

Report to Council

To: Finance and Property (New Business)
From: Administration- Utility
Date: January 27, 2025
Re: CHIF Grant Application for Water Treatment Plant Expansion

ISSUE:

To make an application for grant funding from the Canadian Housing Infrastructure Fund (CHIF) for the City Water Treatment Plant (WTP) expansion.

ALTERNATIVES:

1. Make an application to the Canadian Housing Infrastructure Fund.
2. Do not make an application.

ANALYSIS:

The City of Portage la Prairie (City) has been working with the Manitoba Water Services Board (MWSB) and Stantec Engineering to design an expansion to the existing City of Portage WTP which is necessary to meet the current and future water production requirements. This expansion will not only increase capacity to better position the City and surrounding area for growth but will significantly improve redundancy to permit maintenance and improve reliability. The project will also increase water quality by reducing hardness and organics.

The project is still in the design stage, but it is estimated to cost approximately \$96.6 Million. Pending funding and logistics with permitting and agreements, the project could be ready for tender and construction later in 2025.

The government of Manitoba has already provided \$40.25 Million in funding in January 2024 and \$3.26 Million in interest on the provincial funding will be available for use by the City. The federal government announced the Canadian Housing Infrastructure Fund. CHIF is a \$6 billion program which supports the objectives of [Canada's Housing Plan](#). Under this fund, \$1 billion has been dedicated to providing communities across Canada with funding to build or improve critical infrastructure – such as drinking water, wastewater, stormwater, and solid waste. The remaining \$5 billion will be delivered through agreements with provinces and territories that support local infrastructure priorities while advancing federal housing objectives. Projects submitted to the CHIF are eligible for up to 50% of the total project costs.

Administration would like to ask the Council to approve the submittal of an application to the CHIF to fund up to \$48.3 million for the project, which is equivalent to 50% of the estimated total. The project timeline indicates that the tender documents for this project will be released in the summer of 2025 and the City must have its share of the funding secured before the tender release. The City

has already issued a request to the *Province of Manitoba - Municipal Relations Board* for permission to borrow up to \$55.204 million if needed to complete the project. This includes the remaining capital as well as the borrowing costs. If the City's CHIF application is successful in receiving the full amount available, the City's share of the project could potentially be reduced to an estimated \$4.79 Million. However, federal support in any amount would offset not only the capital costs but also reduce the long-term borrowing costs, which in turn will reduce the Utility Water rate increases that would be needed to fund this project.

ADMINISTRATIVE RECOMMENDATION:

THAT the Council of the City of Portage la Prairie authorizes the administration to apply to the Canadian Housing Infrastructure Fund, requesting 50% federal funding, or \$48,300,000 for the Portage Water Treatment Plant Expansion.

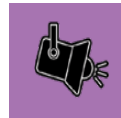
ALIGNMENT WITH COUNCIL STRATEGIC PLAN:



1. Quality of Life



2. Community Safety and Well-Being



3. Showcasing our Community



4. Economic Opportunity



5. Inclusive and Informed Community