



COUNCIL REPORT
Corporate Initiatives
For the February 11, 2020 Council Meeting

DATE: February 4, 2020
TO: Paul Gipps, CAO
FROM: Jason Luciw, Communications Supervisor
RE: Green Infrastructure Fund – Safe Drinking Water Connections

RECOMMENDED MOTION:

THAT the City of West Kelowna apply under the second round of the Investing in Canada Infrastructure Program - Green Infrastructure Sub-stream seeking the maximum funding contribution of 73.33% towards eligible project costs to connect the Pritchard, Sunnyside and West Kelowna Estates Systems to the Rose Valley Water Treatment Plant; and,

THAT Council authorize the Mayor and Corporate Officer to execute the contribution agreement; and,

THAT Council authorize the required amendments to the 10-year Capital Plan in the event of a successful application.

RATIONALE:

The Green Infrastructure Sub-Stream supports projects that improve drinking water, wastewater and storm water systems and reduce soil and air pollutants via effective solid waste management.

Connecting the Pritchard, Sunnyside and West Kelowna Estates Systems to the new Rose Valley Water Treatment Plant will provide clean, safe drinking water to an additional 2,600 customers, or approximately 7,000 residents in the municipality.

LEGISLATIVE REQUIREMENTS:

Part 2 Section 6 of British Columbia's *Drinking Water Protection Act* states that a water supplier must provide, to the users served by its water supply system, drinking water from the water supply system that (a) is potable water, and (b) meets any additional requirements established by the regulations or by its operating permit.

BACKGROUND:

In September 2019 the Government of Canada and the Province of British Columbia announced a \$150 million commitment towards a second intake of the Green Infrastructure Program to support cost-sharing of infrastructure projects in communities across the province.

Canada and British Columbia allocated \$243 million to 13 local governments and First Nations under the first intake in August 2019. Due to significant competition versus the available funding, the City of West Kelowna, while well suited to the program, was unsuccessful in receiving funding. More than 100 applicants had submitted projects totalling \$810 million.

At the UBCM Convention in September 2019, the BC Government announced that a second Green Infrastructure Program would be launched, seeking applications from local governments and First Nations by February 26, 2020. West Kelowna senior management consulted with provincial counterparts to determine which municipal capital project would best fit the eligibility criteria of the new iteration of the program, if any. While provincial officials could by no means guarantee success, given ongoing heavy competition for grant programs, they confirmed that the Safe Drinking Water Connections Project would have the best chance of success.

A previous application in 2017 under the Gas Tax Strategic Priorities Fund was also unsuccessful due to heavy program competition, despite the merits of the application.

City of West Kelowna staff believe the project is deserving of a third attempt given that:

- Council's 2020 to 2020 Strategic Priorities reaffirm the need to invest in Infrastructure
- In correspondence dated December 10, 2015 and December 12, 2017, Interior Health directs the City to connect the Pritchard, Sunnyside and West Kelowna Estates Systems to the Rose Valley Water Treatment Plant once completed.
- The Water Utility Master Plan, adopted October 2014, explored several options and determined that Rose Valley Water Treatment Plant construction and connections to Pritchard, Sunnyside and West Kelowna Estates Systems were the best, most affordable approaches for the city and its water customers.

COUNCIL REPORT/RESOLUTION HISTORY:

Date	Report Topic/Resolution	Resolution No.
June 26, 2018	<p>It was moved and seconded:</p> <p>THAT the City of West Kelowna apply to the Investing in Canada Green Infrastructure Environmental Quality Program requesting the maximum funding contribution of 73.33% of eligible costs to connect the Pritchard, Sunnyside and West Kelowna Estates Systems to the Rose Valley Water Treatment Plant; and</p> <p>THAT the Mayor and City Clerk be authorized to execute the agreement for a successful application; and</p> <p>THAT the 10-year capital plan be amended as required for a successful application.</p> <p>The motion carried unanimously.</p>	C278/18

<p>April 18, 2017</p>	<p>It was moved and seconded:</p> <p>THAT the City of West Kelowna apply to the Gas Tax Strategic Priorities Fund requesting 100% funding for Sunnyside, Pritchard and West Kelowna Estates Transmission Mains;</p> <p>THAT Council amend the 2017 to 2026 Financial Plan as required for a successful application; and,</p> <p>THAT Council authorize the Mayor and Corporate Officer to execute the agreement for a successful funding application.</p> <p>The motion carried unanimously.</p>	<p>C261/17</p>
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FINANCIAL IMPLICATIONS:

The estimated cost connecting the Pritchard, Sunnyside and West Kelowna Estates Systems to the Rose Valley Water Treatment Plant is \$8,000,000. If the City of West Kelowna is successful in obtaining a grant under the Green Infrastructure Program, the federal and provincial governments would cover \$6,640,000. The City of West Kelowna would cover \$1,360,000 through water reserves and development cost charges. The majority of these costs are currently allocated in the 10-Year Capital Plan in the 2022 Budget Year.

REVIEWED AND APPROVED BY:

Warren Everton, Director of Finance/CFO
 Allen Fillion, Director of Engineering & PW
 Sandy Webster, Director of Corporate Initiatives
 Paul Gipps, CAO

Powerpoint: No
 Attachments: No