



## REPORT TO COUNCIL

### Meeting of Council

**DATE:** April 11th, 2023  
**TO:** Robert Buchan, City Manager  
**FROM:** Richard Pucci, Director of Operations & Intergovernmental Relations

**SUBJECT: WATER INFRASTRUCTURE PROJECT - BACKGROUND/UPDATE**

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**RECOMMENDATION:** The Mayor and Council receive this Report for information purposes.

**BACKGROUND:**

The City of Prince Rupert (City) is a community of contradictions – home to the soon-to-be second-biggest Port in Canada that sees over \$60 billion in trade annually but this is overshadowed by a water system that is on the verge of catastrophic failure.

The City is in this position due to multiple factors including decades of severe economic downturn which resulted in a mass exodus of population and limits to available revenues due to both PILT and Provincially legislated tax caps. In addition, in the past, there was a limited appetite from previous Councils to further raise taxes to renew infrastructure, due to the community's hard economic times. To survive that time, the Council made severe cuts (by up to 75% in some cases) to staff and operational spending and those cuts are still being felt today. The City now responds to at least four emergency water breaks per week, a record level, and breaks on the primary supply line which have rendered the City hours away from losing water to the entire community.

The City has sounded the alarm on infrastructure priorities with higher levels of Government and is advocating for direct financial support to meet these challenges head-on; the Province has answered with a contribution of \$65 million.

Prior to the latest contribution announcement, the City submitted to the Province and Federal Government a Plan that outlined immediate actions and costs to address critical water infrastructure failure, in a clear priority sequence, and with confirmation of available human capital capacity to complete and oversee the works. In this document, the City proposed a 3-year critical replacement strategy that would require a \$130 million capital investment through a Federal and/or Provincial Contribution Agreement to replace the identified priorities within the City's water supply and distribution infrastructure. This was based on the full Infrastructure Replacement Strategy completed in December of 2022 by Urban Systems.

Since calling the Local State of Emergency, the City experienced at least 9 additional water main breaks, and 15 city-owned service breaks – bringing our annual total for water main breaks to over 30, up from 12 in 2021 – our highest ever recorded. Thanks to the hard work of the Public Works crews and Contractors, we have managed to bring our reservoir capacity back up to 85% from its lowest of 56% and kept potable water in most homes over the holiday season. However, this additional resourcing has cost the City well over a million dollars in borrowed no-value repair money to manage these breaks, and there still is a significant risk to our entire system.

### **Priority Repairs**

The priority projects were determined through the Urban Systems Infrastructure Replacement Strategy. The priority projects consist of approximately 26 kilometers of water mains that are a combination of ***high risk of failure*** and ***high likelihood of failure*** infrastructure. The City took the priority projects and provided them to professional construction estimators to achieve real project costs associated with the works. The cost provided was \$130 million with the provision that construction costs are currently in flux and are still trending upward due to various factors.

It should be noted that under this Plan the City will take the first step by borrowing \$5 million and dedicating it to furnishing a detailed Plan with detailed designs for the 3-year program. Apart from the initial large-priority projects, most replacements will be executed via design-build. The City will seek to complete design works for all large projects in their priority sequence, and in advance of projected start dates. This will ensure that construction can proceed as quickly and efficiently as possible.

### **Conclusion & Government Partnership**

Though the official Local State of Emergency has technically ended in the eyes of the Federal and Provincial Governments, it has not with the City of Prince Rupert. The City Staff operate in this state daily, triaging several water leaks, mitigating loss of potable water to homes, and constantly fettling with the water supply to ensure the reservoir is at a safe and reasonable operating capacity every day.

The Council and City staff clearly recognize the need for infrastructure renewal and asset management and are committed to implementing this Plan, should the financial resourcing be approved. Therefore, the City is in the process of requesting the remaining \$65 million and more through the Federal Disaster Mitigation Fund.

The Staff recognizes that \$65 Million seems like a significant amount of money and should fix a considerable amount of the City's infrastructure; however, the City's infrastructure deficit is sitting at \$600+ million dollars after a \$130 million investment in water infrastructure alone.

Further, the Staff realizes that this major work program will hit all households and be messy, loud, distracting, disruptive, and disturbing. However, we will do our best to communicate all attributes of the program with the public and know that as a community we will make it through and be better for it.

**Report Prepared By:**

**Report Reviewed By:**

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Richard Pucci,  
Director of Operations &  
Intergovernmental Relations

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Robert Buchan,  
City Manager

Attachment(s):

- Map of Potential Water Replacement