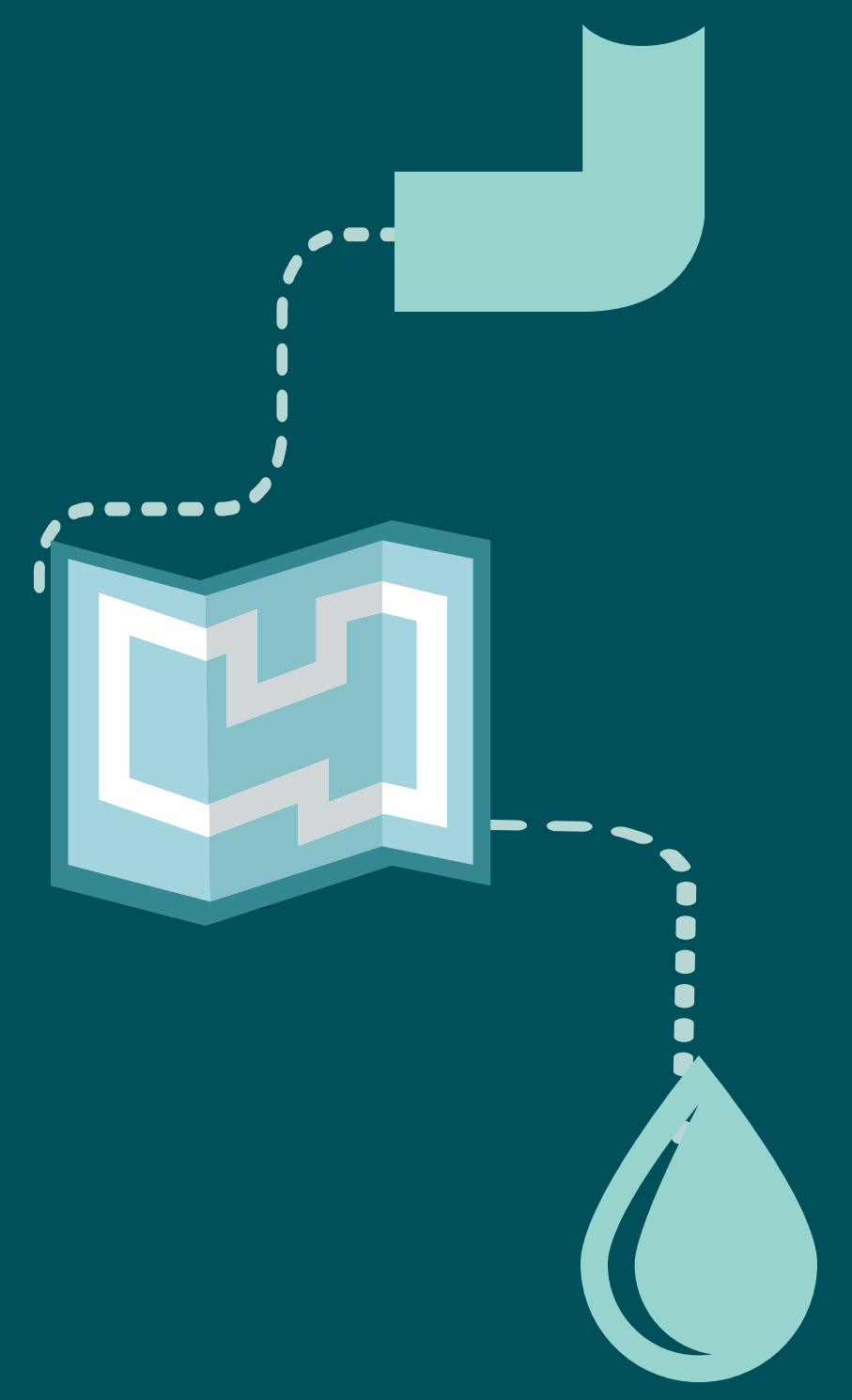


# INFRASTRUCTURE DESIGN + SEWER WORKS

## Loan Authorization information

### Frequently Asked Questions



**Goal:** To maximize our use of the Provincial grant of \$65 million and possible Federal grants towards water infrastructure funding by replacing the sewer lines in the same 26 km of priority corridors; and, to prevent against the future failure of critical water and sewer infrastructure.

