
From: Jeff Brick, CAO
Date: December 3, 2020
Subject: ICIP COVID-19 Resilience Grant - Administration Office

Recommendation:

That Council for the Municipality of West Perth receive the report ICIP Resilience Grant - Administration Office; and

That Council for the Municipality of West Perth direct staff to submit an application to the ICIP COVID-19 Resilience stream for Option # ____ ;

Option #1

That Council for the Municipality of West Perth direct staff to submit an application to the ICIP COVID-19 Resilience stream for the construction of a new Administration Office that addresses accessibility, functionality and air handling limitations of the existing building.

Option #2

That Council for the Municipality of West Perth direct staff to submit an application to the ICIP COVID-19 Resilience stream for the Renovation of the Administration Office that addresses accessibility, functionality and air handling limitations of the existing building.

And;

That Council for the Municipality of West Perth authorize a Single Source and Direct Negotiation contract with Nelson Dawley Engineering in accordance with the provisions of By-Law 54-2018 to procure conceptual design, tender-ready drawings, site plan, tender management and site supervision services related to the construction of a new administration office and MTE Consultants Inc. to proceed with the design of civil works; and

That Council for the Municipality of West Perth affirm the membership of the Building Committee and direct the Building Committee to continue oversight of the Administration Office project and report back to Council with updates and to obtain Council resolutions as necessary.

Purpose:

To provide Council with information about the ICIP COVID-19 Resiliency Grant opportunity along with two options for the West Perth application. In addition to requesting that Council select an option and pass a resolution as required by the grant application process, this report also includes recommendations to allow the selected option to move forward in order to meet the extremely tight timelines that are required for the grant.

Background:

Background: ICIP - COVID-19 Resiliency Fund

A press release was issued by Randy Pettapiece on November 4, 2020 indicating that \$1.1 M was being made available to Perth Municipalities for “COVID-19 Recovery.” The release noted that a total of \$250 M was available for Ontario’s 444 Municipalities. The press release provided allocations for the Perth Wellington Riding and the West Perth allocation was listed as up to \$160,124.

On November 6, 2020 the Ministry of Infrastructure followed up the Pettapiece press release with the announcement of the ICIP COVID-19 Resilience Infrastructure Stream. The Ministry of Infrastructure Grant confirmed the maximum West Perth allocation but noted that there would be an application process and more details would be provided by Mid-November.

On November 16, 2020, West Perth received an email from the Ministry of Infrastructure providing more details about eligibility and application requirements including limits, deadlines and completion requirements. The November 16th email outlined four grant categories as follows:

Category 1: Retrofits, Repairs and Upgrades for municipal, provincial, territorial and indigenous buildings, health infrastructure and educational infrastructure;

- Note 1: only project components *in* or *on* buildings are eligible for funding – *components* outside buildings are not.
- Note 2: Non-profits/broader public sector (BPS) are not eligible to partner with a municipality for projects under the asset type Government Building.

Category 2: COVID-19 Response Infrastructure, including building or modifying infrastructure to support physical distancing, safety retrofits and expansions;

Category 3: Active Transportation Infrastructure, including parks and, trails, foot bridges, bike lanes and multi-use paths; and

Category 4: Disaster Mitigation and Adaptation, including natural infrastructure, flood and fire mitigation, tree planting and related infrastructure.

Staff have reviewed the grant requirements and eligibility categories and staff recommend that an application addressing the West Perth Administration Office (either renovate or build new) is the best fit for the program. This conclusion is based on the following:

- The existing administration building is already seriously limited in terms of major systems, accessibility for the public and staff and functional layout.

- The Municipal response to the COVID-19 Pandemic has highlighted significant problems with the distribution and movement of people (employees and public) in the office and air circulation.
- We were aware of these issues but response and adaptation to the challenges presented by the pandemic has served to heighten this awareness.
- Limitations of the Administration Office in terms of accessibility, have also further complicated or limited options for COVID-19 adaptations.

