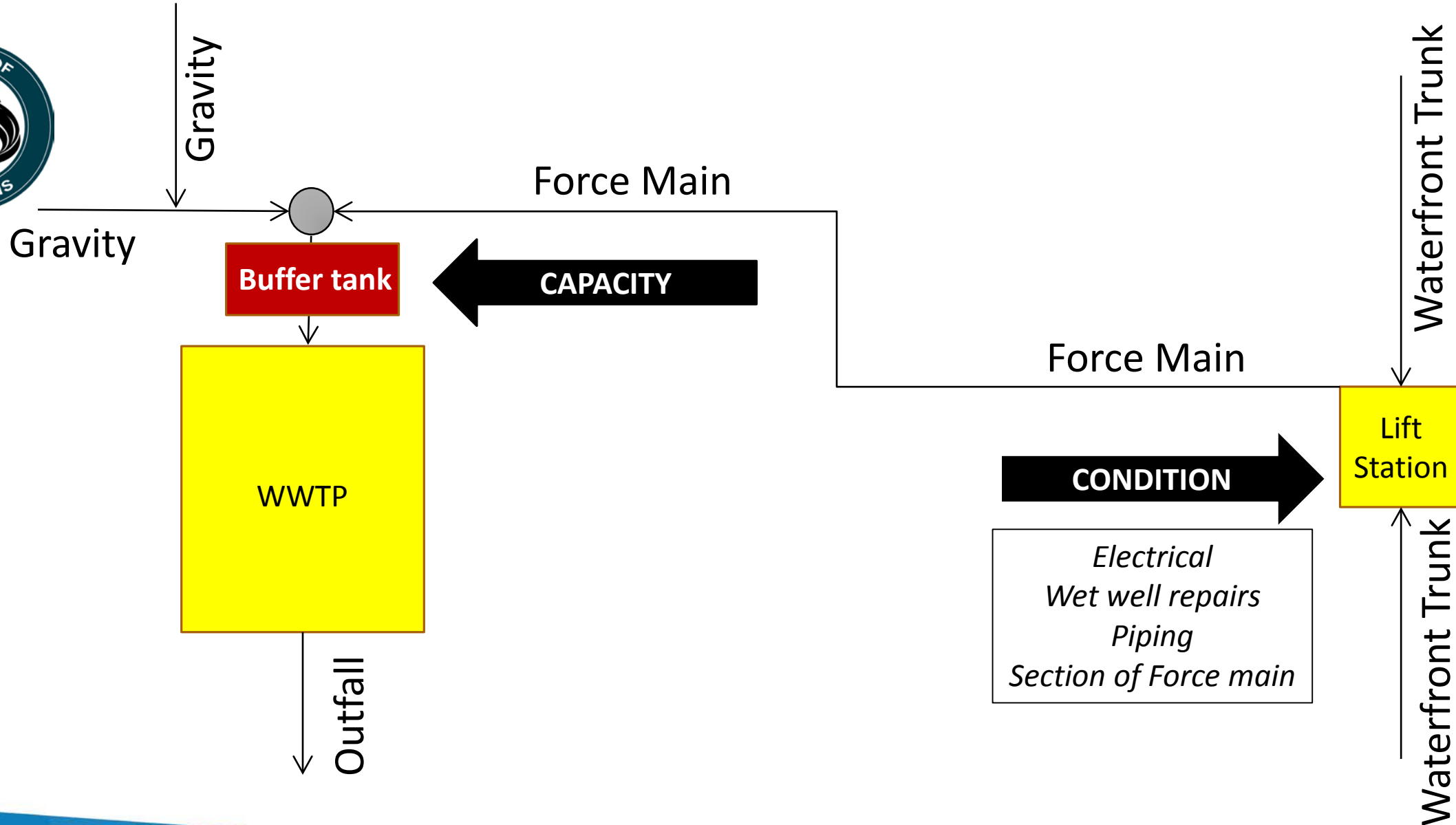


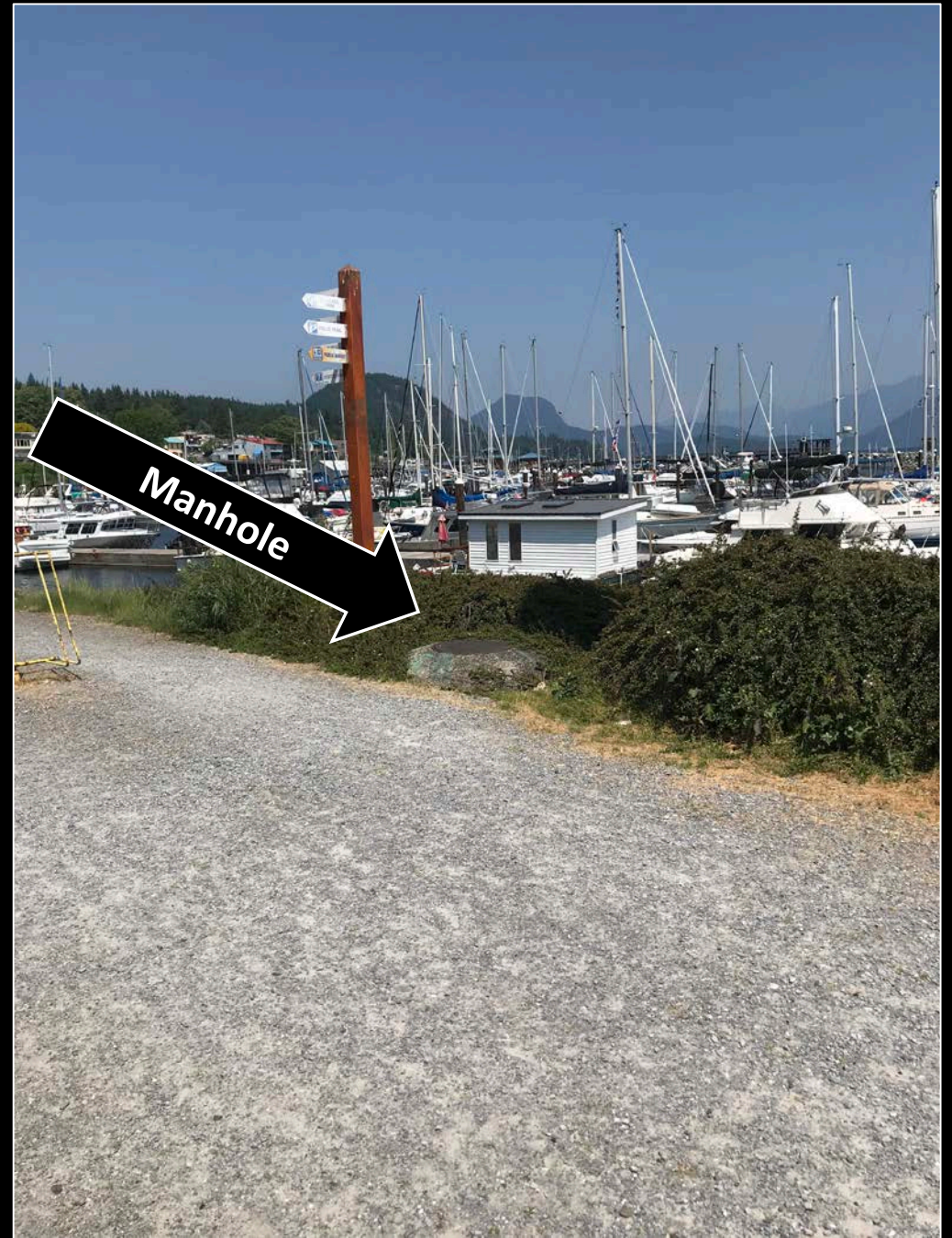


Prowse Road Benefitting Lands

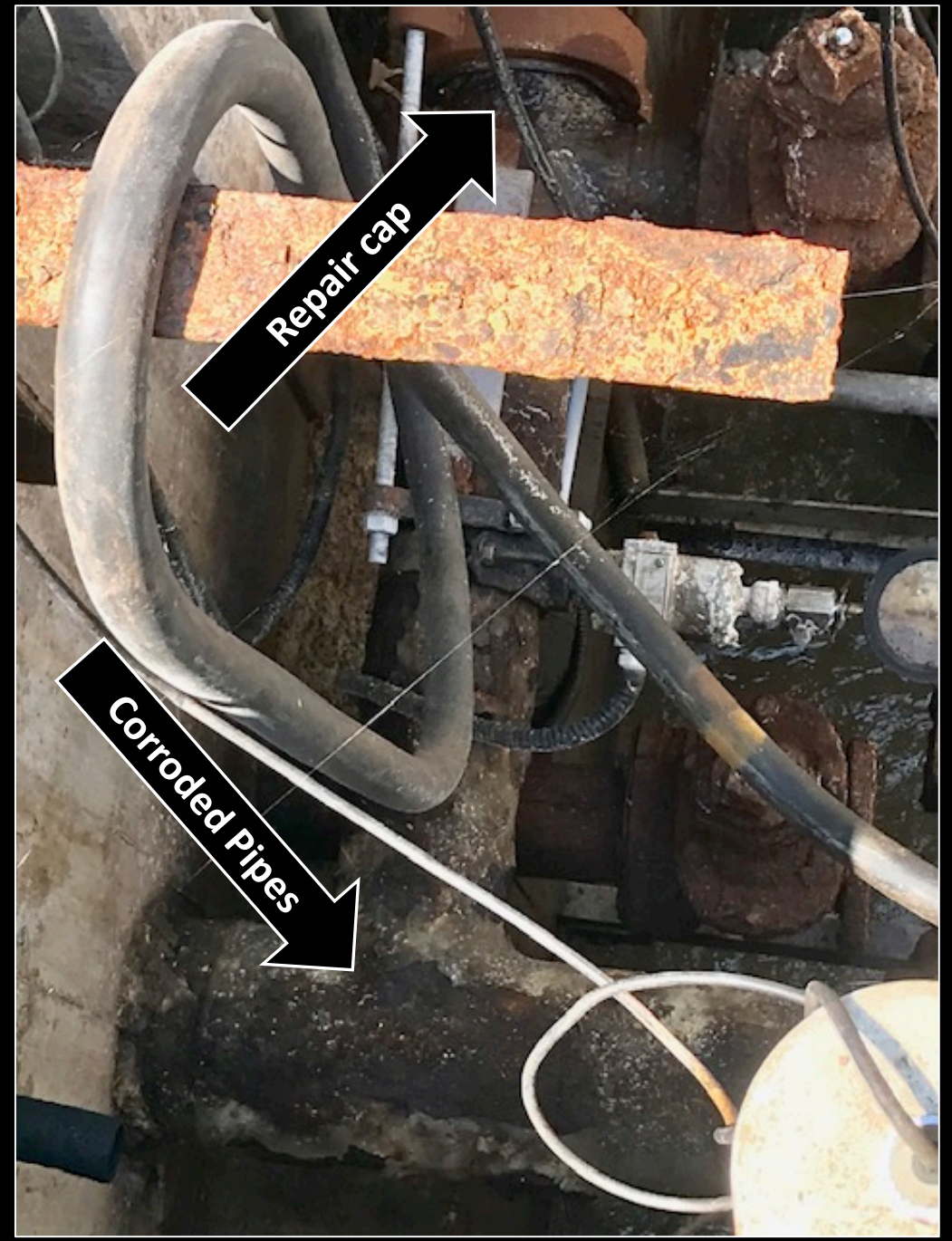


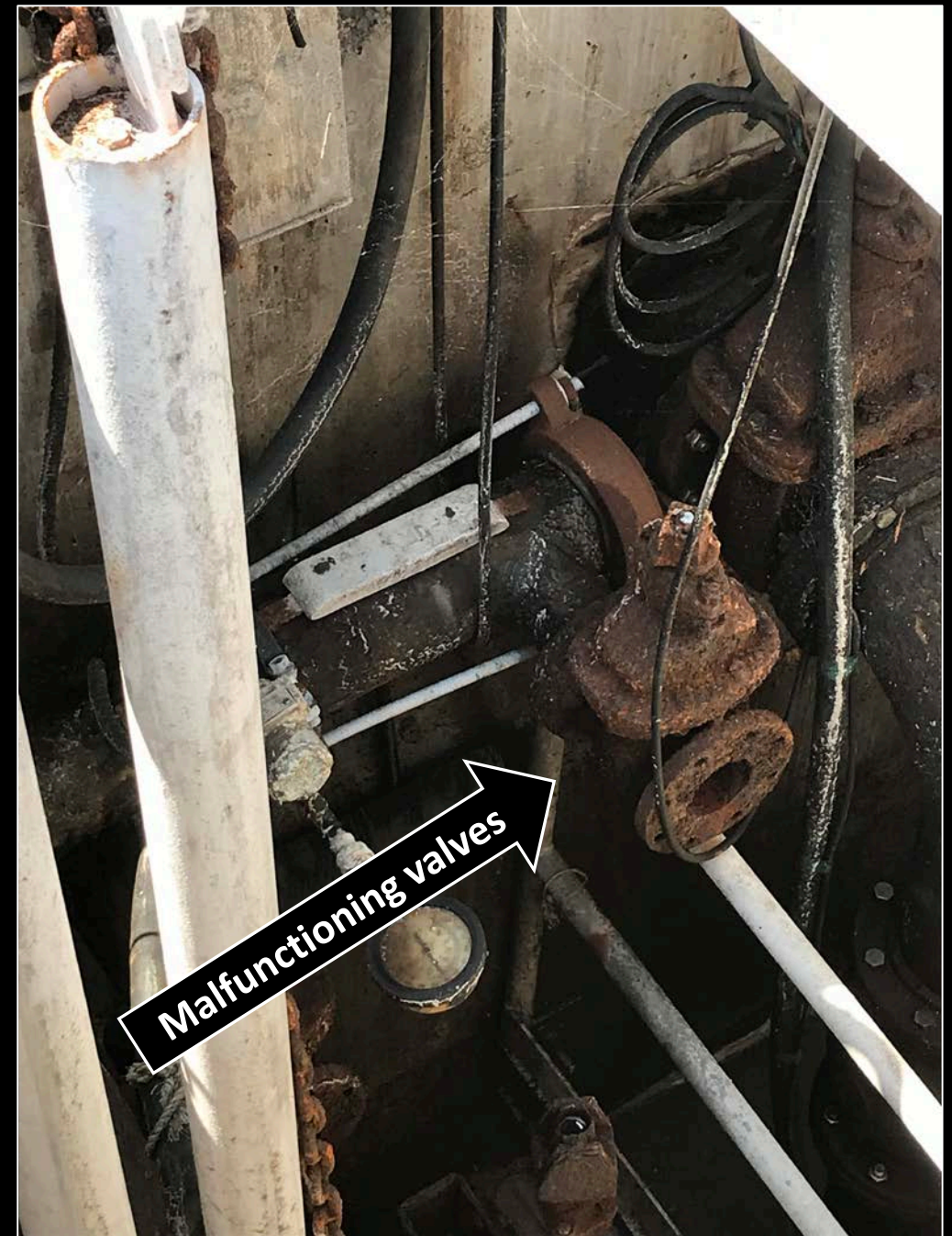














Retrofit vs Reconstruction

Prowse Road Lift Station Estimates			
		Retrofit	Reconstruction
2014	Base Cost (Class C)	\$493,000	\$2,063,000
	Inflation	\$54,000	\$226,000
2019	Inflated cost to current year	\$547,000	\$2,289,000
	Additional cost increase (Class B)	\$27,000	
	Subtotal 1	\$574,000	\$2,289,000
	Environmental Monitoring	\$20,000	\$30,000
	Archaeological Monitoring	\$75,000	\$150,000
	Tender/Const Mgmt	\$50,000	\$75,000
	Odor control, HVAC, Instrumentation	\$382,400	\$382,400
	Subtotal 1	\$1,101,400	\$2,926,400
	Force Main	\$420,000	\$420,000
	Additional Contingency	\$235,000	\$235,000
	Total	\$1,756,400	\$3,581,400
	Budget	\$1,758,000	



Retrofit vs Reconstruction

Why not just do the reconstruction if it costs twice as much but lasts twice as long?

