

Request for Decision

Title	Summerbrook Reservoir Upgrade Deferral
Proposed Motion	That Council authorize the deferral and phased approach of the Summerbrook Reservoir Project from the 2019 Utility Capital Plan to the 2021 Plan.
Administrative Recommendation	Administration recommends deferring and phasing the Summerbrook Reservoir Upgrade Project over a two-year period from the 2019 Utility Capital Plan to the 2021 Plan and spanning the project over a period of two years.
Previous Council Direction	None.
Report	<p><u>Background Information</u></p> <ul style="list-style-type: none"> • Sameng Engineering (Sameng) was retained by the County in 2013 to conduct the “<i>Sturgeon Valley Fire Protection Study</i>”. The study helped provide a strategic water servicing framework for Sturgeon Valley. • In 2017, Sameng was requested to revisit the 2013 report for the purpose of updating cost estimates for the County’s Off-site Levy Bylaw and the 10-Year Utility Capital Plan. • The updated 2017 Sameng report identified several improvements required to meet projected growth demands in Sturgeon Valley (e.g. reservoir storage increase at Allin Ridge Reservoir, which was completed in 2017). • The recommendation for the Summerbrook and Greystone Subdivision was to upgrade the Summerbrook Reservoir and Pumphouse to provide fire flow requirements (100 litres per second) from the facility instead of upgrading the entire residential water piping system, which would have been at a significant cost. • Sameng provided the County with an estimated capital budget of \$1.5 million for the upgrade of the Reservoir at the conceptual stage. • In November 2018, the County tendered the design and project management on the Alberta Purchasing Connection and awarded the Summerbrook Reservoir Upgrade Project to Associated Engineering.

- From January to May 2019, the County worked with Associated Engineering on the design requirements, looking specifically at items that would allow the station to be more automated.
- In June 2019, the County learned that pre-tendering design estimates had come to \$2.4 million, approximately \$900,000 over the initial estimate.
- Recognizing the importance of the Summerbrook Reservoir capital upgrade to Sturgeon Valley’s growth, Utility and Waste Management Services recommends the County defer the project and phase the project over the next two years to offset the financial demand on the Utility capital reserves.
- Utility and Waste Management also believes by deferring the project at this time that it will allow for more favorable construction estimates.

External Communication

- None.

Relevant Policy/Legislation/Practices:

- Off-site Levy Bylaw 1446/19
- Debt Management Policy
- Reserve Policy

Implication of Administrative Recommendation

Strategic Alignment:

Strong Local Governance and Regional Leadership – The authorization from Council to proceed with deferring and phasing the Summerbrook Reservoir Project over a period of two years demonstrates strong financial management practices that align with County policies regarding debt management, fiscal stability and sustainability of the Utility.

Planned Growth – Continuing with the Summerbrook Reservoir Upgrade Project demonstrates commitment to managing growth for future development in Sturgeon Valley.

Organizational:

The deferral and phasing approach of the Summerbrook Reservoir project would help spread out some of the workload identified in the 10-year Utility Capital Plan. Tendering construction in two stages would also provide substantial lead time to equipment vendors, which could lower the risk of project delays and potential cost overruns.

Financial:

Summerbrook Reservoir - Phase 1

- **Estimated Cost: \$1,500,000**
- Interior building works with construction completion by 2021.
- Process upgrades including four new pumps, relocation of the fill line and upgrades to existing truckfill.

	<ul style="list-style-type: none"> • Power and automation upgrades to the new electrical room. • Structural upgrades to the existing concrete and support for a new 50 mm truck fill. <p><i>Summerbrook Reservoir – Phase 2</i></p> <ul style="list-style-type: none"> • Estimated Cost: \$900,000 • Exterior building works with construction completion in Fall of 2022. • Underground piping upgrades, fire hydrant installation, asphalt and drainage enhancements. • New permanent diesel generator.
Alternatives Considered	Council could authorize Administration to continue with the Summerbrook Reservoir Upgrade Project for 2019 and Administration would investigate alternative funding sources to meet the forecasted budget of \$2,400,000.
Implications of Alternatives	<p><u>Strategic Alignment:</u></p> <ul style="list-style-type: none"> • Planned Growth – Continuing with the Summerbrook Reservoir Upgrade Project demonstrates commitment to managing growth for future development in Sturgeon Valley. <p><u>Organizational:</u></p> <ul style="list-style-type: none"> • Proceeding with of the project this year would allow Administration to complete the project as originally contemplated in the 10-Year Utility Capital Plan. <p><u>Financial:</u></p> <ul style="list-style-type: none"> • The project is estimated at \$2,400,000. • Administration would be required to investigate alternative funding sources (i.e. Debenture or Offsite Levies) to meet the \$900,000 shortfall.
Follow up Action	<ol style="list-style-type: none"> 1. If Council supports the recommended motion, Administration will update the 10-Year Utility Capital Plan to reflect the deferral and phased approach. 2. If Council directs Administration to continue with the project as contemplated in the 2019 budget, a debenture bylaw would likely be required to be brought back to council for approval.

Attachment(s) | None.

**Report Reviewed -
by:**



Jeffrey Yanew, Manager, Utility & Waste Management Services



Scott MacDougall, General Manager, Infrastructure Services



Reegan McCullough, 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
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 and MDP pg. 36)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Supports a strong thriving business environment to strengthen our economic foundation</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Plans for responsible growth through the MDP and regional growth plan.</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Manages growth for current and future developments through: <ul style="list-style-type: none"> <i>transparent bylaws, policies and processes to enable responsible land development</i> <i>targeting growth around existing and identified future growth areas</i> </i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Maintain and Enhance Strong Communities			
<i>We are committed to a safe and viable community, where our residents are provided with access to opportunities and quality of life. (Strategic Plan and pg. 27 MDP)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Provides access to programs and services that have a 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>Provides access to safe and reliable infrastructure assets</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Supports the safety of people and property</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Strong Local and Regional Governance			
<i>We promote consistent and accountable leadership through collaborative and transparent processes (Strategic Plan and pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Provides effective leadership and management consistent with Strategic Plan, MDP, master plans, bylaws, policies, community engagement</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>Fosters collaborative intergovernmental partnerships</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 and MDP pg. 27)</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>Support and/or collaborate with voluntary organizations in the region</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Environmental Stewardship			
<i>We foster a healthy environment and minimize our impact on ecosystems. (Strategic Plan and MDP pg. 27)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Plans and partnerships that minimize environmental impact on natural areas</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Provides awareness of environmental issues impacting the County</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>