



## Legislation Text

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**File #:** RFD 20-177, **Version:** 1

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### Wastewater Program Update - Capital Budget Allocation Request

#### **Proposed Motions**

1. That Council approve an adjustment to the funding source of the 2020 Capital Project named “Acheson Zone 1 & 2 (Parkland Business Park) Wastewater Project” from debt borrowing to Municipal Sustainability Initiative (MSI) grant funding.
2. That Council approve the reallocation of \$220,000 of funding from “Acheson Zone 1 & 2 (Parkland Business Park) Wastewater Project” to the “Entwistle Lagoon” project.

#### **Administration Recommendation**

Administration supports the proposed motions.

#### **Purpose**

With respect to the first motion, this is a adjustment to funding sources of an approved project to ensure we strategically assign debt borrowing and grant funding. The second motion is to address a funding shortfall from a recently closed project tender.

#### **Summary**

In the 2020 budget, the Acheson Zone 1 & 2 (Parkland Business Park) Wastewater Project was approved by Council with the funding source identified as debt borrowing. The scope of work was finalized after budget approval and the final scope changes resulted in the project no longer being eligible for the off-site levy recoveries. Administration recommends that an alternative funding source be applied to the project as a result.

The scope of work change was an adjustment from full reconstruction and expansion of the sanitary system in Acheson Zone 1 & 2 to a cost-effective improvement that involved a series of smaller scale improvements. Throughout 2019 Administration completed exploratory work on the sanitary system in the specific study area and identified that storm water inflow and groundwater infiltration were notable contributors to the sanitary system's performance limitations. Administration also identified several repairs to the aging system that would extend its lifecycle. Collectively, these changes meant that we did not need to expand the system and reconstruct significant lengths of pipe. The alternative approach provides many more serviceable years to the existing system and avoids the high expense of new infrastructure. This also means that the work is considered maintenance and therefore planned cost recovery of the work through the levy model would no longer apply; and therefore, the application of debt borrowing as a revenue source is not applicable.

The second proposed motion is not associated to the first, other than the need to reallocate funding. The contract tender for the Entwistle Lagoon wastewater project closed in recent days. All bids submitted were above the allocated funding for the project. To complete this project in 2020 an additional \$220,000 in funding is required. The current funding is approved at \$400,000. Total budget allocation requested is \$620,000 in 2020. It is important to note that this is not an increase to the overall program budget; it is an reallocation of funding from one project to another within the same program.

Approval of the motion will allow Engineering Services to complete the Entwistle Lagoon project in its entirety this year. This is important as the manholes and control structures are imperative in the treatment process of the lagoon. If these fail before they are repaired, the sewage does not receive its proper treatment time and Parkland County risks contravening provincial and federal regulations. If Council does not approve the motion,

the project will be postponed to 2021 whereby additional funding may be requested at that time or the project scope can be adjusted within existing approved budgets. Delaying the project to 2021 is not recommended as contravening provincial and federal regulations could have higher financial and environmental consequences than the additional \$220,000 of funding being requested.

**Strategic Plan/Policy/Legal/Staff Implications:**

Guiding Principle 3.1 - We are a regional leader in setting and achieving high standards of environmental sustainability in both our own practices, and by encouraging and enabling the practices of our partners.

Guiding Principal 4.1 - We are recognized leaders in municipal governance, managing our resources responsibly and sustainably, ensuring we leave a vibrant and resilient community legacy to those that follow us.

**Financial Impact:**

Cost: \$0

Source of Funding: