

REPORT



Council

MEETING DATE:	November 12, 2025
TO:	Mayor and Council
CC:	Rod Risling, CAO
FROM:	Nicolette Keith, Interim Director of Financial Services
SUBJECT:	Highlights for the 2026-2030 Domestic Water Utility Budget

BACKGROUND

Budget presentation for the 2026-2030 Domestic Water Utility Operating Budget, highlighted changes in the budget.

OVERVIEW

From the Special Open Meeting of February 15, 2024 the following motion was approved:

Moved by Water Councillor Moreira
Seconded by Councillor King

That Administration investigates and provide Council with the impacts of separating the Agricultural Irrigation Water System and the Domestic Water System from an accounting perspective so that the systems operate as separate entities whereby the potable water system is funded from their users and the agricultural irrigation system is funded from their users.

CARRIED

As a result, Administration has separated the two water utilities - Agricultural and Domestic - into distinct systems within the financial system. While this separation is now in place, additional work will be required over the next year to refine and finalize the split. Fortunately, most major costs such as utilities (electricity) and staff time have been tracked separately for several years, meaning that these larger expenditures are reflective of actual operational costs.

Water user fees are budgeted with an increase of \$7.26 per month for the average family home. In 2026, the increase represents \$425,107 in user fee revenues. The increase in user fees is to cover a standard CPI increase plus a shortfall in billings from 2025. An additional amount of \$160,000 was also included to recapture 2024 funds credited to the agriculture district (this allocation is to support the separation of the two water utilities).

General operating expenses increased by CPI, except for maintenance and supplies. Due to our aging infrastructure, an adjustment to these items was deemed required. The total operating expenses are proposed at \$1,918,364 compared to \$1,779,800 in 2025.

The overall funding allocated to capital expenditures is \$2,370,926 to ensure infrastructure replacement and upgrades for the coming years. We have transitioned from funding capital from

operating, prior year's surpluses, and reserves to solely reserve funding. The current outlook allows us to fund capital from reserves, while preserving capital for unplanned or emergency projects.

The reserve funding is allocated as follows:

- Water Sustainability Fund for Future Capital Projects \$2,170,926
- Capital Contingency Fund \$100,000
- PSAB 3280 Fund \$100,000

The Water Utility budget has been separated into two business units, the Agriculture System and the Domestic System. Both utilities will be financed by their users without subsidies from general taxation.

TRUE Engineering completed the Towns domestic water asset management plan which is guiding annual infrastructure decisions. Staff vacancies have delayed many projects but administration plans to keep in the spirit of the plan adjusting individual project timelines based on urgency. For 2026, the focus will be on working on projects approved in 2025 with a couple added in 2026 and preparing for those planned for 2027. This will enable projects going forward to be completed more in line with the budgeted expenditure in the year allocated.

All other water capital project budget amounts have been changed for inflation or revised to actual costing based on full scope of work. This includes an additional \$800,000 for the completion of the Universal Water Metering project and increasing the Fairway Hills Booster Station Emergency Generator to \$300,000.

Forward Looking Outlook and Potential Risks:

The domestic water utility user fee adjustment implemented two years ago has positioned the long-term financial outlook in a much better position than previous budgets. However, the required funding was ultimately not approved. One time grant funding was redirected from the main street (bridge to Shoppers Drug Mart corner) rehabilitation project to the domestic water system. Now that one-time funding has been spent/allocated, there is a shortfall in revenues. To meet the requirements of the 20-year plan (excluding the cost of the water treatment plant, approximately \$800,000 more per year is required. It is important to note that the plan does not bring the utility to an ideal state but does bring the overall state of the infrastructure to a more acceptable level. An option was presented by TRUE Engineering that would have expedited the repairs to reduce the risks but that was not approved due to the additional user fee increase that would have been required.

The 2023 Osoyoos Water System Infrastructure Plan prepared by TRUE Engineering was built on the assumption of a groundwater source, not surface water (lake). Therefore, some improvements to water lines were based on that assumption. Some pipes will not require to be built to the size originally planned and it is possible some pipes can remain in place longer. Administration plans to have the plan updated to better reflect the water plant decision. It should be noted though that the pipes requiring the size adjustments is a very small piece of the overall replacements and associated costs contained in the plan. Within this financial plan, staff have amalgamated the projects related to the groundwater wells into the overall Surface Water Treatment Plant project, reducing the 5-year water capital program by approximately \$5.7M compared to that presented last year.

Grant funding will also play a critical role in achieving the proposed capital plan. The critical water treatment plant requires a grant to proceed. Other projects identified as partially grant funded are important but are not in the same category as the water plant. Since grant approvals are not guaranteed, delays to projects may occur. In cases where infrastructure conditions necessitate immediate action, the Town may need to proceed with borrowing, which would result in higher user fees.

Given the anticipated borrowing requirements across the Town over the coming years - primarily related to the water treatment plant - the legislated debt limit is expected to present a significant constraint. Depending on other Town borrowing needs, some projects within the water fund could require an increase to rates in order to pay for the project rather than finance which would increase fees in the short term.

Another component requiring further review is the funding model for the water utility fleet. Administration is exploring a centralized fleet management approach, consolidating all fleet-related funding into a single corporate reserve. Under this model, departments - such as the sewer utility - would contribute consistent annual payments to the centralized account. This approach aims to stabilize departmental expenditures by avoiding large fluctuations associated with equipment purchases. Although still under review, this adjustment would likely increase the sewer budget while providing an offsetting reduction in the Town's general operations budget.

Further work will also be undertaken to review reserve allocations and prior project costs to ensure they were properly distributed between the Agricultural and Domestic systems.

Historically, while a five-year financial plan has been approved annually, limited discussion or work has been undertaken on projects beyond the first year. Moving forward, Administration's goal is to establish a more proactive planning cycle, ensuring that infrastructure projects slated for years two and three receive early analysis and Council consideration. This shift will allow project tenders (requests for proposals) to be issued as early as November, enabling completion of certain works prior to the tourist season. Past experience indicates that the Town's favorable climate and the general slowdown in provincial construction activity during the last quarter often result in more competitive bids when tenders are released late in the year.

The water plant is by far the largest project ever contemplated by the town and will have a direct impact on utility rates themselves but will also have a spillover effect on other town projects due to the amount of debt that is going to be incurred. This will have an impact on our customers disposable income and may impact the ability to proceed with other town projects. It is important to note that utility rates are expected to increase in the range of \$27 per month to offset the borrowing which will be over likely a 30 year period. In addition, operational costs will increase due to increased staffing required to operate it. This additional increase is expected to be in the range of \$10 per month (\$500K annually).

Borrowing over a longer period places additional risk on to the town. Borrowing rates cannot be locked in for 20 or 30 years therefore a fluctuation in the interest rate can have an impact on annual payments which are passed on to the customers.

Within the five-year financial plan, the projection is to borrow \$33M. This is projected based on preliminary plant cost estimates as well as receiving grant funding. For every \$1M of borrowing at today's rate of 3.30%, there is a borrowing cost of \$220,228 per year, an impact of \$4.46 to the average residential bill per month.

