

# CAPITAL PROJECT CHARTER

**Year:** 2026

**Charter Number:** ENGS-089 (Formerly WASTWT-021)

**Charter Name:** Northeast Servicing Project

**Lead Department:** Engineering Services

**Type:** Growth

**Explanation (RMR or Growth):** This project will complete the construction (Phase 2) of new wastewater, water, and storm servicing that will support and enable development in the northeast growth basin.

**Asset Category:** Roads & Other Engineered Structures

**Scope Statement:** The scope includes both offsite leviable work and non-offsite levy infrastructure. The off-site levy scope contains wastewater infrastructure (Sanitary Levy Project #2) which includes new gravity mains, force mains, and a lift station. The water leviable infrastructure (Water Levy Project #10) includes the construction of the portion of the future North Reservoir Fill Line which will be used in the interim to connect to the existing water system to provide additional looping and support reliable water flows. The storm leviable infrastructure (Storm Levy Project #5) will include new storm mains and an outfall into Sturgeon River. The non-offsite leviable work includes the installation of City fiber lines and some recoverable front-ended infrastructure for developers, which will make use of the excavated trenches needed for the leviable work, overall reducing cost and avoiding future disruptions.

## PROJECT CHARTER JUSTIFICATION

**Current State** – As early as 2008, the City’s Utility Master Plans have identified the need for a new trunk utility system bypass to service the northeast growth area of the City. As the City grew north, development areas such as Erin Ridge North and Jensen Lakes have utilized existing remaining capacity within the utility system through Erin Ridge and Oakmont to support the initial development. By 2020, it became apparent that the remaining capacity was running out and a more permanent solution to provide the northeast area with capacity was required. The City and Developers worked jointly on the functional planning for Northeast Servicing Project through 2020-2021. In 2022, Project Charter WASTWT-021 was approved as a capital project for the City to advance the design and land acquisition for the Northeast Servicing Project. The Northeast Servicing Project is intended to provide expanded and new utility services (wastewater, water, and storm) to the northeast growth areas. In 2026, the remaining capacity that Developers have relied upon to build out their neighbourhoods is now fully allocated and

new capacity is required to allow additional development to continue. Interim options to create limited additional capacity have been utilized to assist the developers in bringing forward a few additional stages of development, but a permanent solution is required for long-term sustained growth in the northeast area.

**Issue** – To facilitate continued development in the northeast, including Erin Ridge North, Jensen Lakes, and Northeast ASP, the municipal sanitary, storm, and water servicing systems requires new and expanded infrastructure to provide the increased utility servicing capacity to support the increased demands. The existing sanitary system is currently at full allocated capacity, hindering the ability for the sanitary system to accommodate new development. The storm system relies on storm flows traversing through a series of existing downstream stormwater management facilities which were not ultimately intended to convey the additional contributory basin coming from northeast growth. This results in longer detention time in the ponds before drawdown and heighten risk in the stormwater capacity of the system. The water system is straining to achieve fire flow demands to the current edges of development. Improved water looping is required to achieve the necessary reliable water servicing and fire flows.

**Opportunities** – The Northeast Servicing Project will bring forward the full suite of utility services (wastewater, water, and storm) to support the northeast development area. The Northeast Servicing Project will enable growth to continue within the northeast area including the existing partially built neighbourhoods (Erin Ridge North and Jensen Lakes) while also unlocking new growth areas, such as the Northeast Area Structure Plan. This project charter provides a permanent solution for utility servicing which is being constructed to support a 25+ year servicing area. The Northeast Servicing Project will allow the City to revert the system from relying on interim servicing solutions around wastewater and stormwater. This will result in a more reliable system overall.

In April 2026, the Government of Canada considered the City's previously unsuccessful grant application under the Building Communities Strong Fund (BCSF) and approved a grant in the amount of \$28,083,862 which represents approximately 40% of the eligible project costs. An announcement occurred on April 7th, 2026, with formal grant guidelines and the form of agreement being prepared by the federal government to follow. The receipt of this grant could offset some of the project cost to be funded by City's debt.

