

OFFICE OF THE MAYOR

April 16, 2020

The Honourable Kaycee Madu
Minister of Municipal Affairs
132 Legislature Building
10800 – 97 Avenue
Edmonton, AB
T5K 2B6

Via email:
minister.municipalaffairs@gov.ab.ca

The Honourable Ric McIver
Minister of Transportation
320 Legislature Building
10800 – 97 Avenue
Edmonton, AB
T5K 2B6

Via email:
transportation.minister@gov.ab.ca

The Honourable Jason Nixon
Minister of Environment and Parks
323 Legislature Building
10800 – 97 Avenue
Edmonton, AB
T5K 2B6

Via email:
aep.minister@gov.ab.ca

Dear Ministers Madu, McIver, and Nixon:

Further to a conference call on April 7, 2020, with the Honourable Minister of Municipal Affairs, and pursuant to a request during that meeting to forward the Government of Alberta shovel-ready projects for consideration as a means of economic stimulus once the COVID-19 response winds down, the City of Cold Lake respectfully submits the attached project descriptions.

The attached list is, of course, by no means exhaustive. Indeed, you will find that additional important and shovel-ready projects will be forwarded from and supported by the City of Cold Lake through various partnerships and collaborations.

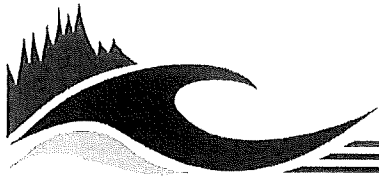
These include, but are not limited to:

- The Lakeland Catholic School District's proposed High School in Cold Lake (Ministry of Education); and
- Portage College/City of Cold Lake Aviation Education Project (Ministry of Advanced Education).

In the interest of reducing redundant submissions; however, we have outlined here the most pressing and shovel-ready infrastructure projects in the City of Cold Lake that relate solely to the municipality's infrastructure.

In many cases, these are projects which our Council has already partially funded, and which the City of Cold Lake has been working on with the Government of Alberta for various regulatory approvals over the years.

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City of *Cold Lake*

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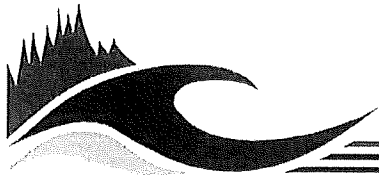
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It is well known that communities across Alberta, Canada, and the globe are suffering great economic hardship during these unprecedented times. Thanks in large part to the strong leadership of the Government of Alberta, there is hope that we can begin rebuilding our economy once it is safe to lift the public safety measures put in place, and continue to support our residents and business community.

Respectfully yours,

A handwritten signature in black ink, appearing to be 'C. Copeland'.

Craig Copeland,
Mayor



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City of Cold Lake – Municipal Project List

1. Cold Lake Wastewater Treatment Facility (WWTF)

The Cold Lake Regional Utility Services Commission's (CLRUSC) membership is comprised of representatives from the City of Cold Lake, Municipal District of Bonnyville, Cold Lake First Nations, and the Department of National Defense.

In April 2019, the City of Cold Lake and the Cold Lake Regional Utility Services Commission made application under the Alberta Municipal Water/Wastewater Partnership (AMWWP) for the Cold Lake Waste Water Treatment Facility (WWTF).

Further to a letter from Alberta Transportation dated November 20, 2019, advising that our application has been placed on the AMWWPs list of potential projects subject to program priorities and budgets, please be advised that the CLRUSC is currently finalizing a pilot project using Moving Bed Biofilm Reactors (MBBR). The purpose of this pilot project was to test the effectiveness of this technology in removing ammonium from wastewater to meet the desired effluent limits set by Alberta Environment and Parks (AEP) and Environment Canada (EC).

Given the innovative nature of this technology, it was being piloted during the winter months for a "worst-case-scenario" analysis to assess the performance of the system when the ammonia concentration in the lagoon effluent is high and the microbial activity is low. To date, the project is producing very positive results.

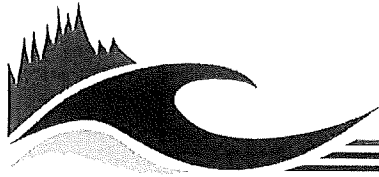
The operation of the current WWTF is permitted under Alberta's Environmental Protection and Enhancement Act approval No. 1585-04-00 which expires on January 1, 2022. Although not in the current approval, it is understood that AEP expects that the WWTF be upgraded at some point as we transition to a new approval. It may be difficult to achieve this schedule if there is a delay in funding as the construction phases of the proposed WWTF are contingent on the availability of provincial and/or federal funding.