Based on a review of the Grant Application Guide, renovation of the existing building or a new administration building would fit program eligibility under Category 1 or Category 2 or both. Specific details on which category is most applicable and the criteria / required business case is being reviewed with Ministry Staff.

Staff have considered other projects that could fit into the four Categories of Eligibility and staff do not have other project(s) on the list of priority projects which we would see as being eligible to utilize the \$160,124 West Perth allocation.

In conclusion, an application to the ICIP-COVID-19 Resiliency intake for the Administration Office is seen as a project that both meets the immediate needs of the Municipality and also most directly addresses the purpose of the ICIP-COVID-19 Resiliency Fund.

Background: Building Condition Assessment and Options for the Municipal Administration Needs

The Municipality of West Perth completed a comprehensive Building Condition Assessment (BCA) of various municipal facilities in 2012. The Administration Office and Firehall were included in this review.

The 2012 BCA identified many improvements and replacement of equipment that was recommended to occur over the following seven years. The Municipality completed the life safety recommendations outlined in the 2012 BCA including the potable water line replacement (completed in 2013). Other notable repairs and replacements that were identified in the 2012 BCA are outlined in the following table:

Repair/Replacement	Recommended Replacement Time	Budget Amount
Weep Holes	2017	\$15000
Flooring	2019	Carpet - \$15,000 Vinyl Tile – \$35,000
Sanitary Vent Connection/ Washroom Connection	2015	\$12,000

Repair/Replacement	Recommended Replacement Time	Budget Amount
Roof Top Unit Replacements	2015	\$28,000
Bitumen Roof Replacement	2017	\$30,000
Fire Alarm System	ASAP	\$35,000
	Total:	\$170,000

Additional budget for annual maintenance and repair as recommended by the 2012 BCA was not implemented. It appears that the implementation was not acted on for three main reasons:

1. The cost of the repairs was concern without a decision on whether or not the building would be seen as being a suitable Administration Office in the long term from a functionality and size standpoint.
2. The repairs did not address the main underlying deficiency of the building being accessibility
3. The significant nature of some of the repairs could trigger the need for a building permit and under the Building Code Act, overall accessibility compliance in accordance with the requirements of the Accessibility for Ontarians with Disabilities Act would be required.

The Administration Office has been on a minimum maintenance program since 2012.

Wilson Diaz Architecture Incorporated was selected to complete the Municipal Administration Campus Feasibility Study in accordance with a Request for Proposal dated October 17, 2017. Wilson Diaz was hired to complete the following main tasks:

- 1) Administration Office: A technical review was completed which identifies and compares the capital costs, the ongoing operational and energy costs, and functionality of either renovating the existing administration building or constructing a new administration building on the existing property. A functional design plan for renovating the existing office was provided. A functional design plan addressing space allocations and possible arrangement for the new administration office option was also provided. The technical review included delivery of reports including an updated Building Condition Assessment (BCA) for the Administration Office.
- 2) Fire Hall: Options for locating and constructing a new fire hall on the existing four-acre Municipal Campus were reviewed. The project included a tour of a number of other facilities by the Building Committee.

- 3) An analysis of the construction costs and operational costs of the following options was completed:
 - a. Stand-alone fire hall and renovated administration office
 - b. Combined fire hall and administration office building

- 4) A conceptual layout for the current four-acre Municipal Campus, identifying the recommended building locations (existing or new for administration office and new fire hall), traffic flow and parking was provided. Concept drawings were provided.

The Wilson Dias BCA identified significant issues with the air flow and HVAC system. Wilson Diaz provided two options to rectify this issue and comply with the ASHRAE 62.1 which is the standard of ventilation system and design and indoor air quality.

Option 1: Variable Refrigeration Flow (VRF).

