



REPORT TO MAYOR AND COUNCIL

PRESENTED:	OCTOBER 1, 2018 - REGULAR AFTERNOON MEETING	REPORT:	18-146
FROM:	ENGINEERING DIVISION	FILE:	5330-27-018
SUBJECT:	INVESTING IN CANADA INFRASTRUCTURE PROGRAM GRANT FUNDING		

RECOMMENDATION:

That Council authorize staff to submit an application for grant funding as part of the Investing in Canada Infrastructure Program – British Columbia, Environmental Quality Sub-Stream, for up to 73.3% of costs in relation with the Aldergrove Water Treatment Plant Tank Replacement Project; and further

That Council direct staff to include funding in the amount of \$164,329 in the 2019 budget for Council's consideration of approval, subject to the grant application for the Aldergrove Water Treatment Plant Tank Replacement Project as part of the Investing in Canada Infrastructure Program – British Columbia being successful.

EXECUTIVE SUMMARY:

The Investing in Canada Infrastructure Program – British Columbia is an agreement between various levels of government and other partners to cost share in infrastructure investments and projects. The Government of Canada is committed to investing \$3.917 billion in infrastructure projects in British Columbia over the next 10 years in key areas, including green infrastructure. The program has committed up to \$243 million towards projects that increase access to potable water.

Staff identified the Aldergrove Water Treatment Plant Tank Replacement Project as a potential candidate for grant funding. Since commissioning in 1999, the treatment plant's aluminum reaction and filter tanks have suffered from corrosion. The tank corrosion has now progressed to a stage where replacement is warranted. The tank replacement will ensure access to clean drinking water is maintained, with enhancement to, and protection of, public health, which is which is a key objective of the Program.

The estimated cost to complete the tank replacement is approximately \$3.4 million. The Investing in Canada Infrastructure Program – British Columbia can provide funding up to 73.3% of costs for eligible projects with the project owner being responsible for the remaining amount. Staff submitted a letter of intent for the grant funding prior to the August 28, 2018 deadline, which is currently under review by the relevant federal and provincial agencies. If the application is approved, \$2.5 million of grant funding could be made available for the tank replacement project.

PURPOSE:

The purpose of this report is to obtain a Council resolution that supports the Aldergrove Water Treatment Plant tank replacement project grant application to receive up to 73.3% in funding from the Investing in Canada Infrastructure Program – British Columbia.

BACKGROUND/HISTORY:

The Investing in Canada Infrastructure Program – British Columbia is an agreement between various levels of government and other partners to cost share in infrastructure investments and projects. In 2018, the Government of Canada and the Province of British Columbia signed the Integrated Bilateral Agreement for the Investing in Canada Infrastructure Program. This program invests in infrastructure that creates economic growth, sustains well-paying jobs, builds inclusive communities, and supports a low-carbon green economy. Over ten years the Government of Canada will invest \$3.917 billion, through the program, in British Columbia infrastructure in four key areas:

- 1) Green infrastructure
- 2) Community, Culture, and Recreation Infrastructure
- 3) Rural and Northern Communities Infrastructure
- 4) Public Transit

The Investing in Canada Infrastructure Program – British Columbia committed \$243 million in grant funding for the initial application intake for Green Infrastructure – Environmental Quality. Under the Green Infrastructure stream, projects that increase access to potable water are eligible to apply.

DISCUSSION/ANALYSIS:

The Aldergrove Water Treatment Plant was commissioned in 1999 utilizing two aluminum reaction tanks and three aluminum filter tanks for the removal of iron and manganese. Corrosion was observed inside the tanks soon after commissioning. Throughout the years, studies and assessments were completed to determine the cause of the corrosion and identify mitigating solutions. The cause of the corrosion was determined to be tuberculation corrosion and galvanic corrosion between stainless steel process piping and the aluminum tanks. Cathodic protection systems were installed on the three filter tanks to slow the corrosion; however, the tank corrosion has now progressed to a stage of the tanks requiring replacement due to areas of significant tank-wall thickness loss. The tank corrosion has been a gradual process with water quality not affected. During the 19 years of operations, the water produced has complied with or exceeded all related requirements and regulations.

In 2017, a study was completed to determine appropriate remediation or replacement options. The study concluded that the most appropriate option was to replace the tanks with stainless steel tanks. Detailed design of the replacement tanks is in progress.

The tank replacement will extend the life of the treatment plant, increase the reliability of the drinking water supply, and is a key component of the drinking water infrastructure in the Township. Maintaining access to clean drinking water enhances and protects public health, which is a key objective of the Investing in Canada Infrastructure Program. Therefore, staff submitted an application for the Aldergrove Water Treatment Plant tank replacement project to the Investing in Canada Infrastructure Program under the Green Infrastructure – Environmental Quality stream prior to the August 28, 2018 deadline. The application is currently under review by the federal and provincial governments and requires a Township's Council resolution before a decision can be made on our application.

Financial Implications:

Projects submitted for the Investing in Canada Infrastructure Program – British Columbia are eligible for project funding for up to 73.3%. The table below shows the estimated costs and available funding amounts.

Estimated Total Project Cost	Grant Contribution 73.3%	Current TOL Funding WTR1147	Additional TOL Funding Required
\$3,387,000	\$2,482,671	\$740,000	\$164,329

To be eligible for the \$2.5 million in grant funding, if approved, an additional \$164,329 is required to provide the Township's contribution to the project. Staff have confirmed that the funding envelope has been included in the 2018-2022 Five Year Financial Plan.

Respectfully submitted,

Robby Brar
JR. PROJECT ENGINEER
for
ENGINEERING DIVISION

This report has been prepared in consultation with the following listed departments.

CONCURRENCES	
Division / Department	Name
FINANCE DIVISION	K. Sinclair