Agenda - Executive Policy Committee - June 21, 2006

Report - Standing Policy Committee on Infrastructure Renewal and Public Works - June 13, 2006

Item No. 1 Delegation of Authority to Chief Administrative Officer to enable the City to upgrade a portion of Provincial Road 207
File GC-11

STANDING COMMITTEE RECOMMENDATION:

On June 13, 2006, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the administrative recommendation and submits the following to Council:

1. That the Chief Administrative Officer be delegated the authority to do all things necessary to settle the terms and conditions of a development agreement with The Province of Manitoba enabling the City to upgrade a portion of Provincial Road No. 207.

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

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DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On June 13, 2006, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the administrative recommendation and submitted the matter to the Executive Policy Committee and Council.

COUNCIL DECISION:

On November 22, 2000, Council adopted the "Water Treatment for the City's Water Supply", as follows:

1. That the City proceed with treatment of the water supply as described herein.
2. That design and construction activities be undertaken so that the water treatment plant be operational in the year 2006.
3. That the water treatment process as identified through the pilot testing and described herein be adopted as the baseline process for comparison to alternatives and new technologies.
4. That the Administration:
    A. Investigate and report on emerging technologies such as ultraviolet disinfection and membranes;
    B. Investigate and report on alternative project delivery strategies;
    C. Prepare documents in support of any application by Council for Federal and Provincial funding.

RE: Delegation of Authority to Chief Administrative Officer to settle the terms and conditions of a development agreement with Manitoba to enable the City to upgrade a portion of Provincial Road (PR) # 207.

FOR SUBMISSION TO: Standing Policy Committee on Infrastructure Renewal and Public Works

ORIGINAL REPORT SIGNED BY: Barry D. MacBride, P. Eng., Director
Water and Waste Department

REPORT DATE: May 18, 2006

RECOMMENDATION:

That Council delegate authority to the Chief Administrative Office to do all things necessary to settle the terms and conditions of a development agreement with Manitoba enabling the City to upgrade a portion of Provincial Road # 207.

Report Summary

KEY ISSUES:

- An upgrade to PR 207 for about 3 kilometres north of the Trans-Canada Highway is required to accommodate the development and use of the Deacon reservoir site for the water treatment plant.
- The estimated cost for the roadway upgrade to be borne by the City is $2.0 million.
- A development agreement between the Province and the City concerning this matter must be executed, so that the City has authority to undertake the work before construction begins.

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):

Regulatory Implications

X	None
	Eliminates or reduces regulatory impact
	Proposes regulatory impact

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): Funds for this project are included in the approved Capital Budget.

Report

REASON FOR THE REPORT:

Council approval is necessary to allow the Chief Administrative Officer authority to settle the terms and conditions of a development agreement with Manitoba.

HISTORY:

1993 Council approved the creation of the Water Treatment Reserve Fund to cash finance a portion of the WTP cost.

2000 On November 22, Council adopted the Water Treatment Program.

2006 On March 22, Council adopted a recommendation that the schedule for implementation of water treatment be amended such that the water treatment plant will be operational in 2008.

Funding in the amount of $227,342,000.00 has been approved in the 1994 to 2006 Capital Budget to undertake the Water Treatment Program.

DISCUSSION:

PR #207 is classified as a B-1 roadway. This limits the gross vehicle weight for delivery of concrete and other construction materials and equipment on the roadway to partial loads during non-Spring restriction periods. No heavy truck traffic is permissible during the 2-3 month Spring restriction period. Consequently, the road classification will increase the cost to deliver construction materials and equipment to the Water Treatment Plant (WTP) site and increase the time and cost to construct the works. The supply of chemicals for ongoing operation once the plant becomes operational is also affected.

In order to mitigate costs resulting from load restrictions on PR #207, the Water and Waste Department proposed to spend approximately $2.0 million to upgrade Provincial Road 207 from the Trans Canada, north to the access road to the WTP. In this regard, the City is considered a "developer" that requires upgrading of the roadway to serve our intended development and use of the site for the water treatment plant. The Province is therefore requiring that the City bear the cost of upgrading the roadway.

The length of road is about 3 kilometers. The Water and Waste Department has investigated various options to address access to the site during construction and subsequently, during on-going operations. This expenditure is more than offset by the resultant savings during construction and operation of the WTP.

On the basis of this commitment to upgrade PR 207, the Province of Manitoba Transportation and Government Services has allowed the City to haul heavier loads and lifted their weight restriction during this Spring's weight restriction period.

It is now necessary to execute a development agreement between the Province and the City concerning this matter, so that the City has authority to undertake the work before construction begins. This agreement will outline:

- the extent of the work that is to be undertaken by the City
- the standards for construction and criteria for acceptance of the work by the province
- safety requirements
- requirements relating to administration of the work
- insurance requirements
- provisions relating to assigning the contract, indemnification and changes to the agreement

The agreement must be signed by the Mayor and the City Clerk.

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:** May 15, 2006

Project Name: **First Year of Program 2006**

Delegation of Authority to Chief Administrative Officer to settle the terms and conditions of a development agreement with Manitoba to enable the City to upgrade a portion of Provincial Road (PR) # 207.

	2006	2007	2008	2009	2010
Capital					
Capital Expenditures Required	$ 2,000,000	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	2,000,000	-	-	-	-
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	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Funds for this project are included in the approved Capital Budget and are financed by the Water Treatment Reserve fund. This financial impact statement is a consequence of the agreement being in place. There is no financial impact to Council approval to delegate to the Chief Administrative Officer the authority to settle the terms and conditions of a development agreement with Manitoba.

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Moira L. Geer C.A.
Manager of Finance & Administration

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

Legal Services Division

External Consultation With: N/A

THIS REPORT SUBMITTED BY:

Department: Water and Waste Department
Division: Engineering Services Division
Prepared by: Tom Pearson
File No.: 020-18-29-05-00