1. Approximately \$1.8 million of infrastructure (capacity) is not needed for approx. 20 years (unnecessary deterioration if constructed in 2019)
2. Savings of at least \$1M in interest charges over 20 years
3. Postponing the reconstruction will provide opportunity to increase DCC and other reserves to offset the reconstruction costs



Retrofit vs Reconstruction

- 4. Additional partial retrofits may be possible before reconstruction
- 5. Additional debt would result in unnecessary increase in annual user fees
- 6. Additional debt impacts Town's ability to borrow funds in future
- 7. Allows the opportunity to investigate options to address sea level rise



Funding

PROWSE

INFRASTRUCTURE CONDITION

- Design
 - User Fees
 - DCCs (47%)
- Construction
 - Debt

WWTP

INFRASTRUCTURE CAPACITY

- Design + Construction
 - User Fees
 - DCCs (~22%)
 - Grant (~66%)



Debt Payments

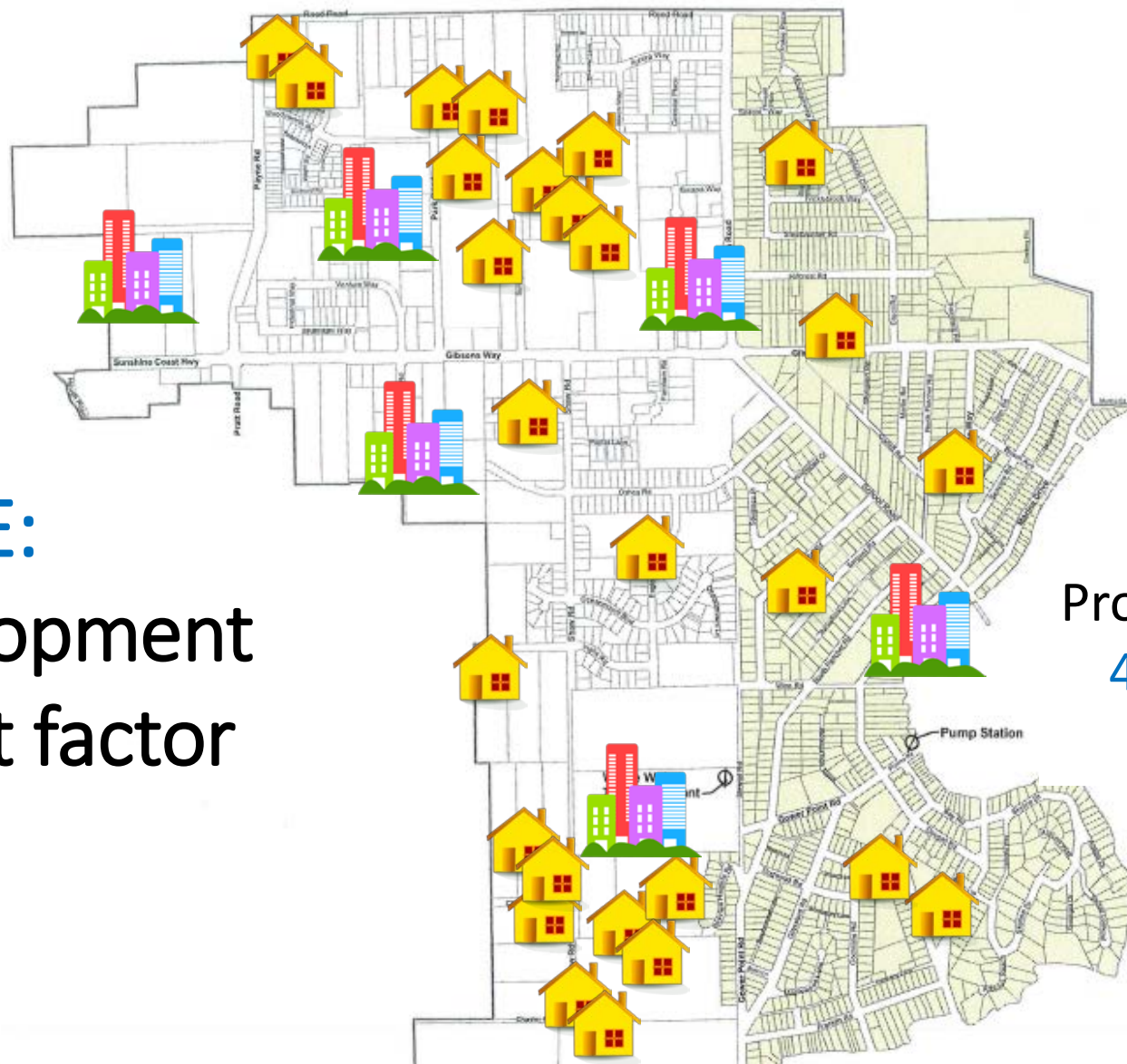
- DCCs from future development could pay principle up to 47%
- Excess Services (interest & principle up to 53%)
- User Fees (interest and principle balance)