The VRF system would completely replace the existing Rooftop units and would require a separate dedicated outdoor air system. Cost for this option is:

Municipal Building - VRF

VRF System (2x 8-ton condensing units, 24 fan coils) - \$79,000

VRF Installation - \$49,000

ERV - \$36,000

ERV Installation - \$15,000

Demolition - \$20,000

Sheet Metal and Diffusers - \$45,000

Controls - \$35,000

Plumbing (pipe insulation) - \$7,500

Total: \$286,500

Option 2: Replace the existing rooftop units with larger rooftop units

The replacement rooftop units would be sized to serve one floor each. Ductwork would be extended on each floor so that every space receives ventilation air in accordance with ASHRAE 62.1 guidelines. Cost for this option would be:

Municipal Building – Rooftop Units

Rooftop Units (2 x 8 ton) (VVT) - \$45,000

Rooftop Unit Installation - \$40,000

Structural Revisions (Contingency) - \$20,000

Demolition - \$20,000

Sheet Metal and Diffusers - \$70,000

Controls - \$20,000

Plumbing (pipe insulation) - \$7,500

Total: \$222,500

Additionally, with both options as identified, the boilers would need to be replaced. Wilson Diaz reported that the boilers are believed to be installed circa 1983. The boilers would be approximately 37 years of age today with an ASHRAE life expectancy of 25 years. The cost of boiler replacement would be:

- Boiler (2x400 MBH condensing boilers) - \$30,000
- Boiler Plant Accessories and Installation- \$65,000
- Boiler Plant Demolition - \$5,000
- Total: \$100,000**

Wilson Diaz presented their findings on the Campus Master Plan to West Perth Council on April 16, 2018. Council passed the following resolution:

Resolution: 119/18
 Moved By: Councillor Herold
 Seconded By: Councillor Wight
 That the Council of the Municipality of West Perth proceed to a preliminary public consultation for the Municipal Campus with a date to be determined.

The Public Meeting on the Campus Master Plan was scheduled for June 19, 2018.

In the final presentation to Council and the Public, Wilson Dias presented two options as follows:

OPTIONS COMPARISON SYNOPSIS			
OPTIONS		Construction Costs	
			Final Cost with HST Rebate.
Option 1 - Major Renovations within Existing Facilities Fire Hall and Museum Demolished	BASE COST	\$	3,559,715.91
	Soft Costs	\$	379,364.60
	F&E	\$	417,368.64
	Total	\$	4,356,449.15
Option 1a - New Freestanding Fire Hall and Museum	BASE COST	\$	2,204,467.58
	Soft Costs	\$	208,992.05
	F&E	\$	15,254.00
	Total	\$	2,428,713.63
Option 2 - All New Facilities	BASE COST	\$	5,275,862.70
	Soft Costs	\$	483,613.85
	F&E	\$	326,039.04
	Total	\$	6,085,515.59

More details on the cost options of the Wilson Dias recommendation are included in the options section of this report. For clarity, the Wilson Dias Options presented included the following:

Option	Details	Cost Estimate (2018)
1	Major renovation of existing administration office and demolish existing fire hall	\$4,356,449
1a	New Free standing fire hall with museum	\$2,428,714
1 + 1a	Combined cost of Option 1 to Option 1a	\$6,785,163
2	All new Fire Hall and Municipal office – in a combined building with shared lobby	\$6,085,516

Additional details about the findings and cost estimates from the Wilson Diaz work are outlined in the review of options section later in this report.

Background: Building Committee Role and Recommendations

At their February 19, 2019 meeting, Council resolved to appoint Mayor McKenzie, Deputy Mayor Eidt, Councillor Trentowsky and Councillor Herold to continue to serve on an adhoc Building Committee. The Committee is supported by the following staff: Bill Hunter, Bob McLean, Darcey Cook and Jeff Brick.

