



# City of Moose Jaw

**COMMUNICATION # CC-2020-0032**

**TITLE:** Investing in Canada Infrastructure Program Update

**TO:** City Council

**FROM:** Department of Financial Services

**DATE:** January 23, 2020

**PUBLIC:** PUBLIC DOCUMENT

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## **RECOMMENDATION**

THAT the Reservoir and Pump House Project be submitted under the Green Infrastructure Stream of the Investing in Canada Infrastructure Program; and

THAT the Outdoor Pool Project be submitted under the Community, Culture and Recreation Infrastructure Stream of the Investing in Canada Infrastructure Program; and further,

THAT the City's priority projects for the Public Transit Infrastructure Funding be:

- a. Cast Iron Watermain Replacement Program
- b. Fluoridation Equipment and Building Program
- c. Solar Initiatives Program
- d. Purchase of 3 Transit Buses.

## **TOPIC AND PURPOSE**

The purpose of this report is to provide City Council with new information on the Investing in Canada Infrastructure Program (ICIP) and to seek Council's approval to submit applications for new funding and allocation of existing public transit Infrastructure funding.

## **BACKGROUND**

The following background information was provided by the Government of Saskatchewan.

The governments of Canada and Saskatchewan signed a bilateral agreement in October 2018 for the Investing in Canada Infrastructure Program (ICIP). The program will provide more than \$896 million in federal funding for all types of Saskatchewan infrastructure projects over 10 years until 2028.

ICIP investments will benefit Saskatchewan residents by providing:

- a cleaner environment by reducing soil and air pollutants;
- improvements to drinking water, wastewater and/or storm water systems;
- increased capacity for disaster mitigation;
- reduced greenhouse gas emissions;
- enhanced public parks, recreational facilities and other spaces that make communities great places to live;
- faster commutes and travel times and easier movement of goods for businesses;
- better transportation and digital infrastructure for people living in remote communities.

Federal funding for Saskatchewan's eligible projects is divided into four investment streams to help in various ways.

1. **Green Infrastructure Stream** – \$416.3 million
  - support greenhouse gas emission (GHG) reductions
  - enable greater resilience infrastructure and adaptation to the impacts of climate change disaster mitigation
  - ensure that more communities can provide clean air and safe drinking water for their citizens
  - decrease the release of pollutants into the environment.
2. **Community, Culture and Recreation Infrastructure Stream** – \$56.2 million
  - build stronger communities
  - improve social inclusion.
3. **Public Transit Infrastructure Stream** – \$307.9 million
  - new urban transit networks and service extensions
  - upgrade existing systems to improve the way that citizens live, move and work.
4. **Rural and Northern Communities Infrastructure Stream** – \$115.9 million
  - improve the quality of life in rural and northern communities by responding to specific needs.

The federal and provincial funding contributions will vary depending on the funding stream and the applicant type.

Applicant Type	Federal ICIP Contribution	Provincial ICIP Contribution
Municipal	At least 40% *	Up to 33.33%
Non-Profit	Up to 40%	Up to 33.33%
Indigenous	Up to 75%	Up to 25%
Private Sector – For-Profit	Up to 25%	0%

*\*Contributions listed above are estimates. Actuals will be confirmed upon project approval from the Government of Canada.*

## **DISCUSSION**

City Administration had previously received City Council approval to submit the Waterworks Reservoir and Pumphouse project and the outdoor pool as potential projects for funding under the first intake of this program. Both of those projects were unsuccessful.

A second intake of projects has opened with a deadline for applications of March 31, 2020. The City is proposing to put forward the same two projects:

### **Reservoir & Pumphouse Project**

There are three (3) potable water reservoirs with associated pumps within the City of Moose Jaw providing a total of 48 mega litres (ML) of storage. High Service Reservoir (HSR) has two chambers with a total storage capacity of 27 Mega Liters (ML). The existing reservoirs were constructed in two stages, west chamber in 1954 along with the Pumphouse and east chamber in 1958; each carries an estimated capacity of 13.6 ML.

#### High Service Reservoir and Pumphouse:

Condition assessments were completed on the City's assets including the reservoirs and pumphouses. Replacement of the HSPS was identified as a high priority due to poor condition of several existing components at the facility. The condition of several components at the HSR facility, including isolation valves, has deteriorated to the point that replacement or maintenance on other components may be impossible. The presence of asbestos in the building structure would further complicate upgrades. Consequently, replacement of the HSPS in its entirety is more feasible than performing upgrades or retrofits to the existing pump station.

#### *Description of the Project:*

The project will require replacing the pump station in its entirety, including the construction of a new building with the installation of new process equipment, piping and valves and building systems. Equipment from the existing chlorine dosing facility will be relocated into a new chlorine room at the new pump station.

