Agenda – Executive Policy Committee – September 21, 2011

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – September 13, 2011

Item No. 2 New Capital Project – Water Feedermain and Wastewater Interceptor Sewer Extension to enable Servicing of CentrePort affiliated lands in the R.M. of Rosser

STANDING COMMITTEE RECOMMENDATION:

On September 13, 2011, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submits the following to Council:

1. That a water feedermain extension be approved in Inkster Boulevard (P.R. 221) as a new capital project in 2011 outside of the normal capital budget process at a total cost of $6,000,000 to be funded from Waterworks System Retained Earnings.

2. That a wastewater interceptor sewer extension be approved in Inkster Boulevard (P.R. 221) as a new capital project in 2011 outside of the normal capital budget process at a total cost of $11,000,000 to be funded from Sewage Disposal System Retained Earnings.

3. That funding for both projects be conditional on the City's contribution being a maximum of $8.5 million, which is equal to 50% of the total project cost estimated at $17.0 million and that the balance of the funding be provided by the Province of Manitoba.

4. That funding for both projects be further conditional on a satisfactory service sharing arrangement being executed between the City of Winnipeg and the Rural Municipality of Rosser which will include among other things capital cost recovery through incremental taxes generated.

5. 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, 2011

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – September 13, 2011

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On September 13, 2011, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: **NEW CAPITAL PROJECT FOR FUNDING OF WATER FEEDERMAIN AND WASTEWATER INTERCEPTOR SEWER EXTENSIONS TO ENABLE SERVICING OF CENTREPORT AFFILIATED LANDS IN THE RURAL MUNICIPALITY OF ROSSER**

Issue: The Province of Manitoba has requested that the City fund 50% of the costs for the initial phase of regional water and sewer services in Rosser required to facilitate CentrePort related development.

Critical Path: Standing Policy Committee on Infrastructure Renewal & Public Works – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
M. A. Shkolny, P. Eng. Manager of Engineering	B. MacBride, P. Eng Director of Water and Waste	Mike Ruta CFO	Deepak Joshi Chief Operating Officer

RECOMMENDATIONS

1. That a water feedermain extension be approved in Inkster Boulevard (P.R. 221) as a new capital project in 2011 outside of the normal capital budget process at a total cost of $6,000,000.00 to be funded from Waterworks System Retained Earnings.

2. That a wastewater interceptor sewer extension be approved in Inkster Boulevard (P.R. 221) as a new capital project in 2011 outside of the normal capital budget process at a total cost of $11,000,000.00 to be funded from Sewage Disposal System Retained Earnings.

3. That funding for both projects be conditional on the City's contribution being a maximum of $8.5 million, which is equal to 50% of the total project cost estimated at $17.0 million and that the balance of the funding be provided by Manitoba.

4. That funding for both projects be further conditional on a satisfactory service sharing arrangement being executed between the City and the Rural Municipality of Rosser which will include among other things capital cost recovery through incremental taxes generated.

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

REASON FOR THE REPORT

Council must authorize any change to the capital budget.

IMPLICATIONS OF THE RECOMMENDATIONS

The Province of Manitoba has advised that CentrePort requires water and wastewater sewer services for areas within the Rural Municipality of Rosser that are considered to be part of CentrePort's Stage 1A plan as attached. CentrePort has indicated that the Stage 1A lands will meet or exceed their projected requirements to 2020.

The water feedermain extension project will consist of approximately 1.1 kilometers extended westerly from an existing feedermain at the intersection of Inkster Blvd. at Brookside Blvd.

The wastewater interceptor sewer extension will consist of approximately 1.7 kilometers extended westerly from the existing interceptor at the intersection of King Edward Street at Inkster Boulevard to approximately 55 metres west of Brookside Blvd.

Limits of the feedermain and interceptor extensions are shown on the attached.

This water feedermain and interceptor sewer can eventually be extended farther west and south to accommodate servicing of lands within City limits west of the Winnipeg International Airport.