The Building Committee met on July 10, 2019. At this meeting the Building Committee discussed their role in advancing the Campus Feasibility Study completed by Wilson Diaz. The Building Committee reported to Council on July 19, 2019 on the following matters and Council passed the resolutions necessary to implement these actions:

- i. Mandate - The Building Committee discussed their role and confirmed that their mandate is to assess options related to the Campus Feasibility Study and report to Council with recommendations for action when a Council resolution or by-law is required.
- ii. Prioritization of Study Components- The Building Committee discussed the priority components from the Campus Feasibility Study based on their review of the past reports (2012 BCA and 2018 Campus Feasibility Study). The committee acknowledged that due to condition, a decision needs to be made on both the renewal or replacement of the administration office and the replacement of the fire hall. The Building Committee recommended that replacement of the firehall be prioritized. The Building Committee noted that while no immediate action was recommended for the administration office, significant concerns with building condition, accessibility and the risk of a failure of one or multiple critical building systems remain and the Municipality must be prepared to re-visit options for the administration office as soon as it is possible to do so.
- iii. Options for Tennis Court Relocation

The Building Committee considered the options for the tennis courts as they are located on the Municipal Campus property and the prioritization of the fire hall project on the same site would lead to the need to re-locate the tennis courts. Based on a review of options, the Building Committee identified a preference for relocating the tennis courts to Veterans Park, across from the Community Centre.

- iv. The Building Committee recommended Single Source and Direct Negotiation for engineering and design services for the firehall project and the civil works to support the project.

Background: Current Status of Fire Hall Project

The Building Committee met on Wednesday November 25, 2020. A brief tour of the fire hall construction site was conducted for those that could attend and the committee then met with three Council members of the committee participating in person and one participating by Zoom. The Building Committee received an update on the firehall project and was advised that the project is on schedule and on budget. It is anticipated that the firehall will be ready to be turned over to the Municipality by mid-December. Some components of the project will be completed in the spring of 2021 including the top coat of asphalt and the fence along the north property limit.

Analysis

The following analysis is providing with consideration for the 2012 BCA, the 2018 Campus Feasibility Study Work (included updated BCA), the status of the new fire hall and the ICIP COVID-19 Resiliency Grant opportunity. Information on these considerations was presented to the Building Committee at the November 25 meeting and the Building Committee recommended that staff present the information to Council for consideration and a decision. A Special Council meeting was added to allow for a fulsome consideration of this important decision.

In terms of moving forward, there are three options to consider as follows:

1. Do Nothing. This option would involve staying in the current Administration Office. Some minimal repairs would be needed for this option (ie. carpet) but some of the major repairs may not be able to be made as they may require a building permit. If a building permit is required, the Building Code Act would require a review of the building for overall accessibility compliance in accordance with the requirements of the Accessibility for Ontarians with Disabilities Act. The magnitude of repairs and upgrades needed to address basic functionality, accessibility or air handling would most likely require a building permit. Meeting this requirement would effectively involve the full renovation of the existing building as outlined in Option 2. This challenge with wanting to make upgrades to the building but not trigger a building permit is essentially the reason the “do nothing” option has been the case for the last eight years.

The “do nothing” option is not recommended as it does not address major upgrades needed to the building for accessibility, functionality and air handling. It also does not mitigate the risk of a major failure of systems that have been documented as being beyond their design life. The possibility of a major failure of a specific system is further complicated by the integration of systems. For example, if the roof system were to fail, the replacement of the roof would likely not be treated as a discrete project as to do so would involve re-using rooftop units that are already well beyond their design life. Finally, the “do nothing” approach does not position the Municipality in the necessary role of being a leader on matters such as employee health and safety and employee and public accessibility.