#### **What are we doing?**

To address known infrastructure needs head on - the City has completed an Infrastructure Replacement Strategy based on known age and condition of City infrastructure - specifically focusing on water pipes, which have both the highest likelihood and highest impact of failure. This strategy sets the trajectory and priority for future infrastructure spending over the next five years. This process for identifying infrastructure priority areas had been initiated prior to the Local State of Emergency called in December, because the City is keenly aware of the escalating need to address local infrastructure. In addition to developing the strategy, the City has also been advocating for additional resourcing from higher levels of Government to implement it. We were successful in achieving \$65 Million from the Province, and are now seeking Federal funds. The City is also proposing to borrow \$5 Million for design works and \$40 Million for sewer replacement in the same areas as a part of this work.

#### **Why are we doing it?**

As aforementioned, the City has recently been successful in obtaining \$65 million dollars from the Province for replacement of underground water pipes - which is the largest single financial grant our municipality has ever seen, and a major step in addressing our priority water pipes. This is a significant dent in the over \$200 Million needed for the full 26 km of priority pipes. However in order to fund a great proportion of this much needed work with Federal grants, the City must match a portion of project costs in order to be eligible for the funds needed.



**A major watermain break on 1st Avenue East was one of the major breaks that occurred prompting Provincial funding response**



# Frequently Asked Questions

## continued...

### How will it be financed?

The City is seeking to take two loans with the Municipal Finance Authority to cover the anticipated costs. One loan is proposed for \$5 million to design water and sewer works, and one for \$40 Million towards replacement of sewer infrastructure. The proposed term of both loans is 30 years.

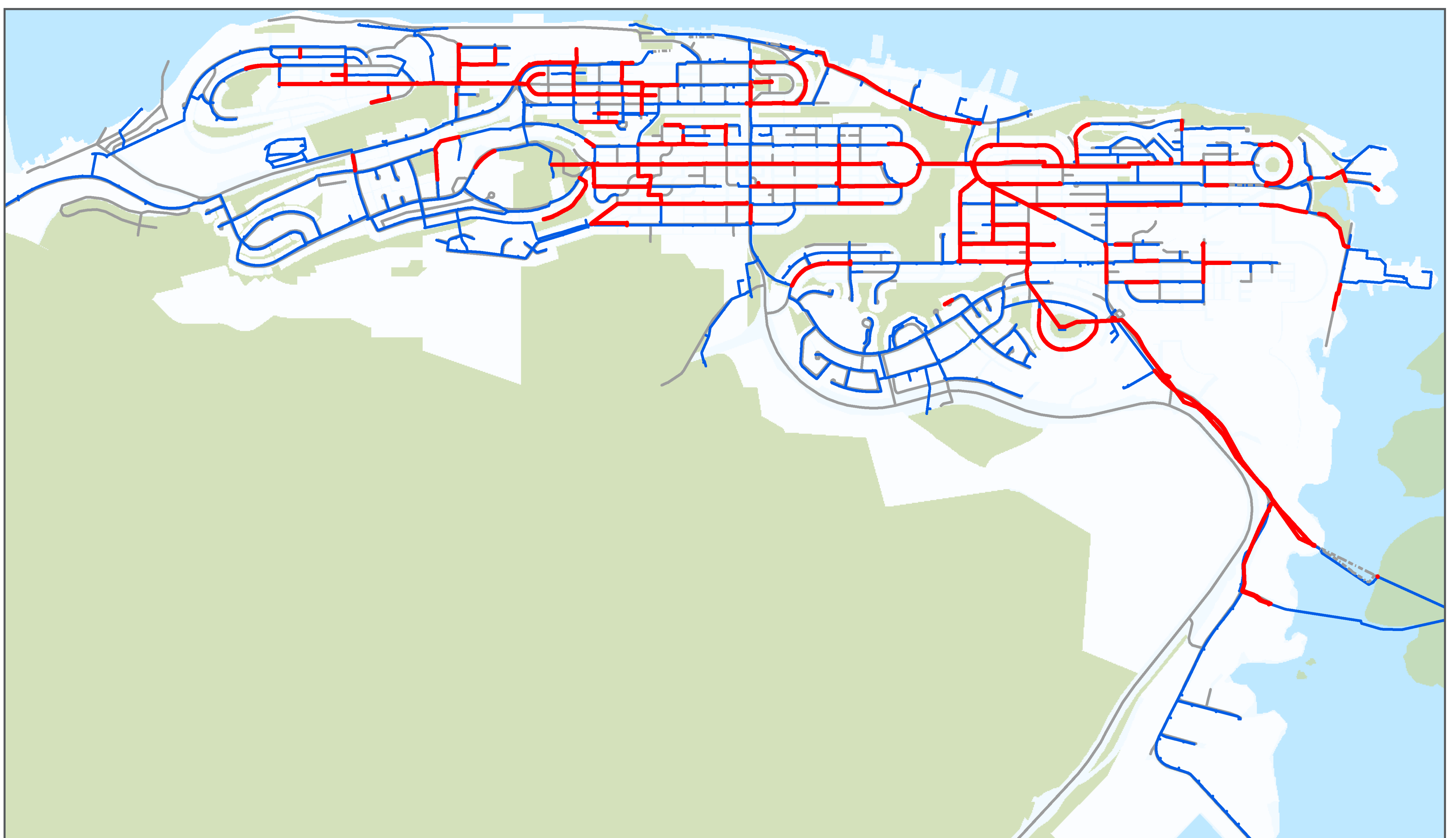
### How much will it cost and what does it include?

