Minutes – Executive Policy Committee – December 9, 2015

REPORTS

Item No. 1 Shoal Lake No. 40 First Nation Freedom Road Funding Agreement

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and recommended to Council:

1. That the City's previously stated intent be formalized, to provide a contribution to design costs associated with an all-weather western access road and two bridges ("Freedom Road Project") to provide access to the community of Shoal Lake No. 40 First Nation ("SL40") in the amount of 1/3 of the design costs to a maximum of $1,000,000.00, which contribution shall be made up of:

    A. one hundred per cent (100%) of the design costs incurred and paid by the City with respect to the Shoal Lake Aqueduct and Falcon River Diversion Bridges capital project previously approved by Council (the "City Costs"); and
    B. a cash grant to Shoal Lake No. 40 First Nation in an amount equal to $1,000,000.00 less the City Costs as determined by the Chief Financial Officer, which grant shall be utilized to reimburse Shoal Lake No. 40 First Nation for design costs incurred and paid by Shoal Lake No. 40 First Nation with respect to the road portion of the Freedom Road Project.

2. That the City enter into, execute and deliver all necessary agreements with the Government of Canada, the Province of Manitoba and Shoal Lake No. 40 First Nation to implement the intent of the foregoing, and that the Chief Administrative Officer be authorized to negotiate and approve terms and conditions of all such agreements in accordance with this report and such other terms and conditions deemed necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

3. That the Proper Officers of the City do all things necessary to effect the intent of the foregoing.

DECISION MAKING HISTORY:

Moved by Councillor Mayes,

That the recommendation of the Winnipeg Public Service be concurred in and forwarded to Council.

Carried

ADMINISTRATIVE REPORT

Title: **SHOAL LAKE NO.40 FIRST NATION FREEDOM ROAD FUNDING AGREEMENT**

Critical Path: **Executive Policy Committee – Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
T. W. Shanks, P. Eng. Manager of Water Services	M. L. Geer, CPA, CA Acting Director, Water and Waste Department	M. Ruta	D. McNeil CAO

RECOMMENDATIONS

1. That Council formalize the City's previously stated intent to provide a contribution to design costs associated with an all-weather western access road and two bridges ("Freedom Road Project") to provide access to the community of Shoal Lake No. 40 First Nation ("SL40") in the amount of 1/3 of the design costs to a maximum of $1,000,000.00, which contribution shall be made up of:

    A. one hundred per cent (100%) of the design costs incurred and paid by the City with respect to the Shoal Lake Aqueduct and Falcon River Diversion Bridges capital project previously approved by Council (the "City Costs"); and
    B. a cash grant to SL40 in an amount equal to $1,000,000.00 less the City Costs as determined by the Chief Financial Officer, which grant shall be utilized to reimburse SL40 for design costs incurred and paid by SL40 with respect to the road portion of the Freedom Road Project.

2. That the City enter into, execute and deliver all necessary agreements with the Government of Canada, the Province and SL40 to implement the intent of the foregoing, and that the Chief Administrative Officer be authorized to negotiate and approve terms and conditions of all such agreements in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

3. That the Proper Officers of the City do all things necessary to effect the intent of the foregoing.

REASON FOR THE REPORT

Council approval is required to formalize the City's participation as a funding partner with the Government of Canada, the Province and SL40 in the Freedom Road Project and to enter into any funding agreements necessary to effect such funding partnership.

EXECUTIVE SUMMARY

The City, the Province, SL40 and the Government of Canada have been working towards a funding partnership for the design of the Freedom Road Project. The City remains committed to the Freedom Road Project, as demonstrated by:

Design and construction

- Through its 2012, 2013 and 2015 adopted capital budgets, the City of Winnipeg has already committed a total of $4 million to proceed with the design and construction of the two required bridges, independently of other levels of government;
- Preliminary design of the two bridges started in 2012 and is now complete;
- In 2015, construction of the Falcon River Diversion Bridge got underway; and
- In early 2016, the City will engage a consultant for the detailed design of the Shoal Lake Aqueduct Bridge.

Interim Winter Road

- In 2010, the City paid $100,000.00, which was one third of the initial cost of creating a western access winter road to SL40; and
- In the winter of 2014-15, the City paid $50,000.00 to open the winter road for the bridge projects.

IMPLICATIONS OF THE RECOMMENDATIONS

Approval of the recommendations will formalize the City's previously stated intent to provide a contribution to the Freedom Road Project.

Funding agreements will be negotiated as required between the City, the Province, SL40 and the Government of Canada in order to effect the proposed funding partnership for the design of the Freedom Road Project.

HISTORY / DISCUSSION

In 1989, the Province and the City entered into the Shoal Lake Tripartite Agreement with SL40. The intent of the agreement is to protect and maintain the high quality of Winnipeg's drinking water source, and promote sustainable economic development for SL40.

The Shoal Lake Tripartite Agreement Committee has unanimously supported the goal of long term, secure access to the SL40 community.

Two permanent, all-weather bridges are required both for the winter road and any future all-weather road to cross City owned infrastructure. One of the bridges replaces the temporary bridge over the Falcon River Diversion Channel to the west of the community. The second bridge is required for long term vehicle traffic over the Shoal Lake Aqueduct, which is a buried pipe, but still requires protection from structural loads placed over it (the winter road crossing uses a temporary structure).

FINANCIAL IMPACT

Financial Impact Statement

Date: December 4, 2015

Project Name:

SHOAL LAKE NO.40 FIRST NATION FREEDOM ROAD FUNDING AGREEMENT

First Year of Program **2015**

	2015	2016	2017	2018	2019
Capital					
Capital Expenditures Required	$ 1,000,000		$ -	$ -	$ -
Less: Existing Budgeted Costs	1,000,000	-	-	-	-
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: To date $192,478 has been spent with respect to detailed design costs for the Falcon River Diversion and preliminary design for Shoal Lake Aqueduct bridges capital project. As per Recommendation 1 - the total commitment is $1 million and the actual cash grant towards the design phase of the road will be the $1 million commitment less the actual bridge design costs incurred.

"Original signed by L. Szkwarek, CPA, CGA"
Lucy Szkwarek, CPA, CGA
Manager of Finance and Administration

/dc

CONSULTATION

In preparing this report there was consultation with:
Legal Services (as to legal issues)

OURWINNIPEG POLICY ALIGNMENT

This report is in accordance with the OurWinnipeg policies through collaborating to ensure water quality.

OurWinnipeg Reference: 02-2 Environment

SUBMITTED BY

Department: Water and Waste
Division: Water Services
Prepared by: T. W. Shanks, P. Eng.
Date: December 4, 2015
File No.: 010-18-18-34-00