

To: Mayor and Members of Council

April 18, 2011

Re: WCRM158 Wastewater Management Authority Inc. Financial Plan

Background

At the last Wastewater Authority meeting the board agreed on a financial plan for the Wastewater Project, as attached, and is looking for approval from both Councils.

Discussion

Attached is the WCRM158 Wastewater Management Authority Inc. Financial Business Plan. The Plan is consistent with the original direction from the authority. The Grant will be split 50/50 between the Town and the RM of Edenwold. The cost of the remediation of the White City Lagoon will be paid for by the existing White City lots and Bower West Phase 3. The additional irrigation will be paid for by the existing Emerald Park lots and new development. The remainder of the costs will be shared equally.

Each municipality has made application to the SIGI Program for an interest rate subsidy on a \$4,000,000 loan.

The grant money will offset the amount existing ratepayers will have to contribute to the wastewater project. The existing Town of White City lots will be responsible for \$515,218.35 of the project. This works out to approximately \$610/lot.

New Development will be charged a per lot fee as an offsite fee for wastewater. The new development fees that are collected will be split 50/50 between the RM and the Town to be put towards the municipal loans for this project.

The authority is requesting both municipalities to approve this financial business plan.

Budget Implications

None

Conclusion

After much deliberation on how the cost of the wastewater project and Stimulus grant should be shared between the RM and the Town, the Authority has come to an agreement on how to fund this project. An agreement has been prepared for the two Councils to endorse.



Town Manager

Recommendation

Administration recommends the following motion be passed:

THAT the Financial Business Plan as prepared by the WCRM158 Wastewater Management Authority Inc. be approved and a copy be attached hereto.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Shauna Bzdel".

Shauna Bzdel,
Town Manager

WCRM158 Wastewater Management Authority Inc.

Financial Business Plan

BACKGROUND

The WCRM158 Wastewater Management Authority Inc. has embarked on a process that will lead to a long term solution for the conveyance, treatment and disposal of municipal waste water. The project began in 2009 with the formation of the Authority.

The first phase of the project is the construction of a conveyance system from the lagoons at Emerald Park to the existing White City lagoon. This project was designed to serve the existing Emerald park development as well as future development in both communities. In addition to the conveyance project the authority has undertake other studies in preparation for the next and future stages of the process to a long term solution to the wastewater treatment for the communities. They include

Sewage Works and Sustainability Assessment of the existing White City lagoon and Irrigation system. The study was completed in Oct 2010 at a total cost of \$46,000. The Town of White City paid the total cost of this study. The study concluded that the White City lagoon is leaking and needs to be rehabilitated if it is to continue in operation. The study also concluded that the use of the existing irrigation facility is sustainable.

Short Term Solution Facilities Expansion This study was conducted in two stages firstly the preliminary design and next the detailed design and preparation of tender documents. This project involves the constructions of a new 17 hectare storage lagoon, the clay lining of the existing White City lagoon and conversion into a primary treatment lagoon and a new irrigation pumping station with additional irrigation capacity. The total cost of the studies to date is \$300,000. The detailed design for the storage lagoon and rehabilitation of the White City lagoon is competed and tenders have been received. The detailed design of the expanded irrigation system is just beginning and is expected to be tendered mid 2011. The current estimated cost for the short term project is \$6.2 million. The study costs to date have been shared equally by the Town and the RM

Long Term Solution Work is expected to begin in late 2011 on the preliminary design of the long term solution being the construction of a Mechanical Biological Treatment Plant expected to cost in the vicinity of \$7 to \$10 million

By mid 2011 it is expected that the conveyance system will be completed. The next stage for the project is the construction of the new storage lagoon and the lining and conversion of the existing White City lagoon into a primary lagoon. The first stage of the storage lagoon needs to be completed by September 2011 to allow treated effluent from the Emerald Park lagoon to be transferred to the new storage lagoon and disposed of through irrigation.

ALLOCATION OF COSTS

The purpose of the new and expanded facilities to allow for continued growth in the two communities of Emerald Park and White City.

DEVELOPMENT AREA AND LOTS

Area		Lots
RM of Edenwold (Emerald Park)		510
Town of White City		850
Bower West Phase 3 (10)		150
New Development		1650
		3160

The following table shows the planned projects and the estimated cost of each. (At this time we will deal only with the Short term costs which total \$11,414,000.)