The water utility rate structure is expected to change. The plan is to move from the current flat rate applied to all residents to one that contains a base amount as well as a variable rate. Moving to a fixed plus variable rate is not intended to result in more revenues required than budgeted, it is simply a way to distribute the overall costs to operate the utility more fairly. Those that use more water will pay more than those that conserve.

Staff vacancies are a risk. It will be critical to attract and retain key positions to ensure projects can proceed.

Operating Budget Summary - Domestic Water System				Change \$ per Month per Residential Household
	Approved 2025	Proposed 2026	Change \$	
Revenues				
*Water Utility Revenue	3,999,000	4,299,598	300,598	7.26
Parcel Tax	209,400	243,960	34,560	-
Recoveries	-	-	-	-
Revenues Total	4,208,400	4,543,558	335,158	\$ 7.26
Expenses:				
Wages & Benefits	1,047,000	1,083,313	36,313	0.79
Maintenance & Supplies	372,300	462,020	89,720	1.94
Contract Services	20,000	20,520	520	0.01
Utilities	150,000	153,900	3,900	0.08
Other	60,500	65,244	4,744	0.10
Administration	130,000	133,368	3,368	0.07
General Operating Expenses	1,779,800	1,918,364	138,564	2.99
Debt Charges	-	254,268	254,268	5.52
Transfer to Capital Reserves	1,782,770	2,370,926	588,156	12.74
Transfer to Capital from Operatin	645,830	-	(645,830)	(13.99)
Expenditure & Transfers	4,208,400	4,543,558	335,158	\$ 7.26

**The approved 2025 Water Utility budgeted revenue was not reflected correctly in the fees bylaw resulting in discounted utility billings for the year.*

2025 Capital Project Carry Forward	Capital Request	Funding Method
Surface Water Treatment Plant	\$ 5,000,000	Grant
Water Metering	\$ 800,000	Borrowing
Fairway Hills Booster Station Emergency Generator	\$ 300,000	Reserves
Watermain - Quail Place	\$ 232,000	Reserves
Water Rate Development	\$ 125,000	Reserves
Water Conservation Plan	\$ 20,000	Reserves
total	\$ 6,477,000	
2026 Capital Request Projects List:		
East Osoyoos Reservoir	\$ 1,130,000	DCCS, Reserves & Grant
Watermain - 89th St from 78th to Kingfisher	\$ 1,740,000	Reserves & Grant
total	\$ 2,870,000	
2027 Capital Request Projects List:		
Surface Water Treatment Plant	\$ 10,000,000	Borrowing & Grant
East Osoyoos Reservoir	\$ 4,251,000	Reserves & Grant
Watermain - Pondorosa Dr Replacement	\$ 414,000	Reserves
Watermain - Gala Cr Replacement	\$ 227,000	Reserves
Watermain - Harbour Key Dr Upsizing	\$ 492,000	Reserves
Watermain - 340 Reservoir Connection	\$ 2,578,000	Reserves
total	\$ 17,962,000	
2028 Capital Request Project List:		
Surface Water Treatment Plant	\$ 65,000,000	Borrowing & Grant
Watermain - Kingfisher Dr from 89th St to Gyro Park	\$ 1,217,000	Reserves
Watermain - 89 St from Kingfisher to Oleander and 62nd	\$ 468,000	Reserves & Grants
Watermain - Maple Dr	\$ 891,000	Reserves
Watermain - 74th, Distribution Main to 402	\$ 837,000	Reserves
total	\$ 68,413,000	
2029 Capital Request Project List:		
Watermain - Main St from East Lake Crossing to Cottonwood	\$ 3,119,000	Borrowing
Fairway Hills Booster Station Pumps, Piping and Electrical	\$ 740,000	Grant
Master Plan Review	\$ 80,000	Reserves
Water Conservation Update	\$ 30,000	Reserves
total	\$ 3,969,000	
2030 Capital Request Project List:		
Watermain - Nighthawk to 89th	\$ 389,000	Reserves
Watermain - 74 Ave from 97 St to Nighthawk	\$ 449,000	Reserves
Watermain - 74 Ave from 97 St to Nighthawk 402 Reduced Pressure	\$ 557,000	DCCs, Reserves
Watermain - 74A Ave from Main to Heron, Heron from Main to 74th Ave	\$ 1,712,000	Grant
Watermain - 89th St North of 78th Ave	\$ 738,000	DCCs, Reserves
total	\$ 3,845,000	
Five Year Capital Plan - Total	\$ 103,536,000	

* Universal Water Metering project requires an additional \$800,000 to complete the project due to larger water meter installations.