2. Renovate the Current Administration Office

Detailed work on the renovation option was completed by Wilson Dias. Based on information collected, the renovation option put forward by Wilson Dias considered the updated BCA, accessibility, air handling and functionality. The Wilson Dias estimate for the renovation option was \$4,356,449. Some key points about this option are as follows:

- a. Due to limitations with the basement, the renovation option involves renovations in the 6,000 ft² basement which do not significantly increase the yield of functional space in the other two floors.
- b. The renovation option provides approximately 12,000 ft² of occupancy space but due to the structural limitations of the building, the space is difficult to optimize
- c. The renovation option includes a cost for re-locating staff during the renovation. In addition to the financial cost, the cost for disruption of business functions and lost time related to this disruption is not included
- d. The functional design plan as proposed by Wilson Diaz did have limitations in the size of Council chambers proposed and does not include staff adjustments that have been made since 2018.
- e. The functional design also does not take into account changes that might be made based on the experience with a global pandemic

The renovation option as presented by Wilson Dias has been reviewed with consideration for new information that we now know about the site and recommendations from the Fire Hall design engineer (Nelson Dawley). The main change in the estimate for the renovation option is the change from 5 % contingency to 10 % as this is more in line with a recommended contingency for a renovation of this type of building. The renovation estimate was reduced to reflect the installation of some services and civil works that were completed for the fire hall project. The updated estimate for the renovation option is \$4,419,891.

3. The third option involves building a new administration office immediately south of the new fire hall. In the design of the fire hall structure and site civil works, a 14,000 ft² building envelope was identified on the plans to account for this potential future option. This reserve was included to maintain the option as identified in the Wilson Dias Feasibility Study. The following key points are noted:
 - a. The Wilson Dias Feasibility Study recommendation for a new administration office proposed a building combined with the new fire hall and a shared lobby. The proposed efficiencies of the connected building were related to systems such as HVAC. The decision of the Building Committee to prioritize the fire hall project was made with consideration to preserve the option of locating a new administration office to the south. The fire hall design engineer did not recommend retaining the option for shared HVAC systems due to the specific nature of the “garage” portion of the fire hall. The design of the fire hall was undertaken in such a way to gain significant efficiencies in shared services and utilities and other civil works. It is estimated that the shared savings from the planning for servicing of a potential administration office are in the same range as were estimated by Wilson Dias for a combined build.
 - b. The Wilson Dias combined build included 11,000 ft² for a new administration office. The functional design report did not include community programming sufficient additional space for potential growth. Staff also viewed the functional design as not including a large enough space for Council Chambers or enough space for file storage. With these factors considered, a 14,000 ft² space was planned for. The 14,000 ft² allocation has been used for planning but it is important to note that this amount of space will need to ultimately be confirmed through a functional space assessment. It is noted that the new build option does provide flexibility in the actual total size that is not available to the renovation option due to the configuration of the existing building.

The new build option as presented by Wilson Dias has been reviewed with consideration for new information that we now know about the site and recommendations from the Fire Hall design engineer (Nelson Dawley). The revised estimated new build price for 14,000 ft² is \$3,430,000. The main cost efficiencies related to the new build office are the reduced costs related to the services that are already installed, the reduced cost for design and construction for new build over renovation. Also, a lower contingency is needed as there are less unknowns in a typical new build and there are even less risks with this particular proposed new build as the services and utilities are stubbed in and this is an area where contingency is generally required. Finally, the new build option compared to the renovation option in this specific case is lower as there are no costs added for temporary relocation of staff during the project as the project can be completed with staff remaining in the existing administration office until the new office is ready.

Analysis

The summary of the updated Option 2 (Renovation) and Option 3 (New Build) is included in the table below:

Option	Functional Space	Updated Estimate
Option 2 (renovation of existing administration office)	12,000 ft ²	\$4,419,891.
Option 3 (build new municipal office south of new fire hall)	14,000 ft ²	\$3,430,000

A financial analysis of the two options is included in the attached Capital Request form. The Capital Request form shows the estimated construction cost, contingency and financing for both the new build and renovation options. Both options include:

- \$30,000 of revenue carried forward from 2020 for design
- \$1,100,000 from reserves built up for this project being applied
- \$160,000 ICIP grant allocation for both options
- Balance of the cost for each option debt financed
- And ongoing reserve contribution for future major maintenance (\$20,000/year in case of new build and \$30,000/year in the case of the renovation option).

