

STAFF REPORT TO COUNCIL

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DATE: January 21, 2022

TO: MAYOR AND COUNCIL

NAME AND TITLE: Deanna Wasnik, Director Planning and Development

SUBJECT: Hart Industrial Storm Drainage Treatment Project

ATTACHMENT(S): Hart Industrial Storm Drainage Treatment Loan Authorization Bylaw No. 8848, 2017.

RECOMMENDATION(S):

1. That Council **APPROVE** the proposed funding source changes as set out in the report dated January 21, 2022 from the Director of Planning and Development, titled “Hart Industrial Storm Drainage Treatment Project”.
2. That Council **APPROVE** the reduction of authorized debt liability under “Hart Industrial Storm Drainage Treatment Loan Authorization Bylaw No. 8848, 2017” by \$1,470,000.

PURPOSE:

The purpose of this report is to provide Council with a summary of Capital Expenditure Plan (CEP) #1437 Hart Industrial Storm Drainage Treatment project, its cancellation, and to request Council’s approval on the necessary funding source changes for this project.

BACKGROUND:

The City has been working to improve stormwater management in the Hart area and improve stormwater quality discharged to McMillan Creek that has continued to experience increased pressure from industrial development, pollution, the nearby highway, and contamination from sedimentation deposits. The following project was put forward to improve the stormwater capacity in the Hart area.

The project description received by Council in the 2017-2021 Financial Plan is as follows:

Storm detention and treatment facility located near the Blueberry Road and Highway 97. Depending on availability of land, the structure may be either an open channel treatment or an enclosed structure. A diversion structure will also need to be developed to divert flow to this treatment facility. Investigations into the water quality of the storm water being discharged into the McMillan Creek Watershed has revealed that it contains compounds that are detrimental to aquatic life.

The approvals received for this project included:

- Capital project was approved by Council in 2017-2021 Financial Plan for a total of \$1,470,000 with Municipal Finance Authority (MFA) Debt identified as the funding source;
- First three readings of Loan Authorization Bylaw; and,
- Final reading and adoption of Loan Authorization Bylaw after alternative approval process.

Planning and design work took place in 2018 and provided a number of options available to address the storm drainage treatment needs. The preferred option for a stormwater settling pond and wetland was identified and included land requirements. Portions of the land were unable to be acquired, placing the project on hold in 2018. The land is still unable to be acquired, it prevents the project from advancing; therefore, the project has been cancelled and will be reassessed.

DISCUSSION

The planning and conceptual design work completed to date provides information on alternative options to achieve the stormwater management objectives and will be used to redevelop the scope of this project that will be put forth as a new future capital project once reviewed and prioritized through the Integrated Stormwater Management Plan and roadmap. The portion of land that was acquired has potential use in the future redeveloped scope. Since the project is no longer feasible as conceptually designed, the funding from Hart Industrial Storm Drainage Treatment Loan Authorization Bylaw No. 8848, 2017 is no longer required.

FINANCIAL CONSIDERATIONS:

The Hart Industrial Storm Drainage Treatment Loan Authorization Bylaw No. 8848, 2017 approved on July 24th, 2017 authorized the amount of debt to be borrowed under the bylaw at \$1,470,000.

Expenditures

Expenditures to date and recommended funding sources are as follows:

Expenditure	Amount	Recommended Funding Source
Planning and conceptual design	\$74,196.51	Operating
Land	\$240,010.00	Endowment Fund Reserve

Planning and conceptual design costs will be capitalized if and when they result in a capital asset.

Debt Relinquishment

It is further recommended that Council approve a resolution to reduce the authorization for Hart Industrial Storm Drainage Treatment Loan Authorization Bylaw No. 8848, 2017 as there is no longer a need for the unissued amount of \$1,470,000.

Reducing the authorized debt liability of this bylaw by the amount unissued will reduce the overall estimated debt servicing costs on the liability servicing limit certificate by \$116,277.

SUMMARY AND CONCLUSION:

Hart Industrial Storm Drainage Treatment project CEP #1437 is unable to advance due to inability to acquire land; therefore, it is recommended to change the funding source for related expenditures to date. Approving the debt relinquishment recommendations in this report frees up room in the City's Liability Servicing Limit and keeps our debt capacity amounts current.

RESPECTFULLY SUBMITTED:

Deanna Wasnik, Director Planning and Development

**PREPARED BY: Tiina Schaeffer, Manager of Infrastructure Planning & Engineering and
Jessica Cave, Acting Strategic Financial Analyst**

Meeting Date: 2022/02/07