



JULY 2022



PROJECT UPDATE

Like many construction projects across British Columbia and Canada -- big and small -- the North Okanagan Wastewater Recovery Project has also been impacted by escalating construction costs. In typical years, the construction industry has seen annual increases of 3-5% (that match inflation). 2021 and 2022 increases have been reported as high as 30%. Our general contractor selected last fall, who has nearly \$1B in projects across Canada, has also reported similar cost increases across the country.

Several factors have contributed to rising costs, many of which stem from COVID-19; the global pandemic has had a major impact on supply chains, material and labour shortages. Rising fuel costs due to tensions in Russia and the Ukraine, coupled with unprecedented flooding and fires provincially, have also impacted cost of goods, services and labour, which have increased the estimated costs of the project.

GETTING CREATIVE WITH PROJECT DELIVERY

As a result of escalating costs, the project team is actively pursuing all potential solutions to bring an affordable, fiscally responsible community wastewater system to the North Okanagan.

The team is advancing towards a construction-ready state pending required approvals and permits by the Agricultural Land Commission (ALC) and the Ministry of Environment (MoE). These approvals must be in place prior to any construction.

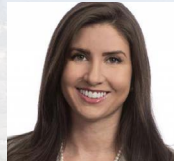
During this 6-month approval process, the team will explore all feasible financial strategies to proceed with the project start date in 2023. Some of the options being explored include:

- Seeking additional grant opportunities
- Exploring more partnership opportunities (i.e. with the development industry, municipal partners and more)
- Reviewing options for project phasing
- Looking into alternative cost recovery tools such as DCCs (development cost charges)

STAY IN THE LOOP!

For more information and to sign up for project updates, visit our Wastewater Recovery Project page, hosted by the RDNO at www.rdno.ca. Contact us and subscribe to Wastewater Recovery Project.

“ We will continue to collaborate and explore opportunities in order to meet the project’s objectives, and deliver long-term benefits to the North Okanagan.” ”



Electoral Area C Director, Amanda Shatzko
Regional District of North Okanagan

“ As we recover from floods, fires and other environmental setbacks, a system that gives back to our land and improves our environment is one that we still support. ”



Chief Byron Louis
Okanagan Indian Band

“ We are exploring every angle to secure additional funds to deliver a community wastewater system for the North Okanagan. Enhancing our service levels for residents and businesses, while protecting Swan Lake and its tributaries is of utmost importance. ”



Electoral Area B Director, Bob Fleming
Regional District of North Okanagan

“ A wastewater system that supports our local farming community with reclaimed irrigation water is still very real for the North Okanagan. Rising costs mean we need to be flexible and responsible to the communities we serve. ”



Mayor Christine Fraser
Township of Spallumcheen

WHAT'S NEXT?

Our anticipated construction start is the Spring of 2023.

WE ARE HERE



Here's what's next:

- Conduct geotechnical investigations to understand soil composition and water table depths for in-ground placement of infrastructure (to reduce risks of unforeseen sub-surface conditions)
- Negotiate rights of way for the collection system and the lift stations
- Finalize our detailed design
- Meet with senior levels of government to explore additional funding
- Liaise with approval agencies such as the Agricultural Land Commission (ALC) and Ministry of Environment (MoE) to obtain required permits

This project is made possible by funding from the Government of Canada and Province of British Columbia through the Investing in Canada Infrastructure Program.