The estimated levy impact, including financing costs and reserve contributions for the new build option is \$151,662 starting in 2022.

The estimated levy impact, including financing and reserve contributions, for the renovation option is \$221,729 starting in 2022.

Staff are not recommending the “do nothing” option. In considering the renovation option and the build new option, staff are recommending the build new option. The build new option provides more flexibility for design, more space and is less cost.

It is noted that the build new option also has the potential to realize revenue from two additional sources which has not been incorporated into this model:

1. No revenue from the disposal of the current administration office asset is built into the new build option. This is a decision for Council to make at a future time but the overall campus design has been planned to allow the option of disposing of the existing building and property and if this was pursued, the revenue could be used to offset the new build cost
2. No revenue from rentals or sale of assets made surplus is included in the new build option. The new build option has an allocation of approximately 1,500 ft² of space that could be used as potential future expansion space or public programming space. The amount of this space will need to be confirmed through functional design however if

the addition of this space did generate rental revenue or result in another West Perth owned asset being made surplus, the revenue could be applied to offset the cost of the new build option.

For the reasons notes, staff are recommending that the Council of the Municipality of West Perth support the new build option. The language for a renovation option has been provided if Council wishes to choose that option.

Next Steps

Given the extremely tight timelines required for the grant, staff have identified additional steps to be taken assuming Council accepts the staff recommendation. In addition to proceeding with the completion and submission of the grant application by the December 21, 2020 deadline, staff are also recommending that the design process be started. To proceed with design, a decision needs to be made on the procurement of professionals for various design and engineering services.

Procurement is governed by By-Law 54-2018. Staff are recommending that a Single Source and Direct Negotiation Procurement be used for the procurement of design services for this project. Procurement for construction would proceed after design and staff are recommending a fixed contract tender process. It is noted that this process was used for the fire hall albeit for slightly different reasons.

Section 11 of By-Law 54-2018 outlines the Single Source option and Section 12 of By-Law 54-2018 outlines the specifics of Direct Negotiation (Section 12). Both sections are provided here for the information of Council.

Section 11 – Single Source

Bid Solicitations are not required for Single Source Purchases, provided any of the following conditions apply:

- a) the compatibility of a Purchase with existing equipment, product standards, facilities or service is a paramount consideration;
- b) there is an absence of competition for technical reasons and the Goods and/or Services can only be supplied by a particular Supplier and Sole Source is being recommended;
- c) an unforeseeable situation of urgency exists and the Goods and/or Services cannot be obtained in time by means of open procurement procedures;
- d) the Municipality has a rental contract with a purchase option and such purchase option is beneficial to the Municipality;
- e) for matters involving security, police matters or confidential issues, in which case a Purchase may be made in a manner that protects the confidentiality of the Supplier or the Municipality;
- f) there are no bids in response to a Bid Solicitation; and/or

- g) the Supplier is selected from a roster for Professional Services that has been developed in accordance with this by-law.

Section 12 – Direct Negotiation

Direct Negotiation may be used for Purchases of Goods and/or Services when any of the following criteria apply:

- A. the required Goods and/or Services are in short supply;
- B. competition is prevented due to the existence of any patent right, copyright, technical secret or control of raw material;
- C. a Sole Source is being recommended;
- D. two (2) or more identical Bids are received;
- E. the Lowest Compliant Bid received meeting all mandatory specifications exceeds the Budget amount;
- F. the extension of an existing Contract would be more effective;
- G. only one (1) Bid is received in response to a Bid Solicitation;
- H. the Bid Solicitation process has been cancelled without Award;
- I. a roster for Professional Services has been developed in accordance with this By-law; and/or
- J. there is Council authorization to do so.

