



Regional Board Report

TO: Regional Board

FROM: David Komaïke
Director of Engineering

DATE: March 13, 2019

SUBJECT: CleanBC Communities Fund - Grant Application
Westside Regional Wastewater Treatment Plant Energy Efficiency Improvements

Voting Entitlement: All Directors – Unweighted Corporate Vote – Simple Majority – LGA 208.1

Purpose: The purpose of this report is to seek Regional Board endorsement for a grant application to the CleanBC Communities Fund (CCF).

Executive Summary:

The governments of Canada and British Columbia have provided a funding opportunity for local governments to implement clean and renewable energy infrastructure. The funding, if approved, will support infrastructure projects at the Westside Regional Wastewater Treatment Plant (WRWTP).

In keeping with Regional District of Central Okanagan (RDCO) Strategic Priorities, staff would like to apply to the CCF to undertake the following projects:

- Update process aeration from multi-stage blowers to high speed turbo blowers,
- Update current lighting to LED lighting, and
- Undertake a feasibility assessment for a potential future heat recovery project.

A requirement of this grant application is for a Board resolution in support of applying to the CCF. Accordingly, this matter is now before you for your consideration and approval.

RECOMMENDATION:

THAT the Regional Board support an application to the CleanBC Communities Fund (CCF) for the Westside Regional Wastewater Treatment Plant Energy Efficiency Improvements.

Respectfully Submitted:

David Komaïke
Director of Engineering

Approved for Board's Consideration

Brian Reardon, CAO

Prepared by: Mareike Mimi Miller, Asset Management Analyst

Implications of Recommendation:

Strategic Plan: The grant application supports Strategic Priority #2: Ensure Asset, Service and Financial Sustainability. Specific objectives supported are:

- Manage current funding and seek additional funding opportunities,
- Provide safe and healthy services while delivering the best value, and
- Maintain and improve community infrastructure.

Financial: A Financial Plan amendment will be brought forward for your consideration should the grant application be approved.

Further financial considerations, should the funding be approved, including:

- Return on investment (ROI), and
- Asset renewal planning.

Legal/Statutory Authority: The project outcomes align with the goals of the BC Climate Action Charter.

Background:

In 2018 the Province of British Columbia and the Government of Canada made funds available for clean and renewable energy infrastructure projects through the CleanBC Communities Fund (CCF).

The objectives of CCF are to:

- Support local governments' and Indigenous Peoples' capital investments in energy efficiency and clean energy projects;
- Support the province's energy, economic, environmental and greenhouse gas reduction priorities and advance British Columbia's clean energy sector;
- Encourage investments in community-owned energy generation from clean or renewable resources such as biomass, biogas, geothermal heat, hydro, solar, ocean, integrated resource recovery or wind; and
- Promote community-owned projects and partnerships with industry that advance this growing sector of the provincial economy'.¹

The CCF is part of the wider *Investing in Canada Infrastructure Program's (ICIP) Green Infrastructure – Climate change Mitigation Sub-Stream*. The governments of Canada and British Columbia have committed \$62.94 million dollars to the initial intake of the CCF.

Green infrastructure projects identified at the WRWTP are anticipated to benefit service area residents by:

- Lowering greenhouse gas emissions,
- Lowering electricity used,
- Identifying further energy saving opportunities, and
- Incorporating life-cycle planning to promote sustainable services delivery.

The application deadline for the CCF intake is March 27, 2019. Should the application be successful, further project information will be provided to the Regional Board for review as outlined below in Financial and Organizational Considerations.

¹ Province of British Columbia, 'Investing in Canada Infrastructure Program – British Columbia – Green Infrastructure – Climate Change Mitigation – CleanBC Communities Fund.'

<https://www2.gov.bc.ca/gov/content/transportation/funding-engagement-permits/funding-grants/investing-in-canada-infrastructure-program/green-infrastructure/cleanbc-communities-fund> (March 15, 2019)

Financial Considerations:

If the grant application is successful, the level of Federal and Provincial contribution to the project will be 73.33% of eligible projected cost; the RDCO's contribution level will be 26.67%.

Operational savings due to lower electricity expenses are an anticipated project outcome and could be applied to provide both a return on investment (ROI) and long term asset renewal funds. Should the application be successful, staff will bring forward a recommendation to amend the 2019-2023 Financial Plan as well as provide further information on ROI and renewal funding options.

Estimated Project Cost:

The current estimated gross project cost is \$985,200, of which estimated eligible project costs amount to \$934,200. Based on the cost estimates provided, the expense to capital reserves would be as follows:

Ineligible project costs	\$ 51,000
26.67% of eligible project costs	<u>\$249,152</u>
Total anticipated RDCO contribution	\$300,152

Organizational Considerations:

Should the funding be approved, Staff will provide further project information for the Westside Regional Wastewater Treatment Service Stakeholder Select Committee.

External Implications:

Anticipated project outcomes align with the RDCO's commitment to the BC Climate Action Charter.² The projects are expected to lower greenhouse gas emissions and energy use at the WRWWTP.

Alternative Recommendation:

THAT the Regional Board not support an application to the CleanBC Communities Fund (CCF) for the Westside Regional Waste Water Treatment Plant Energy Efficiency Improvements.

Considerations not applicable to this report:

- *Policy,*
- *General, and*
- *Organizational.*

² Province of British Columbia. 'B.C. Climate Action Charter'

<https://www2.gov.bc.ca/gov/content/governments/local-governments/climate-action/bc-climate-action-charter>
(March 15, 2019).