

Request for Decision

Title	Alcomdale Water Pipeline
Proposed Motion	<ol style="list-style-type: none"> 1. That Council authorize the Mayor to submit a letter on behalf of Sturgeon County Council accepting the cost shared (90%) grant under the Water for Life program of \$313,380, funded by the Province for the detailed design of a water pipeline to Alcomdale. 2. That Council authorize the transfer of \$34,820 from the Utility Capital Reserve 8.19 for Alcomdale water pipeline engineering. 3. That Council direct Administration to proceed with Engineering of the Alcomdale water pipeline from Riviere Qui Barre.
Administrative Recommendation	<ol style="list-style-type: none"> 1. Administration recommends accepting the “Water for Life” grant of (\$313,380) for the detailed design of a water pipeline to Alcomdale. 2. Administration recommends meeting with the Alcomdale Water Co-op to discuss water and wastewater servicing options and transfer of Co-op assets to the County. 3. Administration recommends the construction of the water pipeline coming from Riviere Qui Barre, for the following reasons: <ol style="list-style-type: none"> a. As the County has a limited window to obtain the grant funding b. The pipeline will remain a fully owed County asset c. Pipeline will be available to additional County residents and as a result economically viable d. The County will have full control of utility rates.
Previous Council Direction	<p>03/24/2015 – Motion #105/15: That County Council directs Administration to prepare a local improvement plan for the Alcomdale Waterline, and complete the inter-basin transfer agreement application, after grant funding approval for the water supply line has been received.</p> <p>12/9/2014 – Motion #397/14: That County Council approves up to \$100,000 in funding from general operating reserve to complete an inter-basin transfer agreement application.</p> <p>10/28/2014 – Motion #333/14: That County Council accepts the recommendations of the Alcomdale Waterline Feasibility Report and that County Council approves submission of a request for funding under the Water for Life program to install a waterline from Busby to Alcomdale as outlined in the Alcomdale Waterline Feasibility Report.</p>

09/12/2014 – Motion #397/14: That County Council approves up to \$100,000 in funding from general operating reserve to complete an inter-basin transfer agreement application subject to public support determined by public consultation prior to January 31, 2015.

28/10/2014-Motion #334/14: That County Council approves submission of a request for funding under the Water for Life to install a waterline from Busby to Alcomdale as outlined in the Alcomdale Waterline Feasibility Report.

28/10/2014-Motion #333/14: That County Council accepts the recommendations of the Alcomdale Waterline Feasibility Report.

12/10/2013 - Motion #542/13: That County Council approves submission of the Amended Action Plan to Alberta Environment and Sustainable Resource Development (AESRD) by December 31, 2013.

10/08/2013 – Motion #440/13: That County Council directs Administration to research and investigate costs associated with an interim solution to provide potable water for use by the residents of Alcomdale.

04/23/2013 - Motion #165/13: That County Council approves up to \$25,000 in funding from contingency to complete a feasibility study to assess the water supply options for Alcomdale Water Co-operative.

Report Background Information

- On June 21, 2013, Alcomdale was issued a Boil Water Advisory by Alberta Health Services, as a result of a reclassification of their raw water source. The letter indicated that the advisory would stay in effect until a new source of water or treatment could be determined.
- Associated Engineering completed a feasibility study in 2014, the report identified two waterline options: (1) from Riviere Qui Barre and (2) from Westlock Regional Water Services Commission at Busby.
- On November 14, 2014, Associated Engineering, (on behalf of Administration), submitted an application to request funding for a water pipeline to Alcomdale under Water for Life Program.
- On June 16, 2016 Sturgeon County received a letter from the Minister of Alberta Infrastructure and Transportation, that stated Sturgeon County will receive a grant of 90% of the estimated eligible projects, or up to \$313,380 for the detailed design of a water pipeline to Alcomdale.
- Upon notice of the received grant funding, Associated Engineering conducted a Cost Benefit Analysis on the two routes to explore the return on investment of each proposed option. The report discussed that the waterline from Riviere Qui Barre would pay for itself over a 25-year period and provide Sturgeon County the opportunity to generate revenue to offset the operational costs from the waterline, as well as provide water servicing options to rural residents along the length of the line. This same opportunity did not exist on the Busby Line. Furthermore, a waterline from Riviere Qui Barre to Alcomdale would remove the requirement for an inter-basin transfer agreement which would

significantly delay the project, and avoid the need to negotiate with another Water Commission for water rates.

External Communication

- Administration will attend Alcomdale Water Co-op Meeting on October 13, 2016, at the Alcomdale Community Hall.
- Administration will proceed with a community survey to gauge the level of commitment to the plan.

Relevant Policy/Legislation/Practices:

- 2012 Standards and Guidelines for Municipal Waterworks, Wastewater and Storm Drainage Systems
- Alcomdale License to Operate

Implication of Administrative Recommendation

Strategic Alignment:

Respect the Natural Environment - Sturgeon County will continue to comply with Provincial and Federal regulations and legislation.

Maintain and Enhance Strong Communities – A water pipeline to Alcomdale promotes and protects the safety of people and property to ensure safe drinking water.

Strong Local Governance and Regional Leadership – constructing a waterline to Alcomdale considers fiscal stability and sustainability as it is the only option that provides a positive net revenue.

Planned Growth – A water pipeline to Alcomdale will promote and target growth around planned infrastructure.

Organizational:

Additional work will include; meeting with the water coop, engaging the community to determine their level of support for the project and a Local Improvement Tax, design and construction of the waterline.