DCCs

TOWN WIDE:

Project cost/development
potential x benefit factor



Prowse Cost
\$1.7million

Prowse Benefit factor:
47% development
(growth)



Town DCC Growth Projections:

Residential

50-Year Growth Projections				
Area	SF	Townhouse	Apartments	Totals
Harbour Area	308	274	118	700
Upper Gibsons	448	293	174	915
Gospel Rock	362	164	22	548
Other (Infill)	260	30	20	310
Total	1378	761	334	2473



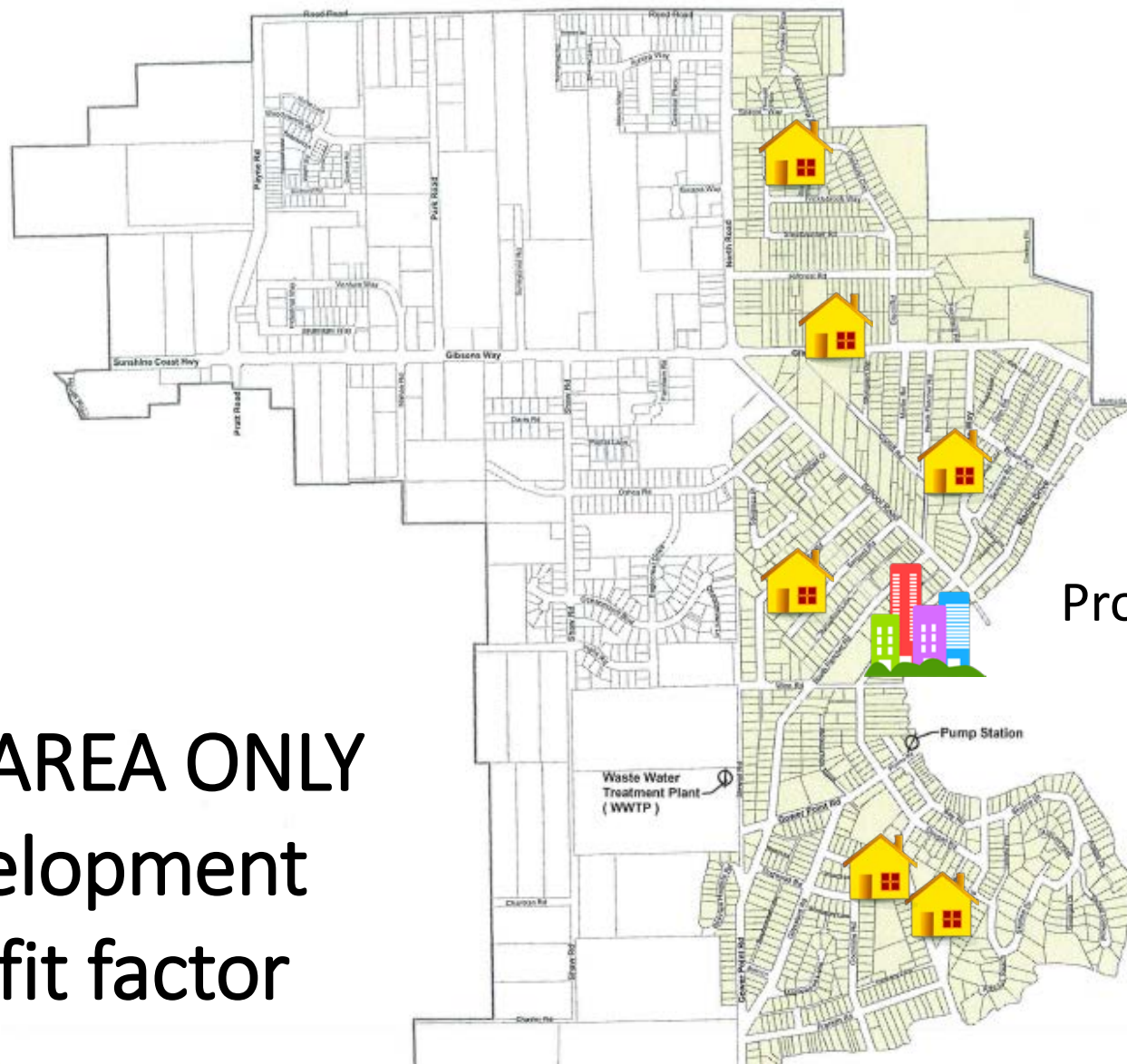
Town DCC Growth Projections: *Commercial/Industrial*

