

Report to Council



Date: September 17, 2019
File: 1890-20
To: City Manager
From: Ron Westlake, Senior Engineer - Infrastructure
Subject: 2018 Budget Amendment – Phase 2 Water Integration Project

Recommendation:

THAT Council receives for information, the report from the Senior Engineer – Infrastructure, dated September 17, 2018 regarding a 2018 Budget Amendment – Phase 2 Water Integration Project;

AND THAT the 2018 Financial Plan be amended to include twelve million dollars (\$12 million) of Provincial funding for the Phase 2 Water Integration Project.

Purpose:

To amend the 2018 Financial Plan to include the Provincial funding for the Phase 2 Water Integration Project.

Background:

Work has begun on Phase 1 of the Water Integration Project that provides the infrastructure that allows for the integration of the South East Kelowna Irrigation District and the South Okanagan Mission Irrigation District. A Design/Build contract was awarded in May, 2018 and the project is expected to be completed by early 2020.

Since Phase 1 was awarded, the City was successful in receiving Provincial funding for Phase 2 of the Water Integration Project. Phase 2 includes the extension of a water transmission main along KLO Road from the inner/lower City to the Southeast Kelowna bench, a water transmission main in the lower Mission and expansion of a key reservoir on the south-west Kelowna bench. These important and strategic works improve the City's capacity in the south and central areas and its ability to eventually interconnect with additional independent water systems.

The City has executed a funding agreement with the Province for these new funds. The completion date for the funded works is March 31, 2021.

Some of the components of the funded works will be added to the Design/Build contract for Phase 1 once Council has approved this budget amendment. Other components will be completed through separate contracts in the upcoming two years.

Internal Circulation:

- Financial Planning Manager
- Infrastructure Delivery Department Manager
- Infrastructure Engineering Manager
- Infrastructure Operations Department Manager
- Utility Planning Manager

Financial/Budgetary Considerations:


The additional costs and required funding associated to the extension of a water transmission main along KLO Road from the inner/lower City to Southeast Kelowna bench, the water transmission main in the lower Mission and the expansion of a key reservoir on the south-west Kelowna bench is not part of the City's current financial plan. The 2018 Financial Plan will require an amendment as detailed in the Recommendations section of this report. The 2018 10 Year Capital Plan will also require an amendment. Finance staff will be working closely with the various stakeholders including the province in order to record and review all financial transactions.

Considerations not applicable to this report:

- Legal/Statutory Authority
- Legal/Statutory Procedural Requirements
- Existing Policy
- Personnel Implications
- External Agency/Public Comments
- Communications Comments
- Alternate Recommendation

Submitted by:

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Senior Engineer, Infrastructure

Approved for inclusion:  A. Newcombe, Divisional Director, Infrastructure

cc: City Clerk
Deputy City Manager
Divisional Director, Corporate Strategic Services
Divisional Director, Financial Services
Infrastructure Delivery Department Manager
Infrastructure Engineering Manager
Infrastructure Operations Department Manager