



**Utilities Kingston  
Report to Council  
Report Number 15-404**

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**To:** Mayor and Members of Council

**From:** Jim Keech, President and CEO, Utilities Kingston

**Resource Staff:** Jim Miller, Director, Utilities Engineering, Utilities Kingston

**Date of Meeting:** October 20, 2015

**Subject:** James Street Booster Station Upgrades  
Federal Funding Participation – Capital Assistance Program

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**Executive Summary:**

As a result of asset condition assessment work CFB Kingston, prior to making an investment in their elevated water tower facility, enquired about the long term need for this facility. Utilities Kingston examined the issue and determined that with an upgrade to our James Street Booster Station the CFB Kingston elevated water tower could be removed. In addition Utilities Kingston could also decommission the Gore Rd elevated tower (completed in 2014) and possibly the Milton Ave elevated water tower.

Utilities Kingston had planned for upgrades at this facility within our 10 year capital plans (2019), but not to the extent contemplated. CFB Kingston through the Federal Government program “Capital Assistance Program” proposed funding of up to 50% of project costs to a maximum of \$4.23 million to assist in upgrades sufficient to ensure the decommissioning of their asset. Funding would be secured through two agreements the first dealing with detailed design and completion of tender ready documents (Phase 2) and the second dealing with construction costs (Phase 3). In 2014 Council endorsed the entering into of an agreement for Phase 2, the detailed design and preparation of tender documents, with Phase 3 being subject to the capital budget approval process for 2015. Following Council endorsement in 2014 an agreement was entered into for Phase 2, which is currently on schedule to be complete in January 2016.

With the 2015-2018 Capital Budget process now complete and approved, the current Capital Budget identifies sufficient funds to cover the city share of Phase 3 costs. With the completion of Phase 2 approaching it is being recommended that Council endorse the entering into of a

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cost sharing agreement with the Federal Government for Phase 3, which is also contingent on the property acquisition discussed in the Options/Discussion section of this report. It is therefore also being recommended that Council authorize the entering into of a Purchase and Sale Agreement in terms satisfactory to the City Solicitor for the acquisition of land from DND in the amount of \$1.00.

**Recommendation:**

**That** Council endorse the James Street Booster Station capital improvements project for grant funding purposes; and

**That** the Mayor and Clerk be authorized to execute an agreement for a financial contribution from the Federal Government under the Capital Assistance Program for Phase 3, Construction for the James Street Booster Station, in a form satisfactory to the City Solicitor and Director of Legal Services; and

**That** Council endorse the acquisition of land for the James Street Sewage Pumping Station and the James Street Water Booster Station so that future upgrades, operation, and maintenance on these facilities can be performed under proper ownership; and

**That** the Mayor and Clerk be authorized to execute a Purchase and Sale Agreement, and related documentation, in a form satisfactory to the City Solicitor.

**Authorizing Signatures:**

ORIGINAL SIGNED BY PRESIDENT & CEO, UTILITIES KINGSTON

**Jim Keech, President and CEO,  
Utilities Kingston**

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**Options/Discussion:**

As part of an ongoing liaison with CFB Kingston, Utilities Kingston and the Base entered into discussion over a potentially mutually benefitting project involving the James Street Booster Station located in Barriefield Village.

This facility was originally constructed in the 1950's on land owned by CFB Kingston. At the time the intent was to have the municipality acquire this property from CFB Kingston through transfer or license; however the acquisition was never formally executed. As a result, the facility has been operated and maintained by Utilities Kingston (Public Utilities Commission before UK) for many years since then, while CFB Kingston has maintained ownership. The same situation applies to the sewage pumping station located at 213 James Street just west of the James Street water booster station, where Utilities Kingston operates and maintains the facility while CFB Kingston maintains ownership.

The James Street Booster Station is identified in our 10 year Capital program for major upgrades that were planned for 2019. The Base had indicated that major capital investments were required at their elevated water storage facility. Prior to undertaking that investment the Base enquired as to the long term need of the elevated tower. Although this tower is part of CFB Kingston's water distribution system it also plays a significant role in the city's distribution of water in the east end of the city. Preliminary analysis indicated that the storage provided by this facility would no longer be required as a result of the Innovation Drive Elevated Water Tower (St. Lawrence Business Park) which was recently constructed and a new/upgraded James Street Booster Station. In addition the completion of these two projects (Innovation Elevated Tower and a new James St Booster Station) would permit Utilities Kingston to decommission the existing Gore Rd Elevated Tower (completed) and eventually the Milton Ave. Elevated Tower.