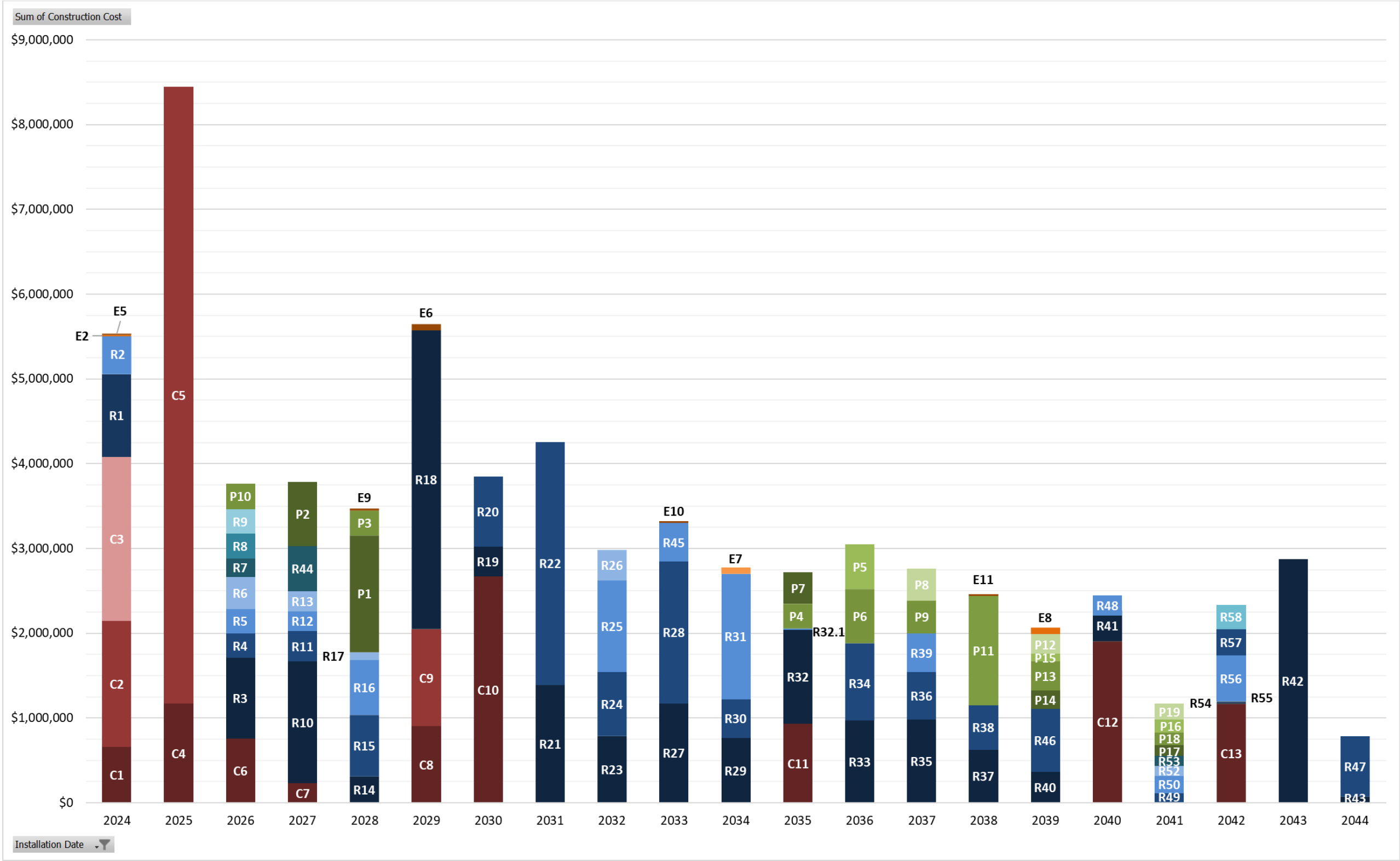


FIGURE 4-1: REPLACEMENT, CAPITAL WORK, PRO-ACTIVE AND ENGINEERING PROJECT FORECAST



2026 CAPITAL PROJECT SHEETS



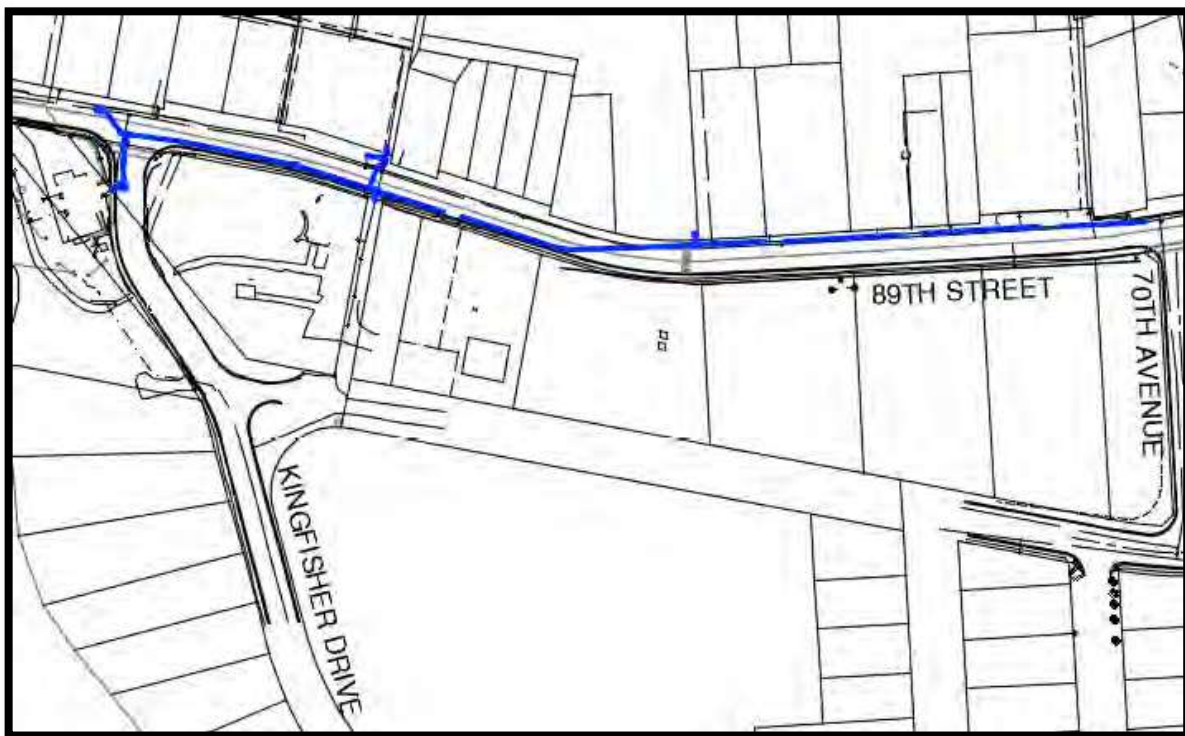
Project W22 (R11 and S13): Watermain Upgrades and Replacement on 89th St. from 70th Ave. to Kingfisher Dr.

Priority: High

Type: Upgrade, Replacement

Trigger: Growth, Asset Management

Location Map



Issue

This project is intended to be completed in conjunction with upgrades on 89th St. from the 74th Ave. connection to support southwards distribution in the municipal pressure zone. The current watermain on 89th St. decreases from 250 mm to 200 mm between Kingfisher Drive and 70th Ave. which limits system capacity to provide fire flow. This impacts flows from Well #1 under pumping conditions, potential future water treatment plant flows, and eastward distribution. Connection to the east is intended to be achieved in conjunction with upgrades on Kingfisher Drive from 89th St. to the lake crossing.

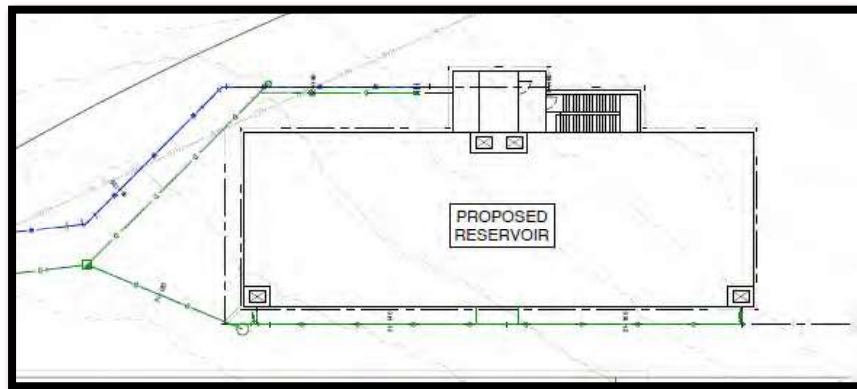


Project W23: East 340 Reservoir - Construction

Priority: High
Trigger: Growth

Type: Upgrade

Location Map



Issue

The east sector of Osoyoos is serviced by the 340 reservoir which is located to the west of the Osoyoos Lake crossing. This is not optimal based on the domestic water system layout. For this reason, an east sector reservoir would provide more efficient and resilient fire flows and emergency storage for the east sector. This is especially critical for fire flows to future high density residential, infill residential and commercial developments, and improving deficient fire flows in the SE sector.

