



ADMINISTRATIVE REPORT

Report Date: November 19, 2018
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Meeting Date: December 18, 2018

TO: Vancouver City Council

FROM: General Manager of Finance, Risk and Supply Chain Management in
Consultation with General Manager of Engineering Services

SUBJECT: Funding Application to the Disaster Mitigation and Adaptation Fund ("DMAF")

RECOMMENDATION

THAT Council approve a funding application to the Federal Government's Disaster Mitigation and Adaptation Fund for up to \$11.84 million toward the Coastal Sanitary Pump Station Resiliency Upgrades project;

FURTHER THAT, subject to the successful application for funding, Council approve the related \$35.2 million capital budget with the City's share of up to \$23.4 million.

Source of funding for the City's share to be Council approved borrowing for sewers including:

- \$5.1 million reallocated from existing approved budgets for renewal of sewer infrastructure ; and
- \$18.3 million of new funding to be approved from the 2019-2022 Capital Plan for Sewer network investments.

REPORT SUMMARY

The City's 2019-2022 Capital Plan funding strategy contemplates securing of senior government contributions toward a number of Council priorities. This application supports climate change adaptation and infrastructure renewal.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

Federal and Provincial funding programs typically require a resolution of Council as part of the application package.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing.

REPORT

Background/Context

The Disaster Mitigation and Adaptation Fund (DMAF) is a national, competitive, contribution program aimed at increasing community resilience to natural hazards and extreme weather events.

Projects eligible for DMAF funding include:

- New construction of public infrastructure including natural infrastructure; and
- Modification and/or reinforcement including rehabilitation and expansion of existing public infrastructure including natural infrastructure.

Projects must have a minimum of \$20 million in eligible expenditures. The DMAF program will fund up to 40% of eligible costs.

The application process under DMAF is a two-step process, consisting of an Expression of Interest (EOI) and a Full Application.

On July 31, 2018, the City of Vancouver submitted 3 Expressions of Interest to the DMAF program.

On October 12, 2018, the City was advised that the EOI for the Coastal Sanitary Pump Station Resiliency Upgrades project has been invited to submit a full application.

The deadline for submitting the full application is January 11, 2019. A Council Resolution is required as part of the application.

Strategic Analysis

The City owns and operates 24 sanitary pump stations that convey sanitary waste through force mains into Metro Vancouver's interceptor sewers and eventually to wastewater treatment plants. These pump stations and forcemains are critical pieces of infrastructure in the City's wastewater system. The pump stations prevent the discharge of sanitary waste flow into the water bodies surrounding Vancouver.

The Coastal Sanitary Pump Station System Resiliency Upgrade Project (C-SPSRU) will replace, refurbish, and add resiliency upgrades to six sanitary pump stations and two forcemains surrounding Vancouver's coastlines.

The pump stations and forcemains identified in C-SPSRU project have reached the ends of their services lives and are at risk of system or station malfunction/failure which may result in sanitary spills to receiving bodies. The upgraded pump station infrastructure will be designed to operate post disaster in order to prevent sanitary spills, protecting human health and environment.

Financial Implications

The 2019-2022 Capital Plan includes \$288 million of planned Sewer network investments including maintenance, renewals and upgrades.

The Coastal Sanitary Pump Station System Resiliency Upgrade Project is estimated to cost \$35.6 million. The DMAF program will fund up to 40% of the eligible project costs.

The City is seeking up to approximately \$11.8 million for the Coastal Sanitary Pump Station System Resiliency Upgrade Project as follows:

Total project cost (net of \$0.4 million incurred to date)	\$35,229,000
Ineligible costs (to be funded by City)	(\$5,636,000)
Eligible Costs	\$29,593,000
DMAF Share (up to 40% of eligible costs)	\$11,837,000
City Share (60% of eligible costs + 100% of ineligible costs)	\$23,392,000

The City's \$23.4 million share would be funded from Council approved borrowing for sewers including:

- \$5.1 million reallocated from existing approved budgets for renewal of sewer infrastructure ; and
- \$18.3 million of new funding to be approved from the 2019-2022 Capital Plan for Sewer network investments.

CONCLUSION

The City has the opportunity to secure up to \$11.84 million in senior government contributions by applying to the Disaster Mitigation and Adaptation Fund for the Coastal Sanitary Pump Station System Resiliency Upgrade Project.

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