Project Cost Table

Project	Cost Estimate
Force main	\$500,000
Gravity Main	\$2,151,000
Lift Station	\$2,600,000
White City Lagoon	\$1,663,000
Storage Lagoon	\$2,500,000
Irrigation	\$2,000,000
Mech Bio Plant	\$0
Short term cost	\$11,414,000

The above projects, when completed will allow development to continue up to 2014, following which the treatment plant is scheduled to be constructed which will provide for growth in the communities up until 2027. The various overall project components will serve the areas for current and future development in different ways, so the following table shows the various project components and what areas of current and future development they will serve.

The next step is to determine what the cost per lot is based on the benefit it receives from the various project components. The following table shows projects broken down into the cost per lot served.

AREA BENEFIT TABLE

Project	Cost	BENEFIT AREA					
		New Dev	BW3	EP	WC	# of Lots	Cost per lot
Force main	\$500,000	y		y		2160	\$231
Gravity Main	\$2,100,000	y		y		2160	\$972
Lift Station	\$2,651,000	y		y		2160	\$1,227
White City Lagoon	\$1,663,000		y		y	1000	\$1,663
Storage Lagoon	\$2,500,000	y	y	y	y	3160	\$791
Irrigation	\$2,000,000	y		y		2160	\$926
Mech Bio Plant	\$0	y	y	y	y	3160	\$0
Total	\$11,414,000						

The next table combines the project cost per lot with the area benefit table to produce a total cost per lot based on the total project. It also show the total cost per area and the cost for the existing developed areas of both Emerald Park and White City

The next step is to determine what the cost per lot is based on the benefit it receives from the various project components. The following table shows projects broken down into the cost per lot served.

TOTAL COST PER LOT BY AREA

Benefit area	lots	Total Cost per lot	cost per area	Grant	CONTRIBUTION
New Development	1650	\$4,148	\$6,844,338		
Emerald Park	510	\$4,148	\$2,115,523	\$1,570,800.00	\$544,722.68
White City	850	\$2,454	\$2,086,018	\$1,570,800.00	\$515,218.35
Bower West Ph 3	150	\$2,454	\$368,121		
	3160		11,414,000		7,212,459
Grant		3,141,600			

Financial Plan

The financial plan as agreed to by the Authority to presented to the Town of White City and the RM of Edenwold #158. for their approval is as follows:

1. Each Municipality will seek approval to borrow \$4,000,000 and will make application to the SIGI Program for interest subsidy.
2. As indicated above the cost of the conveyance system and short term project allocated to the existing development in each community is \$2,115,523 for the RM of Edenwold and \$2,086,018 for the Town of White City.

3. The \$3,141,600 grant to be received under the Canada Infrastructure Stimulus Program will be allocated equally to both municipalities. The remainder of the municipalities share will be part of the long term loan or paid for by a contribution by the respective municipality.
4. The cost rehabilitation of the White City Lagoon and conversion to a primary lagoon is part of White City's allocation of the costs as shown above. When the rehabilitated White City lagoon is decommissioned as a primary lagoon and converted to a storage lagoon the net cost of the lagoon rehab (cost less share of Grant) will be allocated to the benefitting lots
5. The acquisition of land and the purchase of a new irrigation pivot is part of the cost allocated to the RM of Edenwold #158
6. New development will be levied an offsite levy as their share of the project. The levy will be determined by the Authority based on costs and interests charges and will be collected by the respective municipality and paid to the Authority to be used to repay the loan.
7. Any short fall in the loan and interest payments will be shared equally by the two municipalities and a record will be kept of the payments made by each municipality to be recovered from future off site levies.

Agreed RM of Edenwold #158

Town of White City

Reeve

Mayor

Administrator

Town Manager

WCRM158 Wastewater Management Authority Inc.

Chairman

Admin

Project	Cost	BENEFIT AREA						
		New Dev	10	EP	WC	# of Lots	Cost per lot	
Force main	\$500,000	Y		Y		2160	\$231	
Gravity Main	\$2,100,000	Y		Y		2160	\$972	
Lift Station	\$2,651,000	Y		Y		2160	\$1,227	
White City Lagoon	\$1,663,000		Y		Y	1000	\$1,663	
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Irrigation	\$2,000,000	Y		Y		2160	\$926	
Mech Bio Plant	\$0	Y	Y	Y	Y	3160	\$0	
Total	\$11,414,000							
Short term cost	\$11,414,000							

