



Municipality of the District of Argyle

Item: East Pubnico Water tank refurbishment

Date: November 19, 2023

Our Vision

Argyle is the community of choice to invest, live and play.

Our Identity

Argyle invests time & talent in growth opportunities in fishing, tourism, and renewable energy sectors.

*Argyle provides affordable taxation while providing safe and **livable** communities and strives to engage and inform our residents on decisions that affect them most.*

*Argyle provides world class, accessible recreational and cultural facilities for health and for **play**.*

Recommendation:

Recommend that Council pass a motion confirming their funding commitment for the East Pubnico Water tank refurbishment, in support of our application for ACOA funding for \$375,000, being 25% of the total refurbishment project.

Municipal funding is recommended as follows:

Allocation from the East Pubnico Utility accumulated surplus	\$100,000
Additional contribution – Municipal capital reserve	<u>\$150,000</u>
Total funding	\$250,000

The project will be split in two phases, with the most urgent portion estimated at \$400,000, and the second at \$1,100,000. Only one phase could proceed unless additional funds are secured.

Suggested motion:

Move that the Municipality commit \$250,000 towards the East Pubnico Tank refurbishment project, with \$100,000 being from East Pubnico accumulated surplus, and \$150,000 from the capital reserve.

Background:

The project of the East Pubnico tank refurbishment is well known to Council. The project shall be split in two phases, the first being a complete replacement of the base of the tank, at a predicted cost of \$400,000. This would enable the tank to retain water again, benefiting the usership. Comeau Sea is the sole user of this portion of the facility currently and has committed \$100,000 currently towards this initiative.

The second phase will be to extend the tank's useful life beyond 25 years. If the tank is not refurbished soon after the base is reconstructed, the useful life of that job will be compromised. Both phases are required, one immediately, and the other within months of the first phase. The estimated cost of phase 2 is \$1,400,000. We have an outstanding (non-official) request submitted to the province of NS, and another at ACOA. Total funding requests were for \$750,000 and \$375,000 respectively. If all funding is confirmed, \$375,000 will be required locally. Both funds shall be required to confirm both phases.

Initially, our Director of Operational Services was assured that phase one could be completed by the end of 2023, but that is less likely now. As long as the first phase remains uncompleted, Comeau will not have convenient access to our freshwater option.

The project ranks high on our master capital list, mostly due to the fact it is at end of life. It should be noted that we will be submitting an official funding ask to the Municipal Capital Grant Program, which is another request for decision on this agenda.

Financial considerations

Our capital reserves will be depleted by \$150,000. We discussed this in-camera but had not made a motion. The accumulated surplus is for us to administer on behalf of East Pubnico users, and the surplus is specifically created for this purpose. This depletion is considered a small to moderate project to be funded by our reserves.

MGA Considerations

Investment in an owned water utility is eligible under Section 65 of the MGA and is part of an ongoing municipal service.