As a consequence of these potential benefits, the Base/Federal Government indicated a desire to fund through a cost sharing arrangement the design, tender and construction of an upgraded booster station that would result in the decommissioning of the CFB Kingston Water Tower. This funding would be provided under the Capital Assistance Program (CAP) to 50% of the total project costs up to a maximum of \$4.23 million for the federal share with the water rates funding its equal share. The funding would only cover the work associated with a new/upgraded booster station and would not cover any decommissioning costs of existing assets as those would be the responsibility of the respective parties.

Preliminary work was undertaken by staff in the form of an Environmental Assessment (EA) of the project merits. Funding for this component existed within the current approved capital budget at that time. The EA was completed in 2013 and following Report to Council No. 14-053, a funding agreement was entered into between DND and UK/The City for the Design and Tender Document preparation (Phase 2). Phase 2 is now approaching completion and it is the desire of both parties to move into Phase 3, Construction, scheduled for 2016. As per Report 14-053, Phase 3 was dependent on Council's approval of the 2015 Capital Budget for Utilities Kingston and would be subject to Council's endorsement of entering into a second funding agreement for this phase. Furthermore, the funding for Phase 3 (construction) is dependent on

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the land ownership being registered to the City and is therefore subject to the successful transfer of this property from DND to the City.

The 2015 Capital Budget, including the necessary funds for the City's portion of the phase 3 works has been approved by Council. Therefore, at this time support from Council is required to acquire the properties as described and to enter into a joint funding arrangement with the Federal Government for the purposes of completing the construction.

**Existing Policy/By-Law:**

Not applicable

**Notice Provisions:**

Not applicable

**Accessibility Considerations:**

Not applicable

**Financial Considerations:**

As a result of the 2015 capital budget approval process, current funds exist within the Water Utility Capital Budget to undertake the city's share of the costs associated with construction for the James Street Booster Station upgrades. Current budget estimates are within acceptable ranges to maintain a 50% funding share between the parties.

There are no anticipated budget considerations for the property acquisition as the transfer of land will be in the amount of \$1.00.

**Contacts:**

Jim Miller, Director, Utilities Engineering, 613-546-1181, Ext. 2475

**Other City of Kingston Staff Consulted:**

Alan McLeod, Senior Legal Counsel, City of Kingston

**Exhibits Attached:**

Exhibit A - Report to Council 14-053



## REPORT TO COUNCIL

<b>Report No.: 14-053</b>
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**TO:** Mayor and Members of Council

**FROM:** Jim Keech, President and CEO, Utilities Kingston

**RESOURCE STAFF:** Jim Miller, Director, Utilities Engineering, Utilities Kingston

**DATE OF MEETING:** January 7, 2014

**SUBJECT:** James Street Booster Station Upgrades  
Federal Funding Participation - Capital Assistance Program

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### EXECUTIVE SUMMARY:

As a result of asset condition assessment work CFB Kingston, prior to making an investment in their elevated water tower facility, enquired about the long term need for this facility. Utilities Kingston examined the issue and determined that with an upgrade to our James Street Booster Station the CFB Kingston elevated water tower could be removed. In addition Utilities Kingston could also decommission the Gore Rd elevated tower and possibly the Milton Ave elevated water tower.

Utilities Kingston had planned for upgrades at this facility within our 10 year capital plans (2019), but not to the extent contemplated. CFB Kingston through the Federal Government program "Capital Assistance Program" proposed funding of up to 50% of project costs to a maximum of \$4.23 million to assist in upgrades sufficient to ensure the decommissioning of their asset. Funding would be secured through two agreements the first dealing with detailed design and completion of tender ready documents and the second dealing with construction costs. Within the 2014 Capital Budget sufficient funds exist to cover the city share of the detailed design costs, but the construction phase would be subject to the capital budget approval process for 2015. It is being recommended that Council endorse the entering into of an agreement for only the detailed design and tender ready documents.

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**RECOMMENDATION:**

**THAT** Council endorse the James Street Booster Station capital improvements project for grant funding purposes; and

**THAT** the Mayor and Clerk be authorized to execute an agreement for a financial contribution from the Federal Government under the Capital Assistance Program for detailed design and tender ready documentation for the James Street Booster Station, in a form satisfactory to the City Solicitor and Director of Legal Services; and

**THAT** the final phase involving construction, which is also eligible for a financial contribution under the same program, would be subject to Council approval of another funding agreement and the 2015 capital budget.

