

MEMO

To: Alain D. Muise, CAO, Argyle Council
From: Hans Pfeil
Date: October 4, 2019
Re: Tusket Sewer Repairs – Capital Expense Extension

This Memo is prepared to inform about the outcomes of our maintenance work and resulting repairs in order to upkeep the sewer system performance. Early in the year we anticipated the upgrade of the Tusket Pump station and adding the capability to remotely monitor the plant and pump station. This initiative was approved by council and funding is coming from the Federal gas tax budget. We received an overall Budget of \$20,000 to perform the work. We just signed off on a purchase of a suitable system for \$8,500 and have approx. \$11,500 left in the account.

Due to an unexpected failure at a disposal system in our Tusket Wastewater District, we need to repair sections of the field bed at an expected expense of \$9,000. Based on the savings for the pump station upgrade we would have enough budget available to cover for this repair and still have \$2,500 remaining. Due to the nature of failure we did some research and reached out to other engineers with experience in this field and concluded that the risk of having the same issue reoccurring, so a simple replacement would not do. We received an offer to test an Advanced Treatment Unit with the goal to improve the system and create a fail-safe. This test unit is priced at \$10,000 including engineering and installation. In the event this additional system does not work the supplier offered to replace the system at no additional cost and will re-locate the system to another site using new materials only. This technology is similar to one used in Wedgeport and would be shifted to Wedgeport project if it was not working properly. The cost of installing this technology will be cost shared with the user at our usual rate of 2/3 Municipal, 1/3 user.

In addition to the above noted issues and solutions we noticed an increase on commercial connection to the Tusket Sewer system and multiple Restaurants ramping up. This year two of the Restaurants started running full time and increased their discharge of oils and grease. During routine maintenance work we came across the issue of contamination of our sewer system by grease and fats from these restaurants and are in need to install proper grease interceptors in these locations. These interceptors are the shared responsibility of the restaurant owners and the Municipality at the same percentages as listed above.

Each grease interceptor has an estimated cost of \$15,000 to \$18,000 all inclusive. The significance of significant grease infiltrating the system us that it decreases the useful life of our sand filtration treatment plant, which concerns all users. Replacement costs for the sand filters are much more expensive than the proposed solution, and we propose to act now to avoid these costs before end of lifetime, which is still 10-15 years away. We are asking to extend the capital expenses for the Tusket

Sewer System by an estimated \$37,000 in order to protect our system and support our newly established businesses. We will recover 1/3 of these costs through proper agreements with the business owners.

This request is based on partially rough cost estimates and we would recommend allowing for a 15% contingency for the capital expenses.

In total we are asking council to approve an extra of \$42,550 of expenditures for the Tusket Sewer System and allow public works staff to proceed with 4 major initiatives to protect the sewer system from failure. For clarity, there will be an offsetting revenue for approximately 1/3 of these costs

For clarity

Unbudgeted revenue up to \$14,100

Unbudgeted expense up to \$42,550

Net impact up to \$28,450

The Department of Public Works is available for any questions or concerns.

Regards,
Hans Pfeil – Director of Public Works – Municipality of Argyle

CAO RESPONSE

This investment is a necessary and urgent one to protect the sewer connections on the Tusket Wastewater system and the ongoing business interests in the community. I would recommend that this request be approved by Council. As all of it is Gas Tax Eligible, I would recommend that the allocation be funded using those funds.

MGA Considerations

Section 65 eligible, as this is a budgeted and traditional municipal service delivery.

Suggested Motion

Moved that the unbudgeted net investment of \$28,450 be authorized, and that the CAO coordinate the urgent capital work on the Tusket water and wastewater systems as highlighted in the memo dated October 4, 2009, and that the Federal Gas Tax Funds be utilized to support the unbudgeted investment. Furthermore, that Council approve the cost allocation of 2/3 municipal and 1/3 user for the costs of installation.