The total cost of the project is expected to be over \$200 Million. This cost includes the engineering, design, construction and commissioning of new sewer and water lines as well as replacement of the roadway above along the 26 km of priority corridors - identified based on age and condition.

The first (\$5 Million) loan for infrastructure design works is planned to be repaid over a 30 year period, and is estimated to increase water fees by 7% (\$35) and sewer fees by 4.5% (\$21) in 2024.

The cost of the loan for sewer works is anticipated to increase utility fees by approximately 35% next year (\$163) and 44% in 2025 (\$277). These potential impacts to utility fees are the worst case scenario, and will only be necessary IF no additional revenues are obtained. The City is making every effort to get a signed Resource Benefits Agreement and other additional revenues to offset these potential worst case utility fee increases to repay the \$40 Million loan.

Priority Corridors are pictured below.



Project #: IRS  
Author: RB  
Checked: RP  
Status: **Draft**  
Revision: B  
Date: 2023 / 1 / 4  
Scale: 1:17,000

Coordinate System:  
NAD 1983 UTM Zone 9N  
Data Sources:  
Integrated Cadastral Information Society (ICIS)  
City of Prince Rupert  
2021 Orthophoto

**HIGH LIKELIHOOD OF FAILURE OR  
HIGH RISK OF FAILURE  
WATER MAINS**

**Water Mains**  
High LOF or ROF  
Existing Water Main  
Abandoned Water Main



## **What is needed for Council to proceed with borrowing?**

In order to borrow funds to pay for both infrastructure design works and replacement of sewer mains, Council must pass two separate Loan Authorization Bylaws. Council needs assent from eligible voting aged residents to approve both loan bylaws. Council has opted to request assent through the Alternative Approval Process which allows Council to proceed with an action (in this case borrowing) unless at least 10% of the eligible electors indicate their opposition within a legislated period.

## **How do I support Council's decision to borrow for either the design works OR the sewer works?**

Given Council has elected to seek assent through the Alternative Approval Process, you can **support** Council **by not signing** the elector response form.

## **How do I indicate I do not agree with borrowing funds to either fund the infrastructure design works (\$5 M loan) OR the sewer replacement works (\$40 M loan)?**

To disagree with borrowing funds for either loan you must sign an elector response form to indicate your disagreement. A separate form will be available for each proposed loan.

An elector response form is available at City Hall and the Prince Rupert Library, and **blank forms** can be mailed, faxed, or emailed, upon request.

Only forms with original signatures may be submitted. To qualify for submission before the deadline, they must be submitted in person or by mail to City Hall and be received by the Corporate Administrator **no later than 4:30 P.M. on Monday, August 14th, 2023**. Postmarks WILL NOT be accepted as date of submission and forms WILL NOT be accepted by FAX or EMAIL.

**For additional information** on elector eligibility and submitting an elector response form, go to:

[princerupert.ca/city\\_hall/city\\_financials/loan\\_authorizations](https://princerupert.ca/city_hall/city_financials/loan_authorizations)

## **What happens if 10% or more electors indicate they disagree?**

If at least 10% of the eligible electors state their opposition to obtaining a loan to finance the infrastructure design and sewer replacement works, the matter will then require *Assent of the Electors* which is obtained by voting in a Referendum, and the majority at the ballot decides whether Council may proceed.

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# RE:BUILD RUPERT

The overall goal of the replacement of the most critical 26 km of water and sewer lines is to prevent infrastructure failure and secure our systems for generations to come. The action of obtaining debt to finance the remainder of the project is considered integral to leveraging as much benefit as possible from committed Provincial funds and potential Federal funds to address our most critical infrastructure needs.

**For More Information,  
Contact:**

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[finance@princerupert.ca](mailto:finance@princerupert.ca)  
(250) 627 0935