The Province of Manitoba has undertaken a conceptual servicing study to identify regional water and wastewater servicing requirements for approximately 5,330 hectares (13,165 acres) of land for industrial development adjacent to the Winnipeg International Airport and within the Perimeter Highway. These lands are both within the City of Winnipeg and the Rural Municipality of Rosser**.**

Lands within Stage 1A in Rosser are the first phase contemplated for development by CentrePort. Lands in Stage 1A are a mix of raw undeveloped land; partially and fully developed land. Developed lands are serviced with private services comprised of cisterns for water storage and holding tanks for wastewater storage where contents are hauled off-site for disposal. The exception to this is Maxim Trucking that fronts onto Brookside Blvd. (Route 90) that was provided water and sewer services through a servicing agreement under boundary road provisions in the former City of Winnipeg Act.

There are generally two areas that can facilitate new development in Stage 1A:

1. **South of Inkster:** The area south of Inkster and north of the CPR Carberry line is partially developed.
2. **North of Inkster:** The lands north of Inkster and up to the east-west extension of Roy Roche Drive are largely already developed. North of Roy Roche Drive is a relatively newer large lot industrial subdivision.

The adequacy of the ditch drainage system to service the relatively intense development of roads, buildings and parking lots has been questioned. Since these lands are in Rosser, the adequacy of ditch drainage would be primarily of concern to Rosser and the Province and not to the City of Winnipeg. However, the provision of adequate drainage is important in wastewater servicing in that the City of Winnipeg would not want land drainage runoff to be directed to the wastewater sewer system which could overtax the collection system and would cause an unnecessary additional treatment burden on the City. Therefore the City will be pursuing design information on land drainage systems within Rosser and any mitigation plans to ensure that this condition does not materialize.

Since all the lands to be serviced are within the R.M. of Rosser, the City has proposed as a condition of proceeding, that the City receive the incremental taxes generated within the serviced area, until our contribution to the project ($8.5 million) has been recouped.

In addition, prior to proceeding, Council will need to approve a service sharing agreement in accordance with the principles approved by Council in December of 2005.

HISTORY

At its meeting of December 14, 2005, Council approved the following general principles that service sharing agreements comply with:

A. Are government to government;

B. Are consistent with the City's existing and future capacity to provide the service;

C. Are founded on a strong business case to ensure the efficient delivery of the service in the region;

D. Incorporate a joint planning agreement to manage development and related environmental concerns;

E. Include a provision for tax/revenue sharing so that both the City and the partnering municipality share the costs and benefits associated with the delivery of the service.

Attachment



Phase 1 Stage 1A
2011-06-08.pdf

FINANCIAL IMPACT

Financial Impact Statement

Date: August 15, 2011

Project Name: **First Year of Program** **2011**

New Capital Project for Funding of Water Feedermain and Wastewater Interceptor Sewer Extensions to Enable Servicing of CentrePort Affiliated Lands in the Rural Municipality of Rosser.

	2011	2012	2013	2014	2015
Capital					
Capital Expenditures Required	$ 17,000,000	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ 17,000,000	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	8,500,000	-	-	-	-
Other - Provincial Contribution	8,500,000	-	-	-	-
Total Funding	$ 17,000,000	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 17,000,000				
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: Note that 50% of $6 million for Water Feedermain to be funded from Water Utility Retained Earnings and 50% of $11 million for Wastewater Interceptor Sewer to be funded from Sewer Utility Retained Earnings.

"Original signed by Lucy Szkwarek, C.G.A."

Lucy Szkwarek, C.G.A.
Acting Manager of Finance and Administration

sc
9-Aug-11

CONSULTATION

In preparing this report there was consultation with:

Manitoba Infrastructure and Transportation
AECOM Canada Ltd.

SUBMITTED BY

Water and Waste Department
Engineering Division
Prepared by: M. A. Shkolny, P. Eng.
Date: *September 1, 2011*
File No.: 020-06-02-07-01