No additional capacity will be added to the reservoirs; however, nozzles will be installed on the influent to improve mixing and the outlets will be re-lined with fibreglass to improve flow conditions.

A variable speed pumping strategy will be implemented to maximize pumping efficiency at the new HSPS. The proposed pumping configuration will include six identical distribution pumps driven with 93 kW (125 hp) electric motors and variable speed drives operating in a 1 lead / 4 lag / 1 standby configuration. A single pump will accommodate average day flows by operating near full speed and overnight flows by operating at a lower speed. To meet higher flow demands, additional pumps will start and all pumps will operate in unison at the same speed in order to maintain high pumping efficiency. Four pumps will be required to meet the projected peak hour demand and five pumps will be required to meet the projected maximum day plus fire flow demand. The sixth distribution pump will be included for redundancy in case one of the distribution pumps is taken offline for maintenance.

A natural gas standby generator sized to operate building systems and five distribution pumps will be included so pumping capacity can be maintained during utility power outages.

*Components of the project will include:*

- Installation of nozzles on the new reservoir inlets to promote mixing.
- Re-lining of reservoir outlets with fibreglass.
- A below-grade pump room to house the pumps, suction header, discharge header and isolation valves.
- Shipping/receiving area.
- Generator room.
- Electrical room.
- Office/control room.
- Washroom.
- Maintenance shop.
- Chlorine room.
- Connection of existing reservoir outlet piping to a new pump suction header in the pump room.
- Six electric horizontal split case distribution pumps with speed adjustment using variable frequency drives and 93 kW (125 hp) motors.
- Two natural gas standby generators sized to operate up to five distribution pumps and building systems.
- Overhead crane to remove the process equipment for servicing.
- Connection of the new pump discharge header to existing distribution lines.
- Piping and valves as required.
- Demolition of existing pump station and valve chambers.

City Administration recommends that an application be made to the Investing in Canada Infrastructure Program – Green Infrastructure Stream for funding assistance. The funding from the program if successful is anticipated to be:

Federal Funding 40%	\$ 6,400,000
Provincial Funding 33.33%	5,332,800
Municipal Funding 26.67%	<u>4,267,200</u>
	<u>\$16,000,000</u>

If funding is not successfully received for this project, it will be necessary for City Council to consider an alternative funding source, which City Administration would recommend in the borrowing of \$11,732,800 to make up for the shortfall in grant funding.

## Outdoor Pool Project

The Phyllis Dewar Outdoor Pool will be entering its 54th year of operation. Over the years there has been significant movement in the pool deck and tank resulting in leaks, which could force the City to close the pool should leaks expand beyond repair.

The mechanical components of the pool, which are housed in the Natatorium, have reached the end of their life cycle. Every year, significant maintenance is required to keep these systems operational.

The Parks and Recreation Department faces potential outdoor pool failure each year and, as such, a long-term strategy for outdoor aquatics is required. Attendance numbers at the outdoor pool continue to decrease due to its poor accessibility and lack of interactive features. The spray parks in the community have become much more of an attraction for young families. The construction of a modern, fully accessible outdoor aquatic facility will better meet residents' needs and would be an attraction in the community.

The Parks and Recreation Department completed a review of similar outdoor aquatic facility projects in Saskatchewan and has received some preliminary budgetary pricing for a new design-build outdoor aquatic facility in Moose Jaw. The current cost projection for a new facility is \$3,950,000.

Projected Capital Budget - Phyllis Dewar Outdoor Pool Replacement	
Item	Projected Cost
8 lane - 25 m Junior Olympic Pool with ramped entry, 1.2 m - 3.5 m	\$1,200,000
Leisure pool with tot pool and vortex surface area 300 m2	\$950,000
Water slide with access tower and deck run out section, length 63 m, height 6.0 m	\$375,000
Demolition, excavation, removal and disposal of materials	\$180,000
Service connections	\$50,000
Outdoor lighting	\$50,000
Misc. costs (site services, landscaping, signage, emergency lighting, fire protection)	\$75,000
Pool decks and concrete work	\$100,000
Fencing	\$60,000
Site Amenities (picnic tables, garbage, etc..)	\$30,000
Reception/changeroom/concession building	\$450,000
Mechanical Building	\$250,000
Contingency	\$180,000
<b>TOTAL</b>	<b>\$3,950,000</b>

City Administration recommends that an application be made to the Investing in Canada Infrastructure Program - Community, Culture and Recreation Infrastructure Stream for funding assistance. The funding from the program if successful is anticipated to be:

Federal Funding 40%	\$ 1,580,000
Provincial Funding 33.33%	1,316,535
Municipal Funding 26.67%	<u>1,053,465</u>
	<u>\$ 3,950,000</u>

If funding is not successful, then this project would not move forward. If the City is successful in receiving grant funding, a source for the City's share will need to be identified. This could range from borrowing, self-funding or use of reserves.

