Agenda - Executive Policy Committee - September 21, 2005

Reports - Standing Policy Committee on Public Works - September 13, 2005

Item No. 4 New Capital Project - Asbestos containing Materials Operations and Maintenance Program
File FB-1

STANDING COMMITTEE RECOMMENDATION:

On September 13, 2005, the Standing Policy Committee on Public Works concurred in the administrative recommendation and submits the following to Council:

1. That the Asbestos Containing Materials (ACM) Operations and Maintenance Program be approved as a new 2005 capital project outside of the 2005 Capital Budget process and,

2. That surplus cash flow forecasted funds in the amount of $180,000 be transferred from the capital projects, listed below, to provide funding for this new project:

Project	Account Distribution	Surplus 443 Water	Surplus 444 Sewer
Deacon Reservoir Cells 3 & 4, Eng.& Const.	443-181000-200751 20110001xx	$60,000	
NEWPCC Distributed Control System Upgrades	444-181000-200752 20310014xx		$120,000

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Agenda - Executive Policy Committee - September 21, 2005

Reports - Standing Policy Committee on Public Works - September 13, 2005

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On September 13, 2005, the Standing Policy Committee on Public Works concurred in the administrative recommendation and submitted the matter to the Executive Policy Committee and Council.

RE: NEW CAPITAL PROJECT: ASBESTOS CONTAINING MATERIALS OPERATIONS AND MAINTENANCE PROGRAM

FOR SUBMISSION TO: The Standing Policy Committee on Public Works

ORIGINAL REPORT SIGNED BY: Barry D. MacBride, P. Eng., Director of Water and Waste
REPORT DATE: August 26, 2005

RECOMMENDATION(S):

1) That the Asbestos Containing Materials (ACM) Operations and Maintenance Program be approved as a new 2005 capital project outside of the 2005 Capital Budget process and,

2) That surplus cash flow forecasted funds in the amount of $180,000 be transferred from the capital projects, listed below, to provide funding for this new project:

Deacon Reservoir Cells 3 & 4, Eng. & Const.	443-181000-200751 20110001xx	$60,000
NEWPCC Distributed Control System Upgrades	444-181000-200752 20310014xx	$120,000

REPORT SUMMARY

KEY ISSUES: New Capital Projects must be approved by Council.

IMPLICATIONS OF THE RECOMMENDATION(S):

General Implications

X	None
	For the organization overall and/or for other departments
	For the community and/or organizations external to the City of Winnipeg
	Involves a multi-year contract

Comment(s):

Policy Implications

X	No
	Yes – Comment(s):

Environmental Implications

X	None
	Yes – Comment(s):

Human Resources Implications

X	No
	Yes - Comment(s):

Financial Implications

X	Within approved current and/or capital budget
	Current and/or capital budget adjustment required

Comment(s): Surplus funds recommended for transfer are included in an approved Capital budget.

REPORT

REASON FOR THE REPORT:

New Capital Projects must be approved by Council.

HISTORY:

In January 2001, the Chief Administrative Officer adopted the Asbestos Operations and Maintenance Code of Practice for the City of Winnipeg.

Funds in the amount of $21,426,000 are included in the 2000 and 2001 Capital Budget for the Deacon Reservoir Cells 3 & 4, Engineering & Construction Project (Account Distribution No. 443-181000-200751 20110001xx).

Funds in the amount of $2,000,000 are included in the 2000 and 2004 Capital Budget for the NEWPCC Distributed Control System Upgrades Project (Account Distribution No. 444-181000-200752 20310014xx).

DISCUSSION:

In September, 1998, the Provincial Workplace Safety and Health Branch, Manitoba Department of Labour and Immigration, issued Guidelines for Asbestos Operations and Maintenance Programs. Among the responsibilities identified is that the Corporate Owner of Buildings that may contain asbestos products is to conduct periodic surveys and maintain an inventory of Asbestos Containing Materials. Another responsibility is to protect workers, contractors and the public from exposure to airborne asbestos.

Due to limited internal personnel resources to inspect, label, test, inventory, report, and initiate remedial measures for ACM's in Water and Waste Department (WWD) facilities such as the Water Pollution Control Centers, Water Pumping Stations and department offices/shops, external professional services are required to carry out the aforementioned activities.

Project funding of $180,000 is required to retain professional services to conduct the initial inspections, train staff and repair or abate locations as may be identified during the inspections. The split for the 2005 Capital Program is 1/3 Water and 2/3 Sewer Utility. The split is based on preliminary estimates for engineering studies of the major infrastructure being investigated in this phase of the Program.

Surplus funds are available in the following projects:

Project	Account Distribution	Surplus 443 Water	Surplus 444 Sewer
Deacon Reservoir Cells 3 & 4, Eng.& Const.	443-181000-200751 20110001xx	$60,000	
NEWPCC Distributed Control System Upgrades	444-181000-200752 20310014xx		$120,000
TOTAL AVAILABLE REQUIRED SURPLUS FUNDS		**$60,000**	**$120,000**

The funds remaining after the proposed transfers are sufficient to complete the existing projects. The surplus funds were included in the Cash Flow Projections in the Capital Expenditures Report and Forecast for the period ending March 31, 2005. Funds to be transferred for this project are financed from the utilities retained earnings.

The financial status of the project is as follows:

Deacon Reservoir Cells 3 & 4, Eng.& Const. (Fund 443):		
Approved Capital		$21,426,000
Previous Awards and Expenditures	$21,320,009	
Amount recommended for transfer	60,000	
Total	$21,380,009	$21,380,009
Amount Remaining		$45,991
NEWPCC Distributed Control System Upgrades (Fund 444):		
Approved Capital		$2,000,000
Previous Awards and Expenditures	$1,202,663	
Amount recommended for transfer	120,000	
Total	$1,322,663	$1,322,663
Amount Remaining		$677,337

FINANCIAL IMPACT:

The following financial impact statement for this project has been prepared in accordance with the recommendation adopted by Council on December 13, 2000.

Financial Impact Statement

Date: August 26, 2005

Project Name:

ASBESTOS CONTAINING MATERIALS OPERATIONS AND MAINTENANCE PROGRAM

First Year of Program **2005**

	2005	2006	2007	2008	2009
Capital					
Capital Expenditures Required	$ 180,000	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	180,000	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 1,800	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	1,800	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: This recommendation is to approve the reallocation of surplus funds to a new 2005 capital project. $60,000 to be transferred from Water Services Division's Deacon Reservoir Cells 3 & 4, Engineering & Construction Project and $120,000 to be transferred from Wastewater Services Division's NEWPCC Distributed Control System Upgrades.

Moira L. Geer C.A.

IN PREPARING THIS REPORT THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

N/A

THIS REPORT SUBMITTED BY:

Water and Waste Department
Engineering Division
Prepared by: K. Martens, P.Eng.
File No. 020-11-01-52-01