The Osoyoos Indian Band (OIB) is a stake holder in this project because the east reservoir is intended to service OIB development near the south end of Sonora Dunes Golf Course and at Nk'Mips Corner. As such, project implementation will be completed in collaboration with OIB. Also discussed in the East Sector Densification Plan, this reservoir could provide a minimum fire flow of 150 L/s to OIB developments.

Scope

Construction of a 2,550 m³ concrete reservoir including flow control valves to ensure even reservoir filling between the West and East 340 Reservoirs.

Budgetary Cost Estimate: \$5,097,559

IN-PROGRESS CAPITAL PROJECTS FROM PREVIOUS YEARS

(ALREADY APPROVED)

To: Her Worship Mayor McKortoff and Members of Council
From: Rod Risling, CAO
Date: October 22, 2024
Subject: Surface Water Treatment Plant Update
Tracker No: AI-657

RECOMMENDATION:

That the Committee receive this update as information.

CAO Comments:

N/A

Executive Summary:

The water treatment plant project update is provided for Council information purposes. In Q3 and Q4, work has been ongoing related to program development, water quality sampling from Osoyoos Lake, planning and procurement for a surface water piloting facility, and planning for an archaeological overview assessment.

In September 2024, the Province recommended Osoyoos complete a value analysis. The scope of this analysis and its integration into the program of work is underway.

Background:

Program Development

Colliers was retained to support program development and provide advisory support on financial services and project delivery. Below is a summary of the work completed since Colliers was retained in August 2024.

- Project Budget
- Risk Workshop
- Project Delivery Review
- Project Schedule
- Capital Re-Prioritization Workshop

Work that is planned to be complete prior to the end of December, 2024 includes:

- Finalize Program Plan,
- Value Analysis,
- Market Sounding, and
- Financial Analysis.

The request for the value analysis by the Province of British Columbia will require adjustments to project planning, including to the project scope, schedule, and budget. Revisions to the project schedule will be made as the requirements of the value analysis are finalized.

Project Budget & Risk Workshop

The budget for the project was reviewed to consider all project costs. This included the completion of a risk workshop with Town staff, True Engineering, and Colliers Project Leaders. Inputs were provided by Carollo Engineers. A budget for value analysis was added based on the Province recommendation for a value analysis exercise. Risk contingency will be revised after water treatment plant site decision.

	Budget Item	\$	Comments
1	Consultants	\$ 14,694,799	
1.01	Project Management (assume 3.5%)	\$ 2,046,909	
1.02	Engineering Subtotal (assume 15%)	\$ 8,772,465	
1.03	Geotechnical Studies	\$ 150,000	
1.04	Archaeology	\$ 150,000	
1.05	Legal	\$ 150,000	
1.06	Sampling and Piloting Consulting Services	\$ 590,000	Includes engineering services for sampling and piloting, electrical engineering, sampling (excluding labs), as well as operations of piloting facility. Includes \$40K contingency recommended by Carollo in Pilot Testing Plan.
1.07	Communications/Community Engagement	\$ 300,000	
1.08	Funding Reporting Deliverables	\$ 200,000	Energy and Environmental Design, Asset Management - Levels of Service, Water Conservation Plan, Asset Profile
1.09	Design Contingency	\$ 1,935,425	Updated based on risk register; \$1.26M is site-dependent and will be adjusted based on determination of site.
1.10	Value Analysis	\$ 400,000	Province requirement for value analysis
2	Contractors	\$ 59,503,100	
2.01	Capital cost estimate subtotal	\$ 45,237,000	Carollo 2024 Source Water Assessment report - Construction of Intake, Pipeline, Water Treatment Plant per April 2024 Committee of the Whole presentation.
2.02	Sampling and Piloting Contractors	\$ 770,000	Supply and install sampling equipment - diving, sample skid, electrical; Supply and install piloting skid, electrical contractor, civil works.
2.03	30% Capital contingency	\$ 13,496,100	30% capital cost contingency
3	Land Acquisition	\$ 3,000,000	
3.01	Land Acquisition - WTP	\$ 3,000,000	If not required for land acquisition, intent is to transfer budget to contingency to cover rock blasting if Town site is chosen.
4	Permitting and Miscellaneous	\$ 75,000	
4.01	Permitting	\$ 15,000	
4.02	Lab Fees	\$ 40,000	
4.03	Project Signage	\$ 20,000	
5	Contingency	\$ 3,146,800	
5.01	Project Contingency	\$ 3,146,800	Updated based on risk register; \$1.92M assumed for escalation, inflation, and interest rates to cover difference in costs from 2024 to construction contract execution, as well to cover a year in delays due to insufficient budget.
TOTAL		\$ 80,419,699	

Project Delivery Review

A project delivery workshop was held to discuss the advantages and disadvantages of various project delivery methods. The project delivery methods discussed included design bid build, design build, construction management at risk, progressive design-build, and integrated project delivery. The Town, True Engineering, and Colliers Project Leaders were in attendance at the workshop. Town administration confirmed that the preferred project delivery method would be progressive design build for the following reasons.

1. Contractor collaboration
 - a. This model is an integrated project team with the contractor engaged from inception through development of the design, allowing for design and schedule efficiencies which translate into cost efficiencies.
2. Schedule risk management
 - a. This model allows for an award of construction to the awarded Progressive Design Build team if the Guaranteed Maximum Price is deemed acceptable and funding has become available and allows for expediting construction ahead of typical design-bid-build contracts.
3. Cost risk management and option to opt out (Contract Off Ramp)
 - a. In this model the owner retains the right to not proceed with construction after design completion and the Guaranteed Maximum Price (the cost to construct the facilities) is confirmed by the proponent.
4. Balance of resource requirements
 - a. This model allows for collaborative contractor input while minimizing owner input for example compared to an Integrated Project Delivery which requires significant owner input throughout the project lifecycle.

The next step in project delivery selection is to proceed with market sounding to obtain local market input into the project delivery, methodology, and project risk management.

Project Schedule

Below is the program milestone schedule based on a progressive design build delivery. This does not include adjustments for completion of the Province's requested value analysis which will be integrated for the next project update.

Milestone	Anticipated Completion Date
Procurement Options Analysis	November 2024
Sampling and Piloting Completion	October 2025
Progressive Design Build RFP Award	April 2025
Preconstruction Services Contract: <i>Preliminary Design Completion</i>	Q4 2025
Preconstruction Services Contract: <i>Detailed Design</i>	Q1 2026
Confirm Guaranteed Maximum Price	Q1 2026
Construction – Substantial Completion (in Service)	Q1 2028

Milestone	Anticipated Completion Date
Completion	Q3 2028

Osoyoos Lake Water Quality Sampling

Water quality sampling planning initiated in June 2024. A sampling program was developed to enable continuous water sampling from the lake at a depth equal to the existing intake at the irrigation pump station 8, as well as grab samples at a 30 metre depth which is the proposed depth for the proposed surface water intake. The data will be used to improve the design of the new water treatment facility.

