



City of Prince Albert

RPT 2025-363

TITLE: CHIF Funding Application – Project Approval

DATE: September 24, 2025

TO: Executive Committee

PUBLIC: X

INCAMERA:

RECOMMENDATION:

1. That the Council of the City of Prince Albert support the application for a Canada Housing Infrastructure Fund (CHIF) grant for Waste Water Treatment Plant Upgrades and for Phase II and III Waste Water Treatment Plant Upgrades Design and;
2. That Council agrees to:
 - Meet legislated standards
 - Meet the terms and conditions of the CHIF program
 - Commit to paying the applicant's share of the eligible costs and ongoing (operating and other) costs associated with the project to be funded from the City's Utility, and
 - Ensure legislative and regulatory requirements will or have been met including requirements for a federal environmental assessment process, provincial environmental assessment process, and requirements for Indigenous consultation or engagement.

EXECUTIVE SUMMARY:

The City of Prince Albert Waste Water Treatment Plant (WWTP) Phase I design is nearing completion and administration will begin preparation for funding and construction. A critical component of this project will be funding from other levels of government as the project is estimated to be around \$80 million. As City Council prepares to vote on required zoning bylaw changes in order to be eligible for the CHIF program, the funding application for individual projects is also contingent on City Council approval for each application.

BACKGROUND:

The existing Prince Albert Waste Water Treatment Plant, located at 2000 1st Street East, is a Class III facility capable of treating over 40 million liters of sewage a day. The facility was originally constructed in 1972 to provide basic primary treatment of waste water for the City. Subsequent upgrades in 1999 and 2009 added secondary treatment and UV disinfection.

The original plant is now over 53 years old with virtually every component in the facility well beyond normal life expectancy and optimal upgrade timeline. This has led to significant breakdowns and an increase in operations and maintenance costs. Additionally, the facility has a well documented history of being unable to adequately treat wet weather flows generated by the City.

In 2021, Administration began the detailed design for an upgrades project and quickly determined that the work would need to be split up into phases in order to adequately time and finance the work. The project phasing was set up to address the most critical needs of the facility first.

The high level projections have identified an overall project cost of \$150-\$250 million over the next 10 years to complete critical upgrades.

Additionally, water and waste water construction costs over the last decade have regularly seen increases in excess of 10%, year over year. In addition to construction cost increases, the facility's condition is such that delaying upgrades will further increase costs to rehabilitate infrastructure that will be degrading quickly. This means that any delays to the start of construction will see the overall cost to utility users increase sharply.

PROPOSED APPROACH AND RATIONALE:

In preparation for construction, Administration has been working to identify funding opportunities for the Waste Water Treatment Plant upgrade. To date, the only new funding opportunity for Waste Water infrastructure is the Canada Housing Infrastructure Fund (CHIF), meant for infrastructure projects that support housing needs and development. As the City has known capacity as well as condition issues and constraints with the current Waste Water Treatment Plant, this project should fit well within the second intake for funding applications to CHIF.

An application for the maximum amount of funding permitted under the capital stream is being prepared to secure up to \$36.7 million for the first phase of the WWTP upgrade. Another application is being prepared for the Planning stream of the fund for \$4-\$6 million for detailed design work for each of the remaining of the upgrades.

Administration's view is that securing this funding is critical to assist in construction of the first phase of essential upgrades to the WWTP. Without securing funding, City residents would be directly funding the entire first phase of upgrades at the WWTP through their water utility bills.

Should the City be successful in accessing federal and provincial funding, the City's Utility will save an estimated \$2.8 million in annual debt repayments, allowing the Utility to minimize rate increases to residents. The table below outlines the impact to the Utility of the project with and without funding:

Phase I Cost Estimate	\$80,000,000
Annual Debt Payments without funding (estimated)	\$6,100,000
Annual Debt Payment with funding (estimated)	\$3,300,000
<i>Estimated Annual Savings with funding</i>	<i>\$2,800,000</i>

CHIF funding can also be stacked with other approved funding opportunities, meaning that the City can use other funding, such as the Canada Community-Building Fund, to assist in further reducing the capital expenditure.

CONSULTATIONS:

Community Development, Corporate Services, Communications, Finance, Operations as well as the City's design consultant were consulted in the preparation of this report.

COMMUNICATION AND/OR ANNOUNCEMENT PLAN:

The Community Development and Public Works Departments have been working with the Communications Office to prepare information materials for the public so they are aware of the purpose and implications of a "4-units as of right" zoning bylaw change that is required to qualify for funding through CHIF. Details from this report will be used in the information shared with the public on that communication.

Once successful in obtaining funding, Administration will work with funding partners to develop a communications plan in alignment with funding agreement requirements and Public Works will ensure that the Upgrades project has a communication plan developed to inform residents of the work, it's benefits and the impacts.

BUDGET/FINANCIAL IMPLICATIONS:

In order to complete capital construction as well as future design for the Waste Water Treatment Plant upgrades, the City will be required to fund the project through a combination of borrowing and by accessing grant funding, if possible. The City's Utility Fund would then fund the ongoing borrowing costs for the duration of the loans.

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Administration will be proposing a 2026 Utility Fund budget including capital, operating funding and utility rates accordingly.

OTHER CONSIDERATIONS/IMPLICATIONS:

Policy Considerations: In order to borrow fund for the construction of the WWTP Upgrades, the City will need to request an increase to it's approved borrowing limit. This will be brought forward by Administration in advance of the project moving forward.

There are no privacy, legal, safety or environmental implications.

OPTIONS TO RECOMMENDATION:

That Administration proceed with Waste Water Treatment Plant upgrades and design without applying for CHIF funding.

This option is not recommended successful CHIF applications for the first phase of the WWTP upgrade will save an estimated \$2.8 million in annual debt repayments, allowing the Water Utility to minimize rate increases to residents and would save considerable engineering fees for subsequent phase designs.

STRATEGIC PLAN:

Pursuing funding opportunities for the Waste Water Treatment Plant upgrades supports the City's Strategic Plan Priority of Investing in Infrastructure by ensuring that necessary water treatment infrastructure is maintained and replaced as necessary.

OFFICIAL COMMUNITY PLAN:

Pursuing funding opportunities for the Waste Water Treatment Plant upgrades supports Section 8.3 of the City's Official Community Plan to continue to provide waste water management services.

PUBLIC NOTICE:

Public Notice pursuant to the Public Notice Bylaw No. 24 of 2015 is not required.

PRESENTATION:

Powerpoint presentation by Jeff Da Silva

ATTACHMENTS:

CHIF Funding Application Presentation

Written by: Jeff Da Silva, Director of Public Works

Approved by: Director of Financial Services & City Manager