

## FINANCE COMMITTEE REPORT

Report Date	January 11, 2019
Meeting Date	January 30, 2019

Chairman Councillor Merrithew and Members of Finance Committee

***SUBJECT: Disaster Mitigation and Adaptation Funding***

### ***OPEN OR CLOSED SESSION***

This matter is to be discussed in open session of Finance Committee.

### ***AUTHORIZATION***

Primary Author	Commissioner/Dept. Head	City Manager
<b><i>Jodie Forgie</i></b>	<b><i>Kevin Fudge</i></b>	<b><i>John Collin</i></b>

### ***RECOMMENDATION***

It is recommended that this report be received and filed.

### ***EXECUTIVE SUMMARY***

The purpose of this report is to provide the Finance Committee a brief overview of a Capital Funding application the City in coordination with Saint John Energy has submitted to Infrastructure Canada to the Disaster Mitigation & Adaptation Fund (DMAF).

### ***PREVIOUS RESOLUTION***

N/A

### ***STRATEGIC ALIGNMENT***

This report aligns with being fiscally responsible and providing valued service delivery by identifying within the asset management plan municipal infrastructure requirements that can leverage funding available and working collaboratively with Saint John Energy to optimize funding opportunities.

### ***REPORT***

The Government of Canada announced a 10 year, \$2 billion national program designed to help communities strengthen their resilience against disasters

triggered by natural hazards and extreme weather events. DMAF will support large-scale infrastructure projects with a minimum cost requirement of \$20 million and will provide 40% funding of costs for municipalities. The application process consisted of two intakes, the Expression of Interest and Full Application.

In 2018 the City experienced a flooding event which resulted in a historic 5.8m flood level (nearly 1.6m above flood levels). This flood event caused significant damage to the municipal infrastructure such as sanitary sewer system back-up, electrical utility infrastructure and coastal structure SeaWall. The DMAF program is the opportunity to obtain assistance with mitigation efforts for future flooding events and sea level rise.

On July 31, 2018, the City submitted an Expression of Interest with Saint John Energy, applying for funding which comprise of 3 components that make up the project. The opportunity to work together was invaluable as on our own neither organization was able to meet the minimum cost requirements. On October 12, 2018 the City was notified that the eligibility requirements were met and the City was invited to submit a full application. On January 11, 2019 the full application was submitted and awarding of funding will be announced in the spring.

The project submitted is intended to mitigate the risk and increase the resiliency of the City's critical infrastructure. The 3 components listed in this project have been determined based on vulnerability risk assessment of where the biggest risk is associated with the effects of climate change due to flooding. Below is a brief description along with cost allocation for each project.

1. Refurbishment of SeaWall (former coast guard site): The SeaWall is a critical infrastructure for any existing and future development in the waterfront area. It has experienced erosion and structural damages due to higher coastal water level. The intent is to reinforce the structure to address the flooding level to a 1-in-100-year event.
2. Pumping Stations: Raise or replace critical municipal infrastructure (nine wastewater pumping stations and one water pumping station) above flood levels to avoid future damages from flooding and to provide continued critical services during flood.
3. Relocation of Critical Waterfront Electrical Utility Infrastructure (Saint John Energy): The existing substations are vulnerable to sea level rise, with the risk of future storm events causing flooding, wave action and salt sprays with the potential to disrupt essential electrical services. Currently, this infrastructure serves more than 7,500 residents and 1,150 businesses, employing more than 25% of the regional workforce. The relocation of this vulnerable electrical infrastructure will also mitigate the risk of future storm events resulting in hydro-carbon and heavy metal

contamination of Long Wharf slip, harming ocean ecosystems, and impacting commercial and first nation's fisheries.

The total costs submitted for the 3 components of the project is \$29.8 million made of Federal share of costs \$11.9 million (\$4.5 million for Saint John Energy and \$7.4 million for the City), Saint John Energy share of costs \$6.8 million and the City share of costs \$11.1 million. The costs and associated cash flow impacts for the City are detailed below:

D.3 (Cash Flow) based on when reimbursement not when incurred	Federal share of cost for the City	City's share of cost	Total Costs
2018-2019 (April 1-March 31)	\$0	\$0	\$0
2019-2020 (April 1-March 31)	\$1,220,000	\$1,830,000	\$3,050,000
2020-2021 (April 1-March 31)	\$2,177,301	\$3,265,951	\$5,443,252
2021-2022 (April 1-March 31)	\$1,157,301	\$1,735,951	\$2,893,252
2022-2023 (April 1-March 31)	\$1,882,602	\$2,823,902	\$4,706,504
2023-2024 (April 1-March 31)	\$340,000	\$510,000	\$850,000
2024-2025 (April 1-March 31)	\$352,000	\$528,000	\$880,000
2025-2026 (April 1-March 31)	\$224,000	\$336,000	\$560,000
Total	\$7,353,203	\$11,029,805	\$18,383,008

In addition to the funding applied for within this application, we are currently working on obtaining additional funding for the SeaWall through the Bilateral agreement with the province. This has not been included within the calculations above as we cannot reasonably conclude at this time that we will receive further funding from the province.

### ***SERVICE AND FINANCIAL OUTCOMES***

The City estimated cost for these projects would be \$11,029,085 which would be split between General Fund (\$4,903,805) and Utility Fund (\$6,126,000). If the City is successful at securing funding, staff will notify Council and recommend they be included in future capital budgets.

### ***INPUT FROM OTHER SERVICE AREAS AND STAKEHOLDERS***

Input was received from all service areas within the City, Develop SJ and Saint John Energy

### ***ATTACHMENTS***

Appendix 1 – Full Application