The City of Cold Lake and the CLRUSC believe that this project can be fast tracked to create construction and commissioning based jobs (engineering and trades) over the next two (2) years and ongoing operational jobs for the continued operations and maintenance of this innovative technology that lowers capital compared to traditional methods of waste water treatment.

There are only a few such plants existing in Canada and this will be the first in Alberta. This project could start a trend that will ultimately result in more cost-effective waste water treatment options.

Time is of the essence for this project, as increasing regulations coupled with licence renewals and funding challenges are putting increasing pressure on the CLRUSC to fund a waste water treatment solution.

Project Value = \$20 million



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2. Cold Lake Regional Utility Wastewater Forcemain Project

The Cold Lake Regional Utility Services Commission's (CLRUSC) membership is comprised of representatives from the City of Cold Lake, Municipal District of Bonnyville, Cold Lake First Nations, and the Department of National Defense.

Further to Project #1 (being the *Cold Lake Wastewater Treatment Facility*); the CLRUSC has a regional forcemain which requires replacement and expansion. This infrastructure connects the various users to the current and proposed future waste water treatment facility.

In 2016, the forcemain failed, resulting in one of Alberta's largest waste water spills in the history of the province. Unfortunately, the failure occurred subsequent to the unwarranted stop order of an approved wetland crossing that was required to replace the infrastructure under the wetland. The ultimate result was an event which created millions of dollars in financial damages for the CLRUSC, and years of ongoing monitoring of the wetland. The province granted approval of the forcemain replacement under the wetland through an environmental protection order.

These damages limited the commission's ability to replace the remaining forcemain, which is designed and shovel ready, however, funding is short of what is required to complete the project. The CLRUSC has committed \$1 million in funding towards the project and is seeking for further financial assistance.

The City of Cold Lake and the CLRUSC believe that this project will create construction, commissioning, and supply chain based jobs (engineering and trades) over the next 12 months.

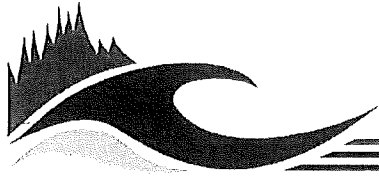
Project Value = \$5 million

3. Fischer Storm Water Management Pond

Having initiated a land exchange in March of 2016, we have waited over four (4) years for this process to be completed, only to have no updates from the Approvals and Disposition Office. This news comes despite the fact that planning and preliminary work on this project stretched back as far as 2003, and despite the Approvals and Disposition Office having all required plans and documentation in its possession since May 2, 2017. Our project now finds itself in a position where another required approval - a Water Act Approval - has expired before the land exchange was approved, necessitating further extensions. The city has also had to cancel tenders for the project, which has negatively impacted jobs for the region and opportunities for economic growth and development.

While we understand that there is a process and a certain amount of red tape involved, the timelines experienced in this case are extreme and, quite frankly, unacceptable.

This project is the result of years of work and collaboration between the City of Cold Lake, five (5) separate private developers, and engineering firms hired to assist throughout the process. From the outset, none of the parties - all experienced in land development - could foresee or anticipate the delays this project has encountered because of a failure to process a routine exchange of land. At no point was the group informed that the process could extend as far as four (4) years into the future when this was initiated in 2016, or beyond two (3) years of submitting all required documentation for approvals.



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The City of Cold Lake's Fischer Storm Water Pond Project is crucial to alleviating storm water management concerns for a significant portion of the municipality. Not only will the project help to relieve existing pressures on the city's storm water management system, but it is also necessary to accommodate new growth in the south of the city. In short, the city's current infrastructure and our future economic growth stand to benefit from this project's successful completion.

It has taken considerable effort and some expense to maintain the joint venture group's unity, interest, and resources over the course of the past three (3) years. The City of Cold Lake and the private investors involved have dedicated money and time to this project, only to receive disappointing communication with little to no signs of progress from the Office of Approvals and Disposition.

Due to consistent delays with no sign of progress, no clear picture of the process, and no completion date on the horizon, the joint venture group which made this project possible from the outset and for the most part walked away. The City of Cold Lake is seeking financial assistance to complete this long awaited project. The project is expected to create construction, commissioning, and supply chain based jobs over the next 12 months and open up approximately 103 hectares of land for future residential and commercial development.

We have attached a timeline of the City of Cold Lake's Fischer Storm Water Pond Project for reference.

