
Clean Water and Wastewater Fund – Budget Adjustments

Recommendation

That the Standing Policy Committee on Finance recommend to City Council:

1. That Capital Project No. 1615 – TU Water Distribution be decreased by \$2.05M; and
2. That Capital Project No. 1616 – TU Waste Water Collection be increased by \$2.05M.

Topic and Purpose

The purpose of this report is to receive City Council approval to adjust Capital Project No. 1615 – TU Water Distribution and Capital Project No. 1616 – TU Waste Water Collection which are funded through the Clean Water and Waste Water Fund (CWWF).

Report Highlights

1. The Administration is recommending re-allocation of the CWWF between Capital Project Nos. 1615 and 1616.

Strategic Goal

This report supports the long-term strategy of reducing the gap in the funding required to rehabilitate and maintain City of Saskatoon (City) infrastructure under the Strategic Goal of Asset and Financial Sustainability.

Background

At its Business Plan and Budget Review meeting on November 30, 2016 when considering the Federal Infrastructure Funding Update report, City Council resolved that the allocation of the Public Transit Infrastructure Fund and Clean Water and Waste Water Fund be approved. Capital Project No. 1615 – TU Water Distribution was allocated a budgeted amount of \$28.9M and Capital Project No. 1616 – TU Waste Water Collection was allocated \$2.7M. The federal government is contributing 50%, the provincial government is contributing 25%, and the City is contributing 25%.

Report

Clean Water and Wastewater Fund

The City submitted project plans to the CWWF Program to fully utilize the \$31.6M of allocated funding. At the time of approval, the funding split between the rehabilitation and replacement of water mains and the rehabilitation of sanitary mains was determined based upon best estimates of costs at the time. As tenders were received and projects progressed, the Administration determined that requesting a change to the re-allocation would be the lowest risk option to ensure all projects were completed within the timelines allowed by the CWWF Program and that the City could claim the full amount of funding.

Transfer of Funding

The Administration is recommending that Capital Project No. 1615 – TU Water Distribution be reduced by \$2.05M, returning funds to the following funding sources:

- \$1.025M to the federal government CWWF funding source;
- \$512,500 to the provincial government CWWF funding source; and
- \$512,500 to the Infrastructure Replacement Reserve – Water and Waste Water Reserve.

The Administration is also recommending that \$2.05M be transferred to Capital Project No. 1616 – TU Waste Water Collection from the funding sources listed above that will receive returns from Capital Project No. 1615.

This will be a \$0 adjustment to the reserves and will be switched between capital projects to ensure full utilization of the CWWF Program.

Options to the Recommendation

City Council can choose not to adjust the budgets in Capital Project Nos. 1615 and 1616, however, the Administration does not recommend this option as it will not result in full utilization of the CWWF approved for the City.

Financial Implications

Financial implications are included in the report.

Other Considerations/Implications

There are no environmental, policy, privacy, or CPTED implications or considerations, and neither public and/or stakeholder involvement nor a communication plan is required.

Due Date for Follow-up and/or Project Completion

There is no due date or follow up required.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Report Approval

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