**Risks** – If this project charter does not proceed, development in the northeast growth basin will continue to be stalled due to a lack of available capacity. Interim servicing solutions may continue to be proposed by developers which will rely on the City to expend time and resources to evaluate and work through those options for feasibility. Layering multiple interim solutions will result in an operationally complex system to

maintain. The slowdown of growth in the northeast may potentially result in a less overall growth in the City and a reduction of levy revenues collected. Existing partially built neighbourhoods in Erin Ridge North and Jensen Lakes will remain incomplete until a permanent servicing capacity solution is found. Developers are keen to continue development as they have invested in these neighbourhoods and may appeal City planning decisions.

Project risk could include unfavourable weather conditions / site conditions and economic conditions that could inflate the project cost or labour shortages. Unavailability of competent contractors could also be a risk factor which could be mitigated through the City's procurement process.

In regard to the new federal grant program, the requirements of the grant agreement are not clear or established. It is possible that some conditions of the grant may not be acceptable to the City or the Provincial government. Provincial Cabinet approval under the Provincial Priorities Act could delay commitment on the grant. From similar federal grants since this legislation came into effect, it is experienced that it can take longer than six months to get the approvals needed to enter into the grant agreement.

For construction to begin, finalization of the two tender packages (lift station package and the pipeline package) is needed along with tendering for the project. It is anticipated that approval of the grant agreement will take additional time due to the Provincial Priorities Act, which could delay start of the project.

## STRATEGIC PLAN & CORPORATE BUSINESS PLAN ALIGNMENT

**Council Strategic Priority:** 1. Economic Prosperity

**Initiatives:** N / A

**Operational Excellence Priority Area:** N / A

**Initiatives:** N / A

**Stakeholder Identification:**

Internal Stakeholders:

- Engineering – Project sponsor, project lead, offsite levies
- Planning & Development – Developer Coordination
- Public Operations – Maintenance and Operations
- Finance – Project budget and funding

External Stakeholders:

- Residents
- Development Community

**Timeline (Subject to Full Funding Approval in 2026):**

2026/2027 – Tendering

2026/27-2028/29 – Construction

## FINANCIAL INFORMATION

<b>Investment Year</b>	<b>2026</b>		74,100,000
	<b>2027</b>	-	
	<b>2028</b>		-
	<b>2029</b>		-
	<b>2030</b>		-
	<b>2031</b>		-
	<b>2032</b>		-
	<b>2033</b>		-
	<b>2034</b>		-
	<b>2035</b>		-
	<b>Total</b>	<b>\$</b>	<b>74,100,000</b>
See Capital Project Worksheet for details.			

**Operational Impacts: Yes**

**Associated Operating Business Case &/or Capital Project Charters:**

- Project Charter WASTWT-021 (Phase 1 was approved in 2022) now renamed to ENGS-089.

The Northeast Servicing Project Phase 2(Construction) is broken down into 4 Categories:

- OSL Project 10: Water Levy Infrastructure – \$5.77M
- OSL Project 5: Storm Levy Infrastructure – \$25.78M
- OSL Project 2: Sanitary Levy Infrastructure – \$39.54M
- Non-Offsite Levy Infrastructure – \$2.96M
- Total = \$74.1M (Cost Estimate at 90% design with approx.15% contingency)

Of the \$74.1M cost estimate, \$5.77M can be funded out of the existing Water Reserves, leaving \$68.3M needing to be debt financed by the City. Of the \$68.3 million, \$65.4 million is offsite leviable and will be recoverable in the future with the remaining \$2.9 million (non-OSL) is funded through the tax base.

*Note 1: Pending a formal acceptable agreement for the announced ~\$28.1million grant on April 7, 2026, this funding is anticipated to offset a portion of the costs related to the water, sanitary, and storm scope, and reduce the necessary debt requirements proportionally.*

*With Grant: Of the \$74.1 million cost estimate, \$28.1 million would be funded from the grant, \$3.5 million from the existing Water Reserves, leaving \$42.5 million needing to be debt financed by the City. Of the \$42.5 million, \$39.5 million is offsite leviable and will be recoverable in the future with the remaining \$2.96 million (non-OSL) funded through the tax base.*

*Note 2: \$2M was already approved for engineering design in 2022 under the WASTWT-021 as Phase 1 of this project.*