Project Value = \$2.5 million

4. Kinosoo Beach Regional Park Development

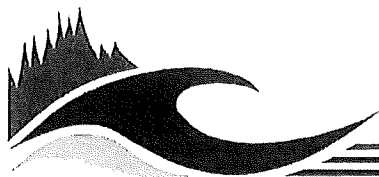
In July 2014, Cold Lake City Council adopted the Kinosoo Beach Master Plan, a comprehensive plan to rehabilitate and improve the city's cultural, recreational, and community hub. A major draw for locals and tourists alike, Kinosoo Beach is a regional park, and the focal point of the city's summer celebrations, including Canada Day.

The master plan lays out a phased-in approach for enhancing the beach, maximizing the use of public space, improving the quality of storm water that reaches the lake, providing for safe pedestrian access to the area, and expanding the recreational opportunities available to the public - all while integrating environmental sustainability features.

The Kinosoo Beach Master Plan was made with wide-ranging input from the community and extensive stakeholder consultation, including our indigenous neighbours. Furthering progress towards completing the vision of the master plan would increase the space's capacity and increase the regional draw to the area, supporting local businesses and tourism operators. Cold Lake is a growing tourism destination in Northeast Alberta, with space at local campgrounds at or near capacity during the peak summer months. The Province has recognized this and has expanded the local campgrounds.

Unfortunately, the City of Cold Lake was declined for Investing in Canada Infrastructure Program (ICIP) funding for the project, to which the City allocated approximately \$1 million. The project has been placed on hold due to the resultant funding shortfall.

Project Value = \$3.5 million



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5. Pressure Reducing Valve (PRV) Installation Program

The City of Cold Lake's master plans and the multi-year capital investment strategy identified the need make pressures zones in the water distribution system throughout the city (specifically Cold Lake North). There are certain areas of the city that are experiencing extremely high pressures (e.g. along the 1st and 2nd Avenue areas) with the many upgrades that have been completed (including trunk lines and pump stations); while other areas of the community with extremely low pressures. Some of the higher pressures that are being experienced are at the maximum thresholds of house plumbing specifications. Despite the fact that the city is now experiencing fewer calls in areas such as Lefebvre Heights regarding very low pressures, we are now receiving calls regarding the very high pressures.

The present situation requires that certain areas of the city be quarantined into lower pressures zones using pressure reducing valves (PRV). In order to create a pressure zone as outlined in the utility plans, four (4) PRV's are necessary which are valued at approximately \$750,000 each.

The City of Cold Lake believes that this project can be fast tracked due to the fact that the city has already funded one (1) of the four (4) needed PRVs, in late 2019. The design and construction of the PRVs are essentially the same for all locations, minimizing project design time and costs. This project will create construction, commissioning, and supply chain based jobs (engineering and trades) over the next 12 months.

Project Value = \$2.25 million

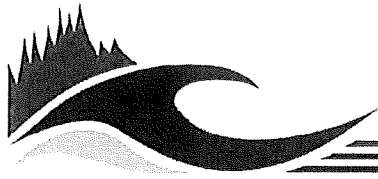
6. RCMP Facility

The RCMP building expansion project was initiated in 2016 with JMAA (architect) completing the facility review and feasibility studies. RCMP's K-Division (asset management) completed the space analysis and indicated that an additional expansion of 500 sq. m. would be required to be added to the current 835 sq. m. (for a total of 1,335 sq. m.) to address the overcrowding issues, and meet operational requirements for the next 10 to 15 years.

Based on the significant growth of RCMP members, the addition of a General Investigation Section, implementation of a Police Dog Service, and the impending implementation of a Lakeland Regional Crime Reduction Taskforce, the spacing requirements was increased to an additional 889 sq. m for the next 10 to 15 years.

The City of Cold Lake and the RCMP are working to finalize the design of the new detachment. At this time, the City has already allocated approx. \$3.5 million to the project. The City of Cold Lake believes that this project can be fast tracked to create construction and commissioning based jobs (engineering and trades) over the next two (2) years.

Project Value = \$11 million

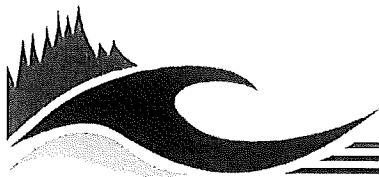


Addendum

PROJECT 3 – FISCHER STORM WATER MANAGEMENT POND

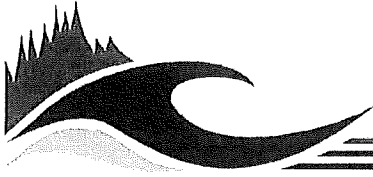
Timeline of Events (Notes) for Fischer Pond