Interior health is a proponent of the sampling program and has verbally supported executing the work as soon as possible to better understand the lake water quality during the critical fall period when the lake turns over.

Carollo Engineers was hired to provide oversight and analysis and reporting of data from samples collected by Larratt aquatic.

Sampling began on August 29th, 2024. Quarterly meetings are planned with Interior Health to provide updates on the analysis of data.

Surface Water Piloting

An RFP was developed and advertised in September 2024 to retain a technology vendor to design, supply, and commission a water treatment piloting facility. The Town and an engineering contractor will complete the installation of the facility at the location of the irrigation 8 pump station. Upon completion of the commissioning, it is anticipated that Carollo will oversee the piloting facility operations; operations will be undertaken by Reseau consulting. Reseau consulting was the operator for the groundwater piloting facility in Q4 2023 and Q1 2024.

The RFP is anticipated to close on November 15th, after which the work will be awarded to the highest scored Respondent. The facility is planned to operate until October 2025.

Options / discussion

1. None

Implications:

- a) Community – To provide the Community and outside Town boundary customers with an adequate amount of potable water that meets or exceeds water quality standards/guidelines.
- b) Organizational – The project will require a significant amount of internal resources to complete.
- c) Budget
 - a. Financial/Risk Implications – The largest project ever undertaken by the Town. Firmer estimates will be available as more information becomes available. Additional grant funding is being, and will continue to be, pursued.

Committee of the Whole Report

- d) Significant Dates – Target completion of a water plant is 3rd quarter of 2028.
- e) Sustainability – Providing potable water that meets all water regulations and guidelines is a necessity of a community's health and tourist attraction.

Others Consulted:

Financial Services

Attachments:

None

REPORT

Capital Budget Project



PROJECT YEAR:	2024 - 2027
PROJECT CARRY-OVER	Yes ☒ No ☐
PROJECT NAME:	Universal Water Metering
GRANT FUNDED:	Yes ☐ No ☒ Pending ☐ \$
PROJECT COSTS:	\$ 4,704,000.00
BUSINESS PLAN NO.:	
TO:	Mayor and Council
CC:	Rod Risling, CAO
FROM:	Jared Brounstein, Director of Operational Services

PROJECT DESCRIPTION (What is to be completed)

Installation of meters on all domestic water services.

PURPOSE/GOALS (Why do we need this project)

The Town of Osoyoos has prioritized reducing domestic water usage consistent with the Province of BC's Living Water Smart Initiative. Since about 2010, this goal has been formalized in the Town's water conservation planning initiatives. The objectives of the Water Conservation Plan (January 2010) for the Town of Osoyoos are:

- Achieve reductions in the maximum day demand such that source capacity upgrading beyond the current system capacity of 25.0 ML/day can be indefinitely deferred.
- Comply with the Province's goals from the Provincial Living Water Smart Initiative;
 - by year 2020 municipalities will be 33% more efficient; and
 - by year 2020, 50% of all new water for municipalities will come from conservation.

Measures taken to date to achieve these water conservation goals are summarized as follows:

- Install water meters on all major water users;
- Implement public education / information;
- Construct reclaimed water service to secondary school playing fields; and
- Construct alternative water services to parks (ongoing).

From the water conservation plan, further water conservation program measures to be completed by the Town were proposed to include the following:

- Hiring of a water conservation coordination / meter program project manager (part time);
- Proceeding with universal water metering;
 - Prepare universal water meter tender documents; and
 - Implement universal water meter program.
- Converting all accounts to metered rate structure; and
- Preparing Mock Billings on the basis of metered rate structure

ESTIMATED TIME FRAME FOR COMPLETION

Fourth Quarter 2027.

PROJECT IMPLEMENTATION (How will it be completed – Internally/Consultant/Contractor. | Identify known funding impacts/status report if carry-over project.)

Third party procurement consultant, third party installation contractor, internal project manager.

PUBLIC CONSULTATION (Will this be required)

Public consultation is ongoing and will require further engagement once a successful installation contractor is engaged.

POTENTIAL IMPACTS IF PROJECT NOT APPROVED

Universal water metering has been recommended as a means to decrease per capita water consumption and defer major capital infrastructure upgrades in the future, thus water demand will continue to increase, and the Town will need to invest in additional water production capacity.

REPORT

Capital Budget Project



PROJECT YEAR:	2024
PROJECT CARRY-OVER	Yes ☐ No ☒
PROJECT NAME:	Water Facilities – Standby Power Generation
GRANT FUNDED:	Yes ☐ No ☒ Pending ☐ \$
PROJECT COSTS:	\$ 150,000.00
BUSINESS PLAN NO.:	
TO:	Mayor and Council
CC:	Rod Risling, CAO
FROM:	Jared Brounstein, Director of Operations

PROJECT DESCRIPTION (What is to be completed)

Installation of standby power generation at the following sites:

- Fairways Hills Booster Station

PURPOSE/GOALS (Why do we need this project)

With the recent wildfire season, it was evident that power security in the south Okanagan can be compromised and with that, the ability of the Town to supply water. The NK'MIP wildfire had the potential and came close to cutting off power to the entire community.

As we are now looking at surface water for our domestic supply we have reduced the 2024 capital request for standby generation to the Fairways Hills Booster Station, as this will be the only station not impacted by a surface water system.

ESTIMATED TIME FRAME FOR COMPLETION

This project will be completed over the next two (2) years.

PROJECT IMPLEMENTATION (How will it be completed – Internally/Consultant/Contractor. | Identify known funding impacts/status report if carry-over project.)

Work will be completed by third party consultants, contractors, etc.

PUBLIC CONSULTATION (Will this be required)

There will be no public consultation in relation to the project.

POTENTIAL IMPACTS IF PROJECT NOT APPROVED

The Town of Osoyoos will be unable to provide water to the community beyond our reservoir capacities should we endure an extended power supply disruption.



Our File: 302-658
October 8, 2024

2025 Capital Plan

Project W13, S7 and R6: Quail Place Reconstruction

Quail Place provides access to 20 residential lots and is 200m in length and has an average pavement width is 6.5m. The existing sanitary sewers and watermain are aging AC with the latter being undersized. Localized storm sewers exist yet the underground drywells are not performing as intended due to their age.

The conceptual project scope is illustrated on drawing 302-658-SK5 and outlined following:

- Replacement of gravel road structure
- 8m paved road surface c/w concrete curb & gutter
- Water system upsizing / replacements of aging AC pipe
- Sanitary sewer replacement of aging AC
- Localized storm sewers consisting of catch basins and drywells

Capital cost estimate:

\$548,424 (Roads)

\$231,452 (Water)

\$146,328 (Sanitary

\$926,204

REPORT



Capital Budget Project

PROJECT YEAR:	2025
PROJECT CARRY-OVER	Yes ☐ No ☒
PROJECT NAME:	Water Rate Development, Implementation & Conservation Plan
GRANT FUNDED:	Yes ☐ No ☒ Pending ☐ \$
PROJECT COSTS:	\$ 125,000.00
BUSINESS PLAN NO.:	
TO:	Mayor and Council
CC:	Rod Risling, CAO
FROM:	Jim Zakall, Director of Financial Services

PROJECT DESCRIPTION (What is to be completed)

Complete water rates restructure, implementation strategy and an update of the community's Water Conservation Plan.