### **Public Transit Funding Allocation**

The City of Moose Jaw was informed over a year ago that it would receive its per capita share of Public Transit Infrastructure Funding under this program. The chart below details that expected funding:

Federal Funding 40%	\$ 6,090,050
Provincial Funding 33.33%	5,074,534
Municipal Funding 26.67%	<u>4,060,541</u>
	<u>\$15,225,125</u>

The initial intent of the program was that one-third of the grant funding was required to be allocated directly to Transit funding. That requirement has now been relaxed and there is the potential to reallocate the Transit portion to other non-Transit projects.

At that time, the information available was that the Transit allocation funding was readily available and the City would be able to move forward immediately. As Council will recall within the 2020 Capital Budget, Council approved additional funding to the Cast Iron Watermain Program in 2020 and 2021 utilizing this funding. As well, in the 2020 Budget, Council also approved a solar initiative utilizing a portion of this funding.

The Government Relations Department of the Province of Saskatchewan has since determined that all Transit funds must be applied for and approved prior to tender award. The Province anticipates the approval process to be 3 months at a minimum.

This approval process has the potential to hold up some of the anticipated work in 2020. In order to mitigate this, Administration is planning to stage some of the projects so that a portion can proceed at the start of the regular construction season and the remainder once grant funding is secured.

The projects that City Administration is proposing to submit for funding are:

- a) Cast Iron Watermain Replacement Program – Additional grant funding of \$3,300,000 in 2020 and 2021.

Federal Funding 40%	\$ 3,600,000
Provincial Funding 33.33%	2,999,700
Municipal Funding 26.67%	<u>2,400,300</u>
	<u>\$ 9,000,000</u>

- b) Fluoridation Equipment and Building Program – Funding of the \$1,200,000 Fluoridation Program approved by City Council in the 2020 Budget.

Federal Funding 40%	\$ 480,000
Provincial Funding 33.33%	399,960
Municipal Funding 26.67%	<u>320,040</u>
	<u>\$ 1,200,000</u>

The City's portion of funding will come from the Waterworks Reserve.

- c) Solar Initiatives Program – Funding of a \$1,225,125 Solar Initiative Program as approved in the 2020 Budget.

Federal Funding 40%	\$ 490,050
Provincial Funding 33.33%	408,334
Municipal Funding 26.67%	<u>326,741</u>
	<u>\$ 1,225,125</u>

- d) Purchase of 3 Transit Buses – Funding for the purchase of three Transit buses in 2022 at an estimated cost of \$1,580,000.

Federal Funding 40%	\$ 632,000
Provincial Funding 33.33%	526,614
Municipal Funding 26.67%	<u>421,386</u>
	<u>\$ 1,580,000</u>

The City's share of funding will come from accumulated depreciation on the buses to be replaced.

This still leaves \$1,627,926 of funding available for future years. The 2021 Capital Budget will address potential uses of this funding.

The Moose Jaw Municipal Airport Authority and the Buffalo Pound Water Treatment Corporation also will have pending applications for funding. It is City Administration's understanding that if these projects are successful in receiving funding, it will not impact the City's share of funding from the ICIP program.

## **OPTIONS TO RECOMMENDATION**

City Council provide City Administration with alternative direction.

## **STRATEGIC PLAN**

This report supports the City's Strategic Plan by accessing third party funding sources to provide a significant portion of funding for key components of the City's Capital Budget.

## **FINANCIAL IMPLICATIONS**

The funding being applied for amounts to \$24,165,993 which forms an integral component of funding the City's Capital Plans both in 2020 and future years. The overall capital works that would be constructed if all grant applications are successful is \$32,955,125.

## **PRESENTATION**

VERBAL: The Director of Financial Services will be in attendance at the meeting to present the report.

## **REPORT APPROVAL**

Written by: Brian Acker, B.Comm., CPA, CMA; Director of Financial Services  
Reviewed by: Tracy Wittke, Assistant City Clerk  
Approved by: Jim Puffalt, City Manager  
Approved by: Fraser Tolmie, Mayor

*To be completed by the Clerk's Department only.*

Presented to Regular Council or Executive Committee on \_\_\_\_\_.

No. \_\_\_\_\_ Resolution No. \_\_\_\_\_



## Report Approval Details

Document Title:	ICIP Update - CC-2020-0032.docx
Attachments:	
Final Approval Date:	Feb 4, 2020

This report and all of its attachments were approved and signed as outlined below:



Tracy Wittke

**No Signature - Task assigned to Jim Puffalt was completed by workflow administrator Maureen Latta**

Jim Puffalt



Fraser Tolmie