

## Saskatoon Water Post Budget Adjustments – Reallocation of Funds – Digester Tank Refurbishment

### ISSUE

Capital Project P.02579.01 – Wastewater (WW) Digester Tank 4 requires an additional \$3,000,000 before entering into construction for the refurbishment of a digester tank.

### RECOMMENDATION

That the Standing Policy Committee on Environment, Utilities, and Corporate Services recommend to City Council:

1. That funds in the amount of \$3,000,000 from Capital Project P.02581.01 – WW Facility Upgrade N40 be returned to the Wastewater Treatment Capital Reserve; and
2. That \$3,000,000 from the Wastewater Treatment Capital Reserve be reallocated to Capital Project P.02579.01 – WW Digester Tank 4.

### BACKGROUND

Capital Project P.02579.01 – WW Digester Tank 4 supports digester process areas related projects at the Wastewater Treatment Plant. Digester Tank 3 has been in service for over 50 years. It was observed through inspections of the tank that refurbishments are required to address the deterioration to the concrete, gas proofing coating, piping, and process equipment associated with the tank.

During the refurbishment of Digester Tank 1 in 2022, there were unexpected findings once the tank was thoroughly cleaned during construction that led to increased expenditures for that refurbishment. Due to the additional findings observed through the refurbishment of Tank 1, as well as the preliminary inspection findings of Tank 3, the Administration anticipates that further work will be required, and additional funding is requested for the refurbishment of Tank 3 prior to entering into construction procurement.

Capital Project P.02581.01 – WW Facility Upgrade N40 supports improvements to the Wastewater Treatment Plant Biosolids Handling Facility. Through the completion of previous optimization projects at the Biosolids Handling Facility, including the construction of a 42,000 m<sup>3</sup> sludge storage cell, funding for this work can be reduced and returned to source.

### DISCUSSION/ANALYSIS

In October 2023, a design for the refurbishment of Digester Tank 3 was initiated by a third-party engineering consultant. Construction is planned to begin in the spring of 2024, to align with the scheduled preventative maintenance shutdown of Digester Tank 3, thus optimizing the use of capital and operating budgets. Delaying construction may result in process upsets in the digester process area and further deterioration to

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Digester Tank 3. Approval of the budget adjustment is required to proceed with procurement of the revised scope of work for refurbishment.

### **FINANCIAL IMPLICATIONS**

If approved, Capital Project P.02579.01 – WW Digester Tank 4 will result in an increase in funding by \$3,000,000 and Capital Project P.02581.01 – WW Facility Upgrade N40 will result in a decrease in funding of \$3,000,000 by returning funds to source.

Funding for the Biosolids Forcemain Replacement Project remains unaffected with the change to Capital Project P.02581.01 – WW Facility Upgrade N40 as the forcemain scope-of-work is funded through Capital Project P.02592.01 – WW Biosolids Forcemain.

Reallocation of funds in P.02579.01 – WW Digester Tank 4 and Capital Project P.02581.01 – WW Facility Upgrade N40 will not impact the 2024/25 budget deliberations.

### **OTHER IMPLICATIONS**

There are no privacy, legal, social, or environmental implications identified.

### **NEXT STEPS**

Pending approval of the budget adjustment, a Request for Supplier Qualifications and Invitation to Tender for the construction services to refurbish Digester Tank 3 will be issued.

### **Report Approval**

Written by: John Lacny, Interim Engineering Services Manager, Saskatoon Water

Reviewed by: Russ Munro, Director of Saskatoon Water

Approved by: Angela Gardiner, General Manager, Utilities and Environment

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