

April 18, 2018

To: Members  
Executive Committee

Re: Buffalo Pound Water Treatment Corporation (BPWTC) – BCF (Building Canada Fund),  
National Regional Projects (NRP), Provincial-Territorial Infrastructure Component  
(PTIC) – Proposed Project

---

### RECOMMENDATION

1. That the Executive Director, Financial and Corporate Services or his designate be authorized to provide approval to the Buffalo Pound Water Treatment Corporation (BPWTC) to submit an application under the Building Canada Fund (BCF), National Regional Projects (NRP), Provincial-Territorial Infrastructure Component (PTIC), for the Lake Pump Station Electrical and Pump Upgrade Project (Project).
2. That this report be forwarded to the April 30, 2018 meeting of City Council for approval.

### CONCLUSION

Administration from the BPWTC, the City of Regina (Regina) and the City of Moose Jaw (Moose Jaw) have recently become aware of the potential eligibility of the Lake Pump Station Electrical and Pump Upgrade Project under PTIC funding, as a stand-alone project (not under Regina's PTIC allocation). As per the BPWTC Unanimous Membership Agreement, Regina and Moose Jaw, as voting members, must provide the necessary authority for the BPWTC to seek financial support from any other level of government. As such, the BPWTC requires authorization from both Regina and Moose Jaw to apply for PTIC funding for the Project.

### BACKGROUND

In 2016, the Government of Canada announced the Clean Water Wastewater Fund (CWWF), under the BCF. The BPWTC, with approval from Regina and Moose Jaw, applied for CWWF funding for its Electrical Upgrade Capital Project, with an approximate cost of \$40.422 million.

Pursuant to section 5 of The Unanimous Membership Agreement, the BPWTC requested authority from Regina and Moose Jaw to proceed with submitting the application:

5.2 ***Matters for City Approval.*** The Corporation shall not take any of the following actions without the prior approval of each of the Cities:

- (g) seeking financial support or any changes to legislation or regulation from any Governmental Authority other than the Cities, save and except for support or changes

relating to operational items, changes to processes, technology or methods being used by the Corporation;

The application, submitted in January 2017, was not successful due to the Government of Saskatchewan's decision that if the project was approved, a portion of the costs would come from Regina's CWWF allocation. The City of Regina did not agree with this decision and, further, had already fully allocated its funding provided.

At the November 27, 2017 meeting of City Council (CR17-114), authorization was provided for the BPWTC to secure external financing of \$45 million including the City of Regina providing a guarantee of the principle sum of \$33.3 million plus related debt interest or other costs of the debt (based on the City's 74 per cent ownership share of BPWTC) for the Electrical Plant Upgrade Project. The \$33 million guarantee is included as part of the City's overall debt when determining the City's overall debt in relation to its debt limit.

## DISCUSSION

The Electrical Plant Upgrade Project was originally planned as three tender packages: Main Plant Electrical Upgrades, Transmission Line and Lake Pump Station Electrical and Pump Upgrades. The package of work was estimated at \$40.422 million.

The Main Plant Electrical Upgrades and Transmission Lines Projects are no longer eligible for funding, as these projects have been tendered and awarded for construction. The only remaining project in the package is the Lake Pump Station Electrical and Pump Upgrades for an estimated \$28.1 million.

In January 2018, the Government of Saskatchewan, through a survey completed by the BPWTC, determined that the Electrical Upgrade Capital Project would be considered as an eligible project under the PTIC funding stream as a stand-alone application. Support of the project as a stand-alone application, with no impact to any City of Regina PTIC projects, was a condition and caveat for Regina's support. Moose Jaw does not have a set allocation under PTIC; as such, there was no such caveat placed on their support.

On March 14, 2018, the Ministry of Government Relations informed the BPWTC that the Electrical Capital Upgrade project would be forwarded to the Government of Canada for funding consideration under PTIC. However, the BPWTC still requires Council approval from Regina and Moose Jaw to submit the application, as per the terms of the Unanimous Membership Agreement.

On March 28, 2018, the BPWTC Board of Directors approved a resolution to make formal application to the cities of Regina and Moose Jaw, seeking approval to submit a PTIC application for the Project. Pending approval from both Councils, the BPWTC has until

September 2018 to submit its Business Case, Environmental Assessment, and Indigenous Duty to Consult questionnaires.

Moose Jaw will be forwarding an Executive Committee report seeking authority for the BPWTC's PTIC application on April 23, 2018; followed by Council consideration on May 14, 2018.

## RECOMMENDATION IMPLICATIONS

### Financial Implications

The approval required is to meet the terms of the Unanimous Membership Agreement and enable BPWTC to apply for funding under PTIC. Should the application be successful, instead of funding 100 percent of the Lake Pump Station Electrical and Pump Upgrades project (\$28.1 million), the BPWTC will only fund its 33.3 per cent portion, or \$9.4 million reducing its overall financing requirements by \$18.7 million (City of Regina guaranteed portion \$13.8 million).

### Environmental Implications

None with respect to this report.

### Policy and/or Strategic Implications

The Electrical Upgrade Capital Project, once complete, will assist in allowing the BPWTC to operate for another 25 years and minimize the risks of electrical problems from occurring, which will improve the reliability of the BPWTC. As a partner in the BPWTC, it is strategic for the cities of Regina and Moose Jaw to support the BPWTC's application for funding for the Project.

### Other Implications

None with respect to this report.

### Accessibility Implications

None with respect to this report.

## COMMUNICATIONS

Any and all communication activities will be discussed between all parties involved.

DELEGATED AUTHORITY

The recommendations contained in this report require City Council approval.



Sheila Harmatiuk  
Senior Advisor,  
Government & Indigenous Relations



Barry Lacey, Executive Director  
Financial and Corporate Services