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**TO:** CITY MANAGER **DATE:** 2012 June 20

**FROM:** DIRECTOR ENGINEERING **FILE:** 39500 30

**SUBJECT:** **COST SHARING FOR WATER TOWER REPAIRS AT SIMON FRASER UNIVERSITY**

**PURPOSE:** To seek Council approval to allocate Water Utility Contingency Funds for repairs and upgrades to the Water Tower at Simon Fraser University.

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**RECOMMENDATION:**

1. **THAT** Council approve allocation of Water Utility Contingency Funds for repairs and upgrades to the Water Tower at Simon Fraser University

**REPORT****1. BACKGROUND**

The City of Burnaby has a standing cost-share agreement with Simon Fraser University (SFU) for maintenance of the SFU Water Tower. The tower is owned by SFU and has been operated under a joint use agreement that has been in place since the opening of the first residential development at UniverCity. The cost-share agreement requires the City to share the cost of maintenance and capital upgrades based on proportional water consumption.

In 2011 a leak developed in the lower portion of the water tower. Subsequent preliminary investigation by SFU determined that an internal repair would be required. Staff were advised of the required repair and provision was made for the City's portion of the repair cost in the provisional budget based on the original concept that repairs could be achieved without draining the tower. Further review at the detailed design stage proved that concept to be unfeasible. The repair concept changed to require a more conventional construction methodology requiring draining, scaffolding and repair work to be undertaken resulting in higher costs. This revised cost was not finalized in time to adjust the Annual Budget therefore requiring the use of contingency funds. Operating costs for the Tower are nominal in any given year as normal maintenance requirements are minimal. Costs of this nature are normally funded from the Water Utility.

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For 2012 an amount of approximately \$300,000 is required for the City's share of this major repair to stop the leakage of water from the tower. The final costs will be allocated based on a usage formula (approximately 30% City – 70% SFU) determined by metered consumption records. SFU has just started the work, completion is anticipated toward the end of August.

## **2. RECOMMENDATION**

As the total expenditure will exceed \$250,000 Council approval is required. The Director Finance recommends the use of Water General Revenue Fund contingency to fund this operational expense, and sufficient operating contingency funds are available in the Water Utility to fund this expenditure.

Lambert Chu, P.Eng.  
DIRECTOR ENGINEERING

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Copied to: Director Finance