## CAPITAL PROJECT WORKSHEET

Project Component	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Land Determined Costs										
Concept Planning										
Detailed Planning and Design										
Site Servicing	50,388,000									
Structure/Building Construction	13,082,000									
Landscaping										
Construction Management	981,000									
Commissioning and QA/QC										
Contingency	9,649,000									
Public Participation Activities										
Equipment										
<b>TOTAL</b>	<b>74,100,000</b>	-		-	-	-	-	-	-	-

**Comments:** Project start is assumed in 2026/27 subject to receipt of grant funding and borrowing bylaw approval in 2026. The expected completion of the project is in 2028.

## OPERATING IMPACTS WORKSHEET

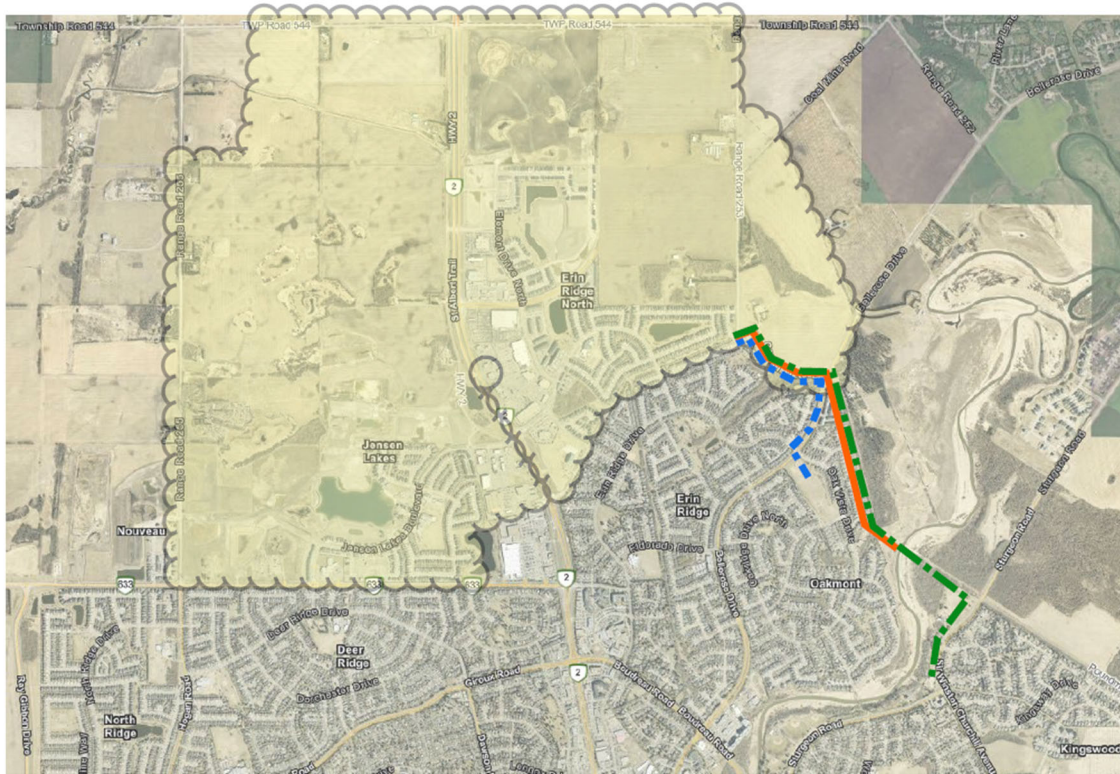
Timeframe: Ongoing

\$50k per year will impact Utilities Operations a year after the asset is commissioned.

OPERATING IMPACTS (Description)	2028	2029	2030
Utilities Operations		50,000	50,000
(Lift Station operations and maintenance			
Utility Line maintenance)			
<b>TOTAL</b>	-	50,000	50,000

**Supplementary detail/ maps of charter focus areas:**

# MAJOR SCOPE



- Sanitary ~3.2Km
- Storm ~2.0Km
- Water ~1.4Km
- Northeast Growth Area

## Project Update\_NES – Major Scope



# MINOR SCOPE

