



Staff Report

Request for Decision

TO: Committee of the Whole – June 26, 2025

AUTHOR: Remko Rosenboom, General Manager, Infrastructure Services

SUBJECT: **Valve Stems for Selma 2 Isolation Project – Budget Increase**

OVERVIEW

Purpose of Report:

The purpose of this report is to provide the Board with options to consider regarding funding for the Valve Stems for Selma 2 Isolation Project. This report requests Board decision to accept, reject, or provide alternate direction with respect to staff's recommendations as presented below.

Recommendation(s):

- (1) **THAT the budget for the Valve Stems for Selma 2 Isolation Project be increased by \$250,000 to \$325,000 funded from [370] Regional Water Capital Reserves;**
 - (2) **AND THAT the 2025-2029 Financial Plan be amended accordingly.**
-

BACKGROUND

At the November 25, 2021 Board meeting, the following resolution was adopted:

304/21 **Recommendation No. 11** *Infrastructure Services Projects*
(in part)

THAT the following Infrastructure Services' Categorized Mandatory projects be approved and included into the 2022 Round 1 Budget:

- [370] – Valve Stems for Selma 2 Isolation, \$75,000 funded from Reserves (Imminent Asset Failure);

This project was intended to replace the valves and valve stems located in the service water chamber that isolate the Selma 2 Reservoir. Selma 2 is the Sunshine Coast Regional District's (SCRD's) largest reservoir (approximately 14 million L) and the primary supply for the Chapman Water System. Valves that isolate the reservoir are essential for maintenance, downstream repairs, and emergency response.

Since budget approval, staff, contractors, and suppliers have explored safe construction methods, obtained dive inspections, and sourced suitable materials. These investigations revealed two additional valves that no longer seal, as well as several auxiliary components that now require repair or replacement. The inability to isolate the reservoir has meant that critical repairs, upgrades, and replacement of infrastructure is no longer possible.

Until the valves are functional, the 14-million-litre Selma 2 Reservoir cannot be fully controlled, which elevates operational and environmental risk.

Several approved initiatives depend on isolating Selma 2, including service-water chamber maintenance, installation of two new flow meters, and repairs to known leaks in the reservoir structure.

Since late 2021, the scope has expanded and material and labour costs have risen sharply. To finish the work safely and on time, an additional \$250,000, of which \$50,000 is contingency, is required. This contingency is recommended to ensure that any unforeseen items that currently cannot be identified yet can be addressed immediately and not result in any further delay in addressing this station.

OPTION 1 – Undertake all required work in 2025 and increase project budget by \$250,000 (Recommended)

Increase the project budget by \$250,000 and complete all work in 2025. This approach removes the isolation risk before other dependent projects proceed.

Organizational Considerations

Contractors would perform most of the technical work. SCRD staff would provide project management, construction oversight, and temporary operational adjustments to prevent service interruptions. Some lower priority tasks may be briefly delayed.

Staff Recommendation

Staff recommend this option. Should the Board choose to go with Option 1, a recommendation has been provided in the Overview section on page one of this report.

OPTION 2 – Defer the Valve Stems for Selma 2 Isolation Project to 2026 (Not Recommended)

This option would defer the completion of the Valve Stems for Selma 2 Isolation Project to 2026, pending the approval of a budget increase as part of the 2026 budget process. Delay would leave Selma 2 without appropriate isolation for at least another year posing significant operational and environmental risk as it is the main reservoir for the Chapman Water System.

Staff do not support this option because it extends the period in which the reservoir cannot be safely isolated, prolongs and heightens operational and environmental risks, and will delay other critical capital works.

Should the Committee choose to go with Option 2, a recommendation could be considered, as follows:

- (1) THAT the Valve Stems for Selma 2 Isolation Project be deferred to 2026;
- (2) AND THAT staff present a budget proposal for additional budget for the Valve Stems for Selma 2 Isolation Project as part of the 2026 budget process.

FINANCIAL IMPLICATIONS

The Board's June 12, 2025 decision to abandon the shíshálh Nation Government District - Zone Metering Project returned \$250,000 to [370] Capital Reserves. That amount can fully cover this budget increase.

Should the Board select Option 1, a Financial Plan amendment would be required to increase the project budget by \$250,000 for a total project budget of \$325,000. The increase in the project budget is recommended to be funded from [370] Regional Water Capital Reserves. Currently the uncommitted [370] Regional Water Capital Reserves is \$8,727,075.

STRATEGIC PLAN IMPLICATIONS

This proposal can be seen as supporting the Strategic Focus Area of Water Stewardship in the Board's 2023 – 2027 Strategic Plan by strengthening reliability and safety and improving operation of the Chapman Water System.

SUMMARY AND CONCLUSION

Inspections show that two additional valves, along with their frames and brackets, must be replaced and extra contractor support will be required. Staff recommend an increase to the project budget of \$250,000. This will allow the valve isolation work to finish in 2025, safeguard the system against uncontrolled releases, and ensure the timely completion of other dependent projects.

Reviewed by:			
Manager		Finance	X - A. Taylor
GM		Legislative	
CAO	X - T. Perreault	Other	