PURPOSE/GOALS (Why do we need this project)

With the installation of water meters and the transition to billing based on metered usage a review and restructure of the water rates needs to be completed along with an implementation strategy. In addition the current Water Conservation Plan was last updated in 2010 and with the installation of water metering, a water treatment facility and other water improvements, the Conservation Plan needs to be updated to reflect our current water system.

ESTIMATED TIME FRAME FOR COMPLETION

Fourth Quarter 2025.

PROJECT IMPLEMENTATION (How will it be completed – Internally/Consultant/Contractor. | Identify known funding impacts/status report if carry-over project.)

Work will be completed by third party consultants.

PUBLIC CONSULTATION (Will this be required)

Stakeholder engagement will be part of the process.

POTENTIAL IMPACTS IF PROJECT NOT APPROVED

The Town of Osoyoos may have issues with meeting grant funding requirements for future water related projects.

REPORT

Capital Budget Project



PROJECT YEAR:	2024
PROJECT CARRY-OVER	Yes ☐ No ☒
PROJECT NAME:	Water – East Osoyoos Reservoir Design
GRANT FUNDED:	Yes ☐ No ☒ Pending ☐ \$
PROJECT COSTS:	\$ 200,000.00
BUSINESS PLAN NO.:	
TO:	Mayor and Council
CC:	Rod Risling, CAO
FROM:	Jared Brounstein, Director of Operational Services

PROJECT DESCRIPTION (What is to be completed)

To design a new reservoir and accompanying water distribution system on the east side of Osoyoos Lake to accommodate future grant funding opportunities. This would be a “shelf ready” project should provincial or federal funding become available.

PURPOSE/GOALS (Why do we need this project)

With one of the two cells at the 340 reservoir site at the end of its service life, the opportunity to relocate one of the cells to the east side of Osoyoos would provide hydraulic benefit to the water distribution system as well as provide some needed fire storage on the east side of Osoyoos Lake should we loss the water mains at the “narrows”. This will further assist with fire flows on the east side of Osoyoos Lake as development moves forward in the area.

ESTIMATED TIME FRAME FOR COMPLETION

Design mid 2024

Construction 2025-2027

PROJECT IMPLEMENTATION (How will it be completed – Internally/Consultant/Contractor. | Identify known funding impacts/status report if carry-over project.)

Work will be completed by third party consultants.

PUBLIC CONSULTATION (Will this be required)

There is no need for public engagement at the design stage, but should the project move forward to construction, public engagements will be needed.

POTENTIAL IMPACTS IF PROJECT NOT APPROVED

The Town will not be in the optimal position to apply for provincial or federal grant programs.



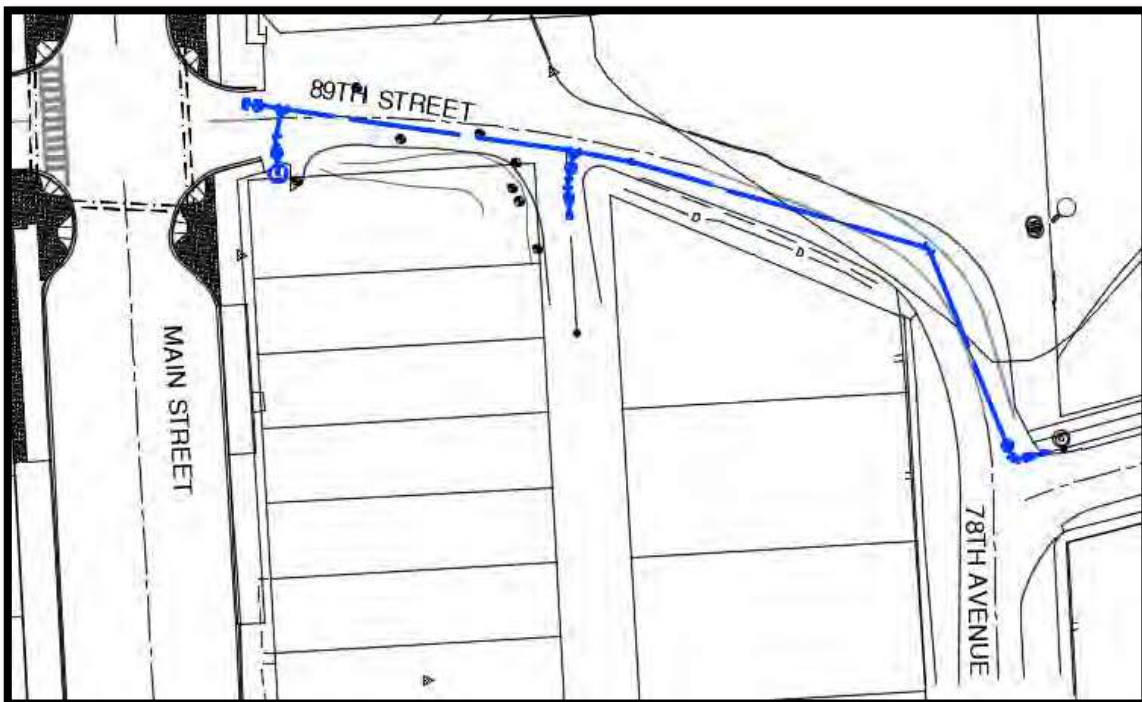
Project W20 (R9): Watermain Upgrades and Replacement on 89th St. from 78th Ave. to Main St.

Priority: High

Type: Upgrade, Replacement

Trigger: Growth, Asset Management

Location Map



Issue

There is not currently a continuous large diameter trunk main from the town core to the residential neighborhoods North of Main Street. This limits distribution capacity for fire flows and system looping resiliency. The proposed trunk main would connect 89th St. (North of Main St.) to the upgraded section of 74th Avenue. This would increase flows to the North more directly from the 340 reservoirs supply main, improving fire flows and allowing alternative distribution pathways. Furthermore, development in this area would be supported by enhanced fire flows and additional water supply for increased demands from densification.

**Scope**

Works include installing 115 m of 350 mm, and 26 m of 150 mm PVC watermain including a hydrant assembly and appurtenances.