Financial:

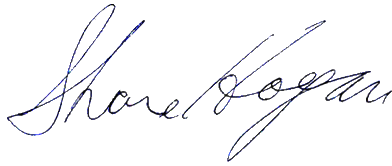
- The Engineering costs are estimated to be \$348,200 with 90% contribution from provincial grant funding. The county's contribution therefore is \$34,820 for engineering. These costs will be funded via reserves. The construction costs are estimated to be in the range of \$3.1M to \$5.1M.
- Considering life cycle cost over a 25-year period, a waterline from RQB to Alcomdale is estimated at \$5.1M, with a net revenue potential of \$0.36M, where as a waterline from Busby is estimated to cost \$3.5M and a net loss of (\$0.48M).
- The RQB option will pay for itself over a 25-year period providing a return on Sturgeon County's investment.
- Administration is currently working with the Province regarding construction funding. It is possible that a debenture would be required

	<p>for Sturgeon County's portion to be recouped through utility rates and connection fees.</p> <ul style="list-style-type: none"> Administration was also notified that these funds are expected to be fully dispersed by Spring of 2018. The Busby option did not show a positive return on investment.
Alternatives Considered	<ol style="list-style-type: none"> Council refuse grant funding and look for other options (i.e. hauled water). Council authorize waterline coming from Westlock Regional Water Services Commission.
Implications of Alternatives	<p><u>Strategic Alignment:</u></p> <ol style="list-style-type: none"> Planned Growth – A water pipeline to Alcomdale will promote and target growth around planned infrastructure and still provide servicing to rural residents. Respect the Natural Environment - Sturgeon County will continue to comply with Provincial and Federal regulations and legislation. Strong Local Governance and Regional Leadership – constructing a waterline to Alcomdale from Busby is the most economical short-term option that would have the least amount of immediate financial impact to the County. <p><u>Organizational:</u></p> <ul style="list-style-type: none"> Alternatives (1) and (2) will require additional work with the community. Alternative (2) could pose a risk of losing our funding, since a water pipeline coming from Westlock Regional Water Services Commission will result in the need for an Inter-basin Transfer Agreement that will delay the project past the funding deadline. <p><u>Financial:</u></p> <ul style="list-style-type: none"> Alternative (2): would require residents to install cisterns and abandon the existing system is estimated to cost \$400,000. Installing cisterns would transfer the responsibility and costs for the system maintenance and water supply directly onto the individual resident. Alternative (2): exposes County residents to utility rates that are controlled by Westlock County rather than Sturgeon County.
Follow up Action	<ol style="list-style-type: none"> Administration will send a letter to the Province accepting the grant for engineering of the Alcomdale water pipeline from Riviere Qui Barre. Administration will meet with the Alcomdale Water Co-op on October 13, 2016 Administration will engage with Alcomdale to determine level of support of the project. Administration will return to Council with engagement findings Administration will return to Council with a Local Improvement Tax Bylaw
Attachment(s)	<ol style="list-style-type: none"> Alcomdale Waterline Option Re-evaluation, 2016

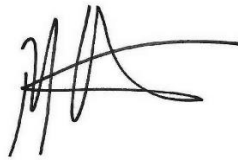
Report Reviewed
by:



Jeff Yanew, Utility Operations Supervisor



Shane Hogan, Acting General Manager, Municipal Services



Rick Wojtkiw, GM Corporate Support



Peter Tarnawsky, County Commissioner – CAO

Strategic Alignment Checklist

Vision: Sturgeon County: a diverse, active community that pioneers opportunities and promotes initiative while embracing rural lifestyles.

Mission: Provide quality, cost effective services and infrastructure to meet the diverse needs of the Sturgeon County community, while improving competitiveness and sustainability.

Focus Areas	Not consistent	N/A	Consistent
Strong Local Governance and Regional Leadership			
<i>We promote consistent and accountable leadership through collaborative and transparent processes (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Consistent with neighborhood role (see MDP), master plans, policies</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Considers fiscal stability and sustainability</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Has a positive impact on regional and sub-regional cooperation</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Respect the Natural Environment			
<i>We acknowledge the importance of a healthy environment and will minimize and monitor our impact on ecosystems (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Compliance with Provincial and Federal regulations and/or legislation</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Ensure effective environmental risk management</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Community Identity & Spirit			
<i>We will build upon our strengths, where together we will create an inclusive, caring community (Strategic Plan, (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Promotes and/or enhances residents' identification with Sturgeon County</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Enhances service provision through community partnerships</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Supports Sturgeon County's cultural history</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Planned Growth and Prosperity			
<i>We encourage varied and integrated enterprises that enhance our strong economic base, while balancing the needs of the community and natural environment. (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Does the proposal align with the Integrated Regional Growth Strategy (map/policies) pg. 26 MDP</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Considers cumulative costs and long-term funding implications</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Targets growth around current or planned infrastructure</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Maintain and Enhance Strong Communities			
<i>We are committed to a safe, secure community, where our residents are respected and provided with access to opportunities. (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Positive impact on residents' quality of life</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Supports and promotes volunteer efforts</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Provides programs and services that are accessible to all residents</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Operational Excellence			
<i>We have the organizational capability to deliver consistent and defined levels of service to all stakeholders in a professional, efficient, and cost effective manner</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Staff have the knowledge, skills and capability to perform their jobs</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Streamlines operational processes and policies</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Promotes engagement and professional interaction with stakeholders</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Considers a cost-structure which allows Sturgeon County to remain competitive within a regional, national and global context</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>