



## REQUEST FOR DECISION REPORT

**TO: Finance Committee**

**FROM: Melissa Howey, Manager of Asset Management and Strategic Initiatives**

**IN COLLABORATION WITH: Linda Greenan, Manager of Financial Services**

**SUBJECT: Lund Water System**

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### ACTION/RECOMMENDATION

THAT the Committee recommend the Board approve a change in approach for the Investing in Canada Infrastructure Program for upgrades to the Lund Water System; and,

THAT the Committee recommend the Board approve a change in scope for the Infrastructure Planning Grant for Lund Water System Feasibility Phase 2; and,

THAT the Committee recommend the Board approve the application of a second Infrastructure Planning Grant to support Lund Water System Feasibility Phase 3; and,

THAT the Committee recommend the Board approve a budget amendment to increase the budget for both Phase 2 and Phase 3 of the Feasibility Study to \$30,000 and to recognize the approved and potential Infrastructure Planning Grant revenue of \$20,000.

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### PURPOSE/SUMMARY

To update the Finance Committee on the progress of the Lund Water System Investing in Canada Infrastructure Program for Environmental Quality Grant and Infrastructure Planning Grant and to recommend scope adjustments for these.

### BACKGROUND

In February 2022 the qRD submitted two grant applications pertaining to Lund Water System:

1. Investing in Canada Infrastructure Program for Environmental Quality ("Infrastructure Grant") for Lund Water System infrastructure upgrades.

## 2. Ministry of Municipal Affairs Infrastructure Planning Grant ("Planning Grant") for Lund Water System Feasibility - Phase 2.

The Planning Grant application was successful.

At the February Board meeting the Board approved \$10,000 from EA Feasibility Studies. Combined there is currently \$20,000 available for the Lund Water System Feasibility - Phase 2.

### **STRATEGIC PLAN:**

#### CLIMATE CHANGE

Explore possibilities for the provision of community water of sufficient quantity and quality in the Electoral Areas.

#### GOVERNANCE / MANAGEMENT EXCELLENCE

Make decisions with consideration to risk, costs, health and safety, and long term sustainability.

### **TYPE OF DECISION**

Directive Decision

### **DISCUSSION/ANALYSIS**

The Infrastructure Grant application was based on a 2019 "Lund Water District Water System Condition Assessment" prepared by McElhanney consultants. The report assessed the general condition of the infrastructure and provided a cost estimate that did not identify critical infrastructure to be prioritized for replacement or upgrades.

The Ministry of Municipal Affairs has appointed a Receiver to manage the affairs of the Lund Waterworks Improvement District. The Receiver is responsible for the effective and accountable governance of the Lund Water System Improvement District until a long term governance solution is identified.

The Receiver has the experience and capacity to investigate opportunities for creative solutions to address the state of the Lund Water System and has been actively engaged with qRD staff in this regard. The Receiver has approached qRD staff and the Province with a proposal to refine the Infrastructure Grant. This new direction will provide a prioritized approach to the infrastructure upgrades, a concept design for critical components and current cost estimates to get the system to a suitable standard and better reflect the prioritized needs for the Lund Water System.

To assist in refining the Infrastructure Grant and to make the grant application more appealing to the Province a change in scope of the Lund Water System Feasibility

Study - Phase 2 is recommended and an additional Phase 3 study is recommended. The Feasibility Study Phase 2 would be revised to address:

- A review of all previous reports and a site visit to Lund to source a location for a new water treatment plant and storage tanks.
- A conceptual design for a treatment plant and storage tanks, working with a system designer to ensure innovative ideas for procurement and construction are identified and properly costed, reducing the risk of variance to a probable cost estimate.

A Lund Water System Feasibility Study - Phase 3 is proposed for funding under a second \$10,000 infrastructure planning grant and would include:

- A detailed review of the distribution system to provide a prioritized list and cost estimates for the other parts of the water system that are not up to present day standards, including;
  - The addition of consumption meters, distribution piping, valves, hydrants, pumping systems etc.
- Review the existing dam structures, define the requirements for further assessment and provide a budget to engage a consultant to complete any necessary geotechnical and/or structural investigations, testing and/or design review.

It is recommended that both Phase 2 and Phase 3 Feasibility Studies take place simultaneously in order to refocus the Infrastructure Grant that is currently under review. Both Feasibility Studies will be combined into one report that will also provide an implementation schedule based on the prioritization of the work and the expected durations for detailed design and construction.

The cost estimate for the above scope of work is projected at \$30,000. The qRD currently has \$20,000 budgeted for this purpose. In order to fund the full scope of work an additional Ministry of Municipal Affairs Infrastructure Planning Grant could be requested. This Planning Grant funding opportunity is currently open for applications. A budget amendment is required to increase the budget for the project from \$20,000 to \$30,000, and the projected funding through the Infrastructure Planning Grant Program from \$10,000 to \$20,000.

## **FINANCIAL IMPACT**

All costs associated with the planning and potential conversion of the Lund Water System are budgeted from the Electoral Area Feasibilities Reserve. qRD has received approval of the \$10,000 grant for Feasibility Study - Phase 2. An additional application is required to request a further \$10,000 Planning Grant to help fund Phase 3 of the Feasibility Study.

## **CONCLUSION**

The proposed change in scope for the Planning Grant and a refined Infrastructure Grant will provide a prioritized approach to infrastructure upgrades, a concept design for critical components, recommendations for further dam investigation and current cost estimates that will better reflect the prioritized needs for the Lund Waterworks System.

An application for a second Infrastructure Planning Grant to support Lund Water System Feasibility Phase 3 will ensure a detailed report to support the revised Infrastructure Grant.

**Approved By:**

Michelle Jones, Manager of Administrative Services

**Status:**

Approved - 13 May 2022