Cost Estimate (Class D, see Project R9 for a project sketch and detailed cost estimate)

DESCRIPTION	TOTAL PAYMENT
Part 2.0 - Water System	\$132,310.00
Contingency & Engineering (25%)	\$33,077.50
Total Contract Sum	\$165,387.50



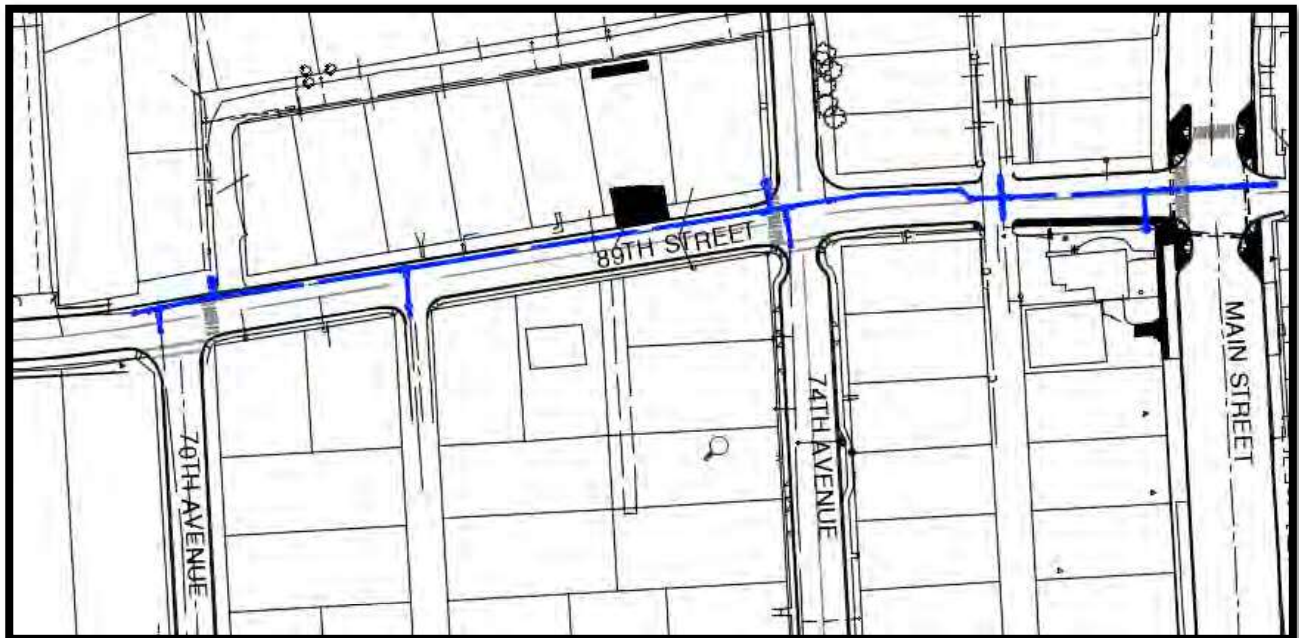
Project W21 (R10 and S12): Watermain Upgrades and Replacement on 89th St. from Main St. to 70th Ave.

Priority: High

Type: Upgrade, Replacement

Trigger: Growth, Asset Management

Location Map



Issue

Increased distribution is required throughout the municipal pressure zone to accommodate flows from the future water treatment plant, flows to the east reservoir, and increased water demand from proposed developments (development referrals) and infilling to the North, South and East. Upgrades to the 89th St. corridor achieve an efficient and harmonious solution to accommodate these multiple dynamics. This corridor ties into the 74th Ave watermain upsizing which provides a large trunk main connected to the 340 Reservoir that will direct flows to upgrades Northwards and Southwards of this project. Northwards, it is intended to cross Main Street to create a large trunk main to the northern area of the municipal pressure zone. Southwards, increased flows may support water treatment plant distribution and will support increased water demand, but most importantly flows to the east to support the east reservoir (in conjunction with upgrades to Kingfisher Dr.).



Also, Watermain works on 89th St. will replace existing 250 mm asbestos cement pipes with expired service lives. Given these pipes are at a high probability of failure (age based) and high system criticality (high flows), replacing them with PVC watermain will improve system reliability.

Scope

Works include installing 300 m of 350 mm PVC watermain on 89th St. and roughly 90 m of 150 - 300 mm PVC watermain to tie-into connecting watermain. All works include replacing hydrants, services, valves and other appurtenances. It is recommended that this work be completed simultaneously with S12 to confirm the sanitary main does not need to be reconstructed.

Cost Estimate (Class C, see Project R10 for a project sketch and detailed cost estimate)

DESCRIPTION	TOTAL PAYMENT
Part 2.0 - Water System	\$484,540.00
Contingency & Engineering (25%)	\$121,135.00
Total Contract Sum	\$605,675.00



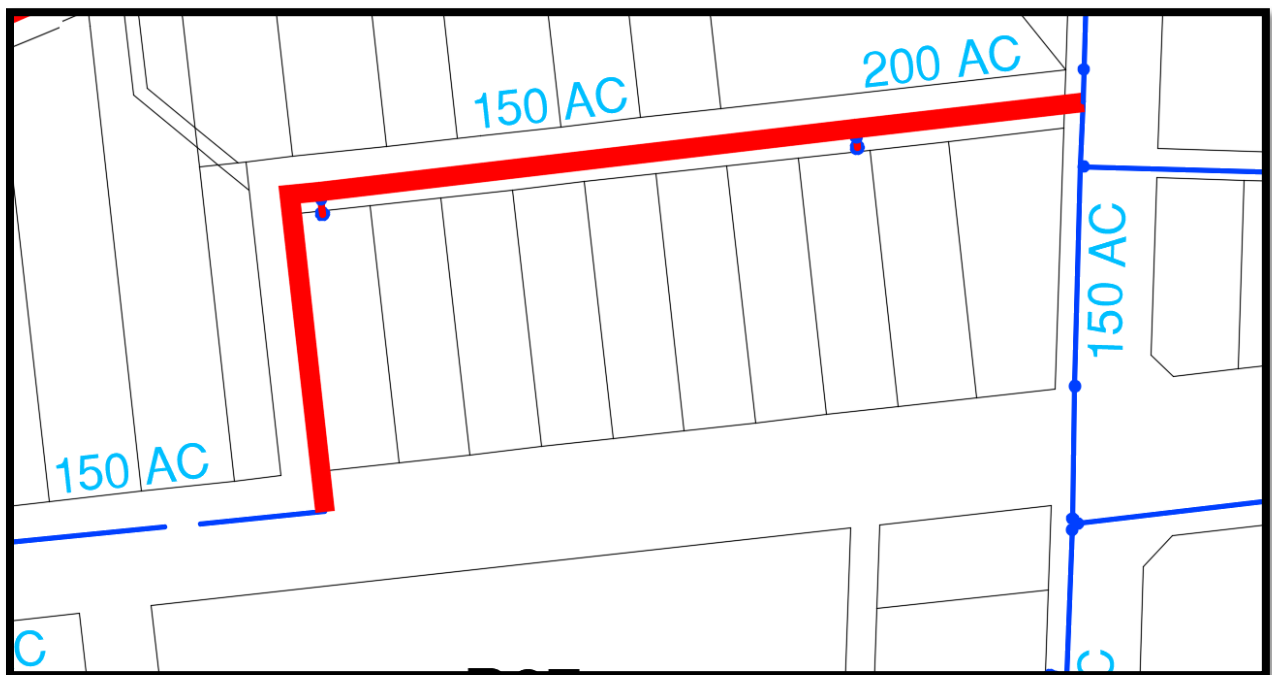
Project W7 and S8: Ponderosa Dr. Sanitary Upgrades and Watermain Replacement

Priority: High

Type: Replacement

Trigger: Asset Management

Location Map



Ponderosa drive is a low volume local road that runs between Highway No.3 and Cottonwood drive to service 17 properties. This segment is 235m in length and averages 5.5m in width.