50-Year Growth Projections	
Commercial	Industrial
54,000 m ²	16,000 m ²



DCCs PLUS Excess Service Charges

PROWSE SERVICE AREA ONLY
Project cost/development
potential x benefit factor



Prowse Cost
\$1.7million

Prowse Benefit factor:
53% (existing)



Prowse Service Area Growth Projections: Residential

Prowse 50-Year Growth Projections				
Area	SF	Townhouse	Apartments	Totals
Harbour Area	308	274	118	700
Upper Gibsons	n/a	n/a	n/a	n/a
Gospel Rock	n/a	n/a	n/a	n/a
Other (Infill)	130	15	10	155
Total	438	289	128	855
Prowse 15-Year Growth Projections				
Total	131	87	38	256



Prowse Growth Projections: Commercial/Industrial

15-Year Growth Projections	
Commercial	Industrial
10,000 m ²	n/a



Why Now?

		CONSEQUENCE LEVEL					Risk Rating
		1	2	3	4	5	
LIKELIHOOD	Descriptor	Insignificant	Minor	Moderate	Major	Catastrophic	
5	Almost certain	5	10	15	20	25	Extreme
4	Likely	4	8	12	16	20	High
3	Possible	3	6	9	12	15	Moderate
2	Unlikely	2	4	6	8	10	Low
1	Rare	1	2	3	4	5	



Why Now? Risk of Prowse Failure

		CONSEQUENCE LEVEL					Risk Rating
		1	2	3	4	5	
LIKELIHOOD	Descriptor	Insignificant	Minor	Moderate	Major	Catastrophic	
5	Almost certain	1972		2008	2020	2020	Extreme
4	Likely	1972		2008	2019	2019	High
3	Possible	1972			2008	2008	Moderate
2	Unlikely	1972	1972		1993	1993	Low
1	Rare	1972	1972	1972	1972	1972	



What if the pump station fails?

- Severe leak or pump failure
- Inability to control flows into the station
- Overflow into the harbor
- Environmental impact
- Provincial/Federal fines



What if the AAP is unsuccessful?

- Retrofit not optional
- Referendum (~\$30,000 cost)
- Levy to users to finance if referendum fails?
- One-year construction delay until financing is secured
- Essential emergency measures required for 2019 (\$\$\$)



What happens next?

- June 12 AAP closes
- June 18 Report to Council with AAP results



What happens next?

If AAP is successful:

- Tender project for September construction



What happens next?

If AAP is unsuccessful:

- Council determines alternatives for financing the works
- Staff to provide recommendations for contingency plans to mitigate risk



Questions