Staff are recommending a Single Source with Direct Negotiation for the following reasons:

- Dawley Engineering and MTE Engineering have intimate knowledge of the specific details of the 169 St David Street site and existing building and new fire hall.
- The project must be designed in an expeditious fashion to meet the requirements of the grant application. The selection of Dawley Engineering and MTE for this assignment would save significant time in terms of running a procurement process and familiarization with the site
- The addition of the new build municipal office is essentially an extension of the existing contracts that West Perth has with Dawley Engineering and MTE Engineering
- The existing contracts with Dawley Engineering and MTE Engineering contain pricing that serves as the benchmark to review submitted proposals and negotiate contracts for this additional work.

If Council approves the Single Source with Direct Negotiation recommendation of staff, the process would proceed as follows:

- Dawley Engineering would be invited to submit a proposal for the following services:
 - Functional design for new build. It is noted that Dawley Engineering will be required to partner with an architectural firm to complete this task and some of the other tasks for this project.
 - A set of concept drawings and a preliminary cost estimate

- A complete set of stamped construction-ready drawings for tendering purposes
 - Oversight of site plan design and approval
 - Management services for the construction tender process
 - Site supervision during construction
-
- MTE Engineering would be invited to submit a proposal for civil design services (construction layout, parking lot adjustments, servicing plans and site plan).
 - The Dawley and MTE proposals would be reviewed with the Building Committee
 - Contracts for services would be presented to Council with by-laws authorizing the Mayor and Clerk to sign

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Jeff Brick".

Jeff Brick, Chief Administrative Officer

Attachment: Capital Request Form for New Build and Renovation Options

2021 Capital Budget Request

Project Name:	Municipal Office Construction	Project Type:	Replacement Asset
Department:	General Administration	Location:	Wellington St.
Measurements:			

Project Description

Final Design and Construction of a new Municipal Office facility. The sale of previous Admin buildings reserves some funds to be utilized to a new Administration Building in Mitchell as a means of consolidation.

Project Rationale

The new Municipal Office will satisfy all Accessibility requirements as well as provide a more efficient building to house Staff. This will eliminate the excess capacity which we currently maintain and provide utilities to as well as better provide workspace to Staff and the Community. Additionally it supports COVID-19 measures for Staff and Public.

Option 1: Build New

Capital Costs:

	Previous	2021	2022	2023	2024	Total
Purchases						-
Construction		3,365,000				3,365,000
Engineering						-
Contingency	30,000	35,000				65,000
Other:						-
Total	30,000	3,400,000	-	-	-	3,430,000
<i>Financing:</i>						
Debt	30,000	2,140,000				2,170,000
Reserves		1,100,000				1,100,000
Grant		160,000				160,000
						-
Net Levy Impact	-	-	-	-	-	-

Operating Impacts of Capital

Hydro						-
Heat						-
Principal & Interest			131,662	131,662	131,662	394,986
Reserve Contributions			20,000	20,000	20,000	60,000
Net Operating Impact	-	-	151,662	151,662	151,662	454,986

Approx Impact on the levy

1.90

Option 2: Renovate Existing

Capital Costs:

	Previous	2021	2022	2023	2024	Total
Purchases						-
Construction		4,083,142				4,083,142
Engineering						-
Contingency	30,000	306,749				336,749
Other:						-
Total	30,000	4,389,891	-	-	-	4,419,891
<i>Financing:</i>						
Debt	30,000	3,129,891				3,159,891
Reserves		1,100,000				1,100,000
Grant		160,000				160,000
						-
Net Levy Impact	-	-	-	-	-	-

Operating Impacts of Capital

Hydro						-
Heat						-
Principal & Interest			191,729	191,729	191,729	575,187
Reserve Contributions (A)			30,000	30,000	30,000	90,000
Net Operating Impact	-	-	221,729	221,729	221,729	665,187

(A) Reserve contributions are for major maintenance events that will be required and capital replacement. It is higher in the renovate option due to a greater cost of operating/repairing/upgrading existing facility.

Approx Impact on the levy 2.77

Increase in cost over Option 1 46.20%