

Budget Adjustment Request – Capital Project P.00778.22 – Land Development – Willows Sanitary Trunk – Melville Street

ISSUE

This report seeks City Council approval for a budget adjustment within Capital Project P.00778.22 – Land Development – Willows Sanitary Trunk – Melville Street. The project involves lowering and upsizing approximately 40 metres of existing sanitary trunk pipe on Melville Street to achieve proper design grades and connect with the newly installed sanitary trunk, which will allow continued development in The Willows neighbourhood. Current available funding is insufficient to proceed with construction. A budget adjustment of \$2.0 million is required to complete the work.

RECOMMENDATION

That the Standing Policy Committee on Planning, Development and Community Services recommend to City Council:

1. That City Council approve a budget adjustment increase of \$2.0 million to Capital Project P.00778.22 – Land Dev't – Willows Sanitary Trunk – Melville St;
2. That the budget adjustment be funded 80% from the Trunk Sewer Reserve (\$1.6 million) and funded 20% from the Wastewater Treatment Capital Reserve (\$400,000); and
3. That an exemption to Policy No. C03-036 Multi-Year Business Plan and Budget Policy be approved to include a contingency of 15% for this project.

BACKGROUND

Capacity does not exist within the existing sanitary sewer system to allow for further development of The Willows neighbourhood. As such, a new sanitary connection is required that connects the development area to the Jasper Avenue Lift Station. In 2025, a project to install a new sanitary sewer trunk along Cartwright Street, under the CN railway, and under private property adjacent to Melville Street was undertaken. The project consisted of open trenching approximately 300 metres of 375 mm sewer trunk, and micro-tunnelling approximately 215 metres of 450 mm pipe.

When a 9-metre deep receiving shaft was installed on Melville Street during the micro-tunnelling phase of the project, it was discovered that the existing 450 mm sanitary trunk had an unexpected vertical deflection in the pipe. Therefore, the new pipe could not be properly tied into the existing pipe without causing capacity and long-term maintenance issues. It was determined that approximately 40 metres of the next downstream segment of pipe would need to be lowered to achieve the proper grade on the pipe to allow it to flow properly.

Change order pricing was requested from the contractor to replace the 40-metre section along Melville Street but due to the complexity of the new scope of work, the cost estimate exceeded the allowable Contract change order amount and the existing

available budget. It was determined that replacement of the 40-metre section of pipe under a new contract publicly tendered in 2026 was the best option.

DISCUSSION/ANALYSIS

The 9-metre depth of the existing sanitary trunk on Melville Street prevented hydraulic vacuum excavation (hydrovac) to expose the trunk to confirm its elevation during the investigation and design stage of the 2025 Cartwright Street trunk project (Contract No. 25-0022). Thus, its elevation and slope at the proposed connection point was determined from the manholes on either end of the pipe, which is a standard practice for determining buried pipe elevation and grade.

It is unknown at this point what caused the vertical deflection in the pipe, but it could have occurred due to improper installation in 1979, unstable soil conditions, high ground water table, or any combination of the three.

FINANCIAL IMPLICATIONS

The cost estimate was developed using 2025 unit pricing experienced on land development contracts and adjusted for inflation, upsizing requirements, engineering services, contingency, and applicable taxes. A contingency amount of 15%, as opposed to the standard 10%, has been applied as the nature of the project is more complex with major unknowns due to the significant 9-metre pipe depth, previously disturbed soils, risks with groundwater and an existing overhead powerline in close proximity to the proposed construction trench. The project cost is estimated at \$4,083,950, leaving a shortfall of approximately \$2,000,000 from the current approved budget.

Funding will be sourced by an 80/20 split between the Trunk Sewer Reserve (Land Development) and the Wastewater Treatment Capital Reserve (Saskatoon Water). These reserves are funded through pre-paid development levies and the wastewater utility and therefore this adjustment does not impact the mill rate. Any unused funds upon project completion will be proportionately returned to the reserves.

OTHER IMPLICATIONS

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

NEXT STEPS

Pending approval of the budget adjustment, tender documents will be finalized and issued for construction in 2026.

Report Approval

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