Sanitary sewers in this section have been a location that required frequent maintenance. Through field investigation, it has been discovered that the sanitary sewer has been constructed with reverse slope for the majority of the segment. It is recommended that this sewer segment be replaced as soon as practical. Surface replacements for this are being done as trench repair (i.e. not full road asphalt surface).

In the best interest of construction practice, the water system should be replaced concurrently followed by full road base gravels and asphalt replacement. The attached capital estimate considers cost beyond the replacements for the sanitary sewer.



Project: Watermain Replacement at Gala Crescent

Priority: High

Type: Replacement

Trigger: Asset Management

Location Map



Issue

The existing watermain Gala Crescent are 150 mm asbestos cement watermain that are past their service lives. This project replaces the existing system with 200 mm PVC watermain to ensure reliable system performance.

Scope

Supply and install 235 m of 200 mm PVC watermain including, hydrants, services and other appurtenances.



Time Frame

2025 +/- 1 years

Cost Estimate (Class D)

DESCRIPTION	TOTAL PAYMENT
Part 2.0 - Water System	\$169,500.00
Contingency & Engineering (30%)	\$50,850.00
Total Contract Sum	\$220,350.00



Our File: 302-2041
October 1, 2024

2025 Capital Plan

Project W19, S9, and R8 Harbour Key Drive Reconstruction and Sanitary Sewer CIPP Lining

This section of Harbour Key Drive represents a length of 560m, has an average pavement width of 7.2m and is subject to flooding. The existing pavement surface has extensive cracking and failures of all types suggesting base gravels are deficient. The complete lack of any storm sewer collection is a large contributing factor. CCTV inspections of the existing sanitary sewer system, completed in the fall of 2022, indicate the AC mainlines installed in the late 1960's are beyond their life expectancy. All existing sanitary sewers were found to be sagging, have extreme surface spalling, and contain tension/compression cracking, and be leaking through joints.

Detailed design was completed to 90% during the winter of 2022 which entailed:

- Replacement of gravel road structure and asphalt surface to 7m width
- Water system upsizing / replacements of aging AC pipe
- Localized sanitary sewer repairs followed by CIPP lining of 690m of mainline
- Localized storm sewer catch basins and drywells
- Erosion protection at the eastern end consisting of filter fabric and angular rip-rap

Capital cost estimate:

\$1,200,072 (Roads)

\$564,519 (Sanitary)

\$477,490 (Water)

\$2,242,081



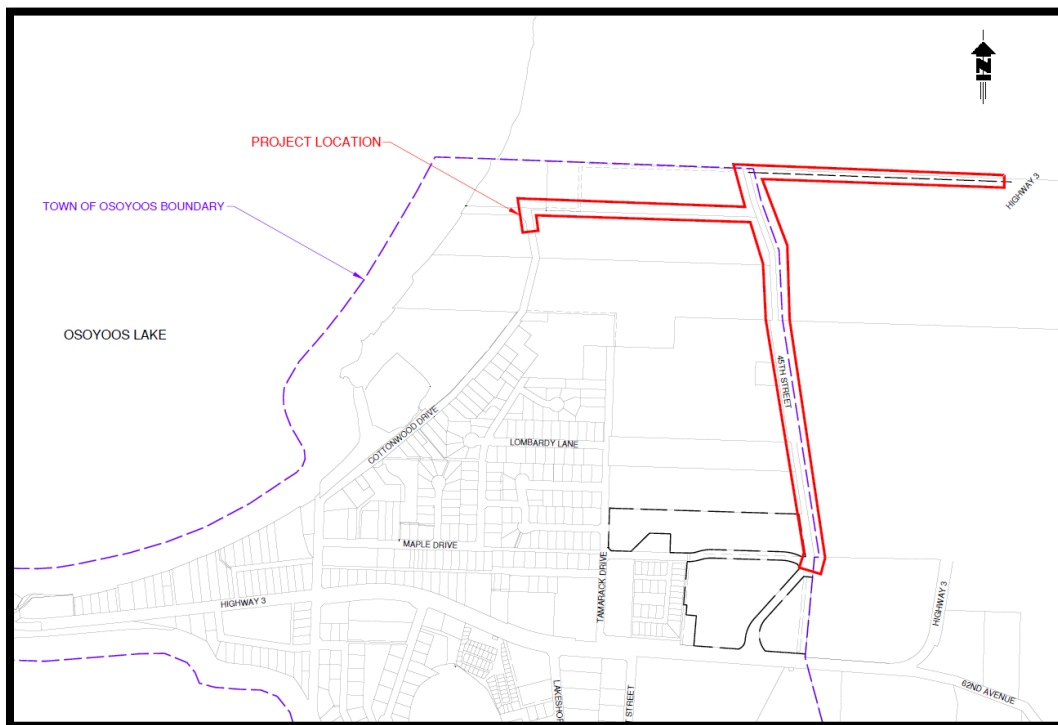
Project: 340 Reservoir Watermain Upgrades

Priority: High

Type: Upgrade

Trigger: Growth, Future Planning

Location Map



Issue

Supply to and distribution from the east sector reservoir is required. The above configuration ensures a looped system connection which optimizes hydraulic connectivity for the reservoir and for provision of fire flows to the East sector and Southeast sector.

Scope

Work includes installing a 700 m length of 300 mm PVC watermain from the East Sector Reservoir to 45th street, along the boundary of the OIB lands and the potential RDOS expansion area. This project ends at this location because connection to the domestic system can be achieved in two different pathways from this location. For this reason, this project in conjunction with the



Cottonwood Drive Loop or the Nk'Mip Corner Water connection project must be completed to connect the east sector reservoir to the domestic system.

Work includes extending the watermain from 45th Street to Cottonwood Drive (total length of 570 m) and installing a back flow prevention Chamber. This option is the most cost effective to connect the east sector reservoir to the domestic water system.

Work includes installing a 850 m, 300 mm PVC water main on 45th Street and connect to the existing system at the south end of 45th Street. This additional connection would provide beneficial system looping.

Time Frame

2027 +/- 1 years

Cost Estimate (Class D)

DESCRIPTION	TOTAL PAYMENT
Part 1.0 - Removals	\$121,875.00
Part 2.0 - Water Mains	\$1,414,450.00
Part 3.0 - Roadworks	\$287,350.00
Subtotal Parts 1.0 to 3.0	\$1,823,675.00
Contingency Allowance (30%)	\$547,102.50
Engineering Services (excluding construction management)	\$12,500.00
GST (5% of Subtotal and Contingency Allowance)	\$119,163.88
Total Contract Sum	\$2,502,441.38