**AUTHORIZING SIGNATURES:**

ORIGINAL SIGNED BY PRESIDENT & CEO, UTILITIES KINGSTON Jim Keech, President and CEO, Utilities Kingston
ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER Gerard Hunt, Chief Administrative Officer

**CONSULTATION WITH THE FOLLOWING COMMISSIONERS:**

Cynthia Beach, <i>Corporate &amp; Strategic Initiatives</i>	N/R
Lanie Hurdle, <i>Community Services</i>	N/R
Denis Leger, <i>Transportation, Facilities &amp; Emergency Services</i>	N/R

***(N/R indicates consultation not required)***

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**OPTIONS/DISCUSSION:**

As part of an ongoing liaison with CFB Kingston, Utilities Kingston and the Base entered into discussion over a potentially mutually benefitting project involving the James Street Booster Station located in Barriefield Village. This facility is identified in our 10 year Capital program for major upgrades that were planned for 2019. The Base had indicated that major capital investments were required at their elevated water storage facility. Prior to undertaking that investment the Base enquired as to the long term need of this facility. Although this tower is part of CFB Kingston's water distribution system it also plays a significant role in the city's distribution of water in the east end of the city. Preliminary analysis indicated that the storage provided by this facility would no longer be required as a result of the Innovation Drive Elevated Water Tower (St. Lawrence Business Park) which was recently constructed and a new/upgraded James Street Booster Station. In addition the completion of these two projects (Innovation Elevated Tower and a new James St Booster Station) would permit Utilities Kingston to decommission the existing Gore Rd Elevated Tower and eventually the Milton Ave Elevated Tower.

As a consequence of these potential benefits, the Base/Federal Government indicated a desire to fund through a cost sharing arrangement the design, tender and construction of an upgraded booster station that would result in the decommissioning of the CFB Kingston Water Tower. This funding would be provided under the Capital Assistance Program (CAP) to 50% of the total project costs up to a maximum of \$4.23 million for the federal share with the water rates funding its equal share. The funding would only cover the work associated with a new/upgraded booster station and would not cover any decommissioning costs of existing assets as those would be the responsibility of the respective parties.

Preliminary work was undertaken by staff in the form of an Environmental Assessment (EA) of the project merits. Funding for this component existed within the current approved capital budget. The EA is nearing completion and is confirming the viability and benefits of the project to the partners. As a consequence funding is available from the Base for the next phase – detailed design and tender ready documents planned for 2014 with construction tentatively planned for 2015. Construction is however dependent on Council's approval of the 2015 Capital Budget for Utilities Kingston and would be subject to Council's endorsement of entering into a second funding agreement under the CAP program.

As design work is an eligible expense under the CAP an agreement would be required to be executed to secure funding for this next stage. A draft of the agreement has been reviewed by the City's Legal department but will require a final review. At this time support to enter into an agreement from Council is required as part of the process to secure funding for this next stage.

The last phase involving actual construction is not contemplated until 2015 and will be subject to the capital budget approval process. Although the long term (10 year) capital plans include a budget allocation for work at James St (2019-2020) the timing of that allocation would change and it is likely that the original forecasted expenditure of \$2 million will need to be revised

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upward to reflect the change in the scope of work. Although an opinion of probable cost has not been developed for the entire project we are currently estimating total project costs to be in the \$4 to \$5 million range including design. The detailed design and tender ready documentation is estimated to be about \$500,000 to 750,000 given that this will involve a retrofit and expansion of the existing building and that special attention will be required to address heritage matters as it is within the Barriefield Heritage District.

**EXISTING POLICY/BY LAW:** Not Applicable.

**NOTICE PROVISIONS:** Not Applicable.

**ACCESSIBILITY CONSIDERATIONS:** Not Applicable.

**FINANCIAL CONSIDERATIONS:**

Current funds exist within the Water Utility Capital Budget for 2014 to undertake the city's share of the costs associated with detailed design and tender ready documentation associated with the James Street Booster upgrades. Subsequent work involving construction is planned for 2015 and would be subject to budget approval by Council and a subsequent endorsement of a second funding agreement. Current budget estimates are within acceptable ranges to maintain a 50% funding share between the parties.

**CONTACTS:**

Jim Miller, Director, Utilities Engineering

613-546-1181, Ext. 2475

**OTHER CITY OF KINGSTON STAFF CONSULTED:**

Alan McLeod, Senior Legal Counsel, City of Kingston

**EXHIBITS ATTACHED:** Not Applicable.