- **2003** a wetland was identified as the SWMF in the adopted Fischer Pond Area Structure Plan
- **2005** initial meetings were held between the City, AENV and ASRD to discuss approval requirements for the design and construction of the SWMF
- **2006** Scheffer Andrew confirmed the requirements for processing the and approval of the SWMF with ASRD and AENV
- **2006** the City approved the Master Drainage Plan. The Master Drainage Plan identified the need to a SWMF in the location of the existing wetland
- **2006** an Agreement was made between the City and the private developers regarding the design/ construction process and the cost sharing for the SWMF
- **2007** the City applied to CAMRIF program to fund the City share and the City proceeded with design and construction of the outfall and developers proceeded with the design of the SWMF
- **March 2007** the original application for shore line/ water body modification pursuant to the Water Act and Public Lands Act was submitted to Alberta Environment and Alberta Sustainable Resource Development, along with the application, the assessment of the wetland on Section 34-62-2-W4M and a compensation plan to mitigate the wetland loss was submitted.
- **May 2007** the application was referred directly to the Disposition Services Division, ASRD and the application for approval under the Water Act was publicly advertised in Cold Lake with no statements of concern filed in response to the ad.
- **April 2008** a letter was sent detailing a wetland compensation plan for the unnamed wetland, Section 34-62-2-W4M (Cold Lake, Alberta) that would satisfy the requirements of Alberta Environment and Sustainable Resource Developments, the need for a SWMF for the subdivision as well as attempt to address DND design needs as was understood at the time.
- **December 2008** DND based on their jurisdictional interest over the project concerning the aviation zoning outlined several design recommendations as being conditional to their acceptance of the project. The requirements from DND were not consistent with the province of Alberta's ecological and wetland compensation objectives that provided the foundation for the plan submitted in April 2008 is invalid as the design could not incorporate the many design modifications requested by AE and ASRD.
- **July 2009** a letter was submitted to Alberta Public Lands with an updated compensation plan for loss crown land and loss of wetland. The letter acknowledges the constraining influence of DND proposing to redesign the SWMF such that the configuration of the shoreline would be modified, but the area within the shoreline currently claimed by the crown would remain unchanged. It would then become possible to compensate on site at a ratio of 1:1 by giving the Crown title to the full area of the SWMF. As for the wetland compensation as there could be no onsite monetary compensation would be paid to Ducks Unlimited to contribute to the Moose Lake watershed restoration. 13.8 ha at 3:1 ratio, approximately \$4800/ hectare with a cost contribution of \$200,000
- **November 2014** DND accepts the plan and the mitigation measures



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- **April 2015** DFO letter no SARA species
- **June 2015** AEP letter regarding their concerns for ownership of bed and shore and encroachments on the March 2014 Survey Plan and the April 2015 Meeting. AEP would be prepared to proceed with land exchange based on amended terms
- **August 2015-** Reapplication for Land Exchange based on amended terms
- **October 2015-** AEP letter rejecting the land exchange proposal
- **December 2015** – City held a follow-up meeting with AEP
- **March 2016** AEP follow-up letter signaling an approval for the land exchange proposal and that AEP will proceed with application for land transfer provided the terms and conditions were met within the letter and executing the letter of agreement. The letter of agreement was reviewed, executed and sent back to AEP in April, 2016.
- **March 2017** Water Act Approval issued – expiry March 2019
- **August 2017** Two of the private developers request to no longer partner and will not be part of the construction phase due to delays.
- **July 2018** City proposed a new project funding approach- all parties in support to move and construct again.
- **January 2019** Draft Joint Servicing (P3) Agreement was negotiated and accepted (to be executed) by all parties
- **February 2019** email sent from CAO to AEP Stakeholder Relations requesting for an update. AEP indicated that the City is in queue with a few other applications ahead of ours before that they can reopen the file and review. AEP also indicated that the City will receive follow-up back end of February or early March, 2019. – no further response
- **March 2019** attempted call for update to AEP Senior Manager Approvals and Disposition Service - no response.
- **March 2019** email sent from CAO to AEP Regional Manager – no response.
- **March 2019** Water Act Approval for the project expired – Extension requested.
- **April 2019** Water Act Approval extended – expiry March 2021.
- **May 2019** email sent from CAO to AEP Regional Manager – AEP indicated that they were under the impression that someone from AEP had or was to follow-up with the City some time ago and signaled further follow-up – no further response.
- **May 2019-** two different private developers (separate from the event of August 2017) have requested to no longer partner in project due to delays.
- **May 3, 2019** follow up email sent to AEP Senior Manager Approvals and Disposition Service for update to April 2019 email – no response.
- **May 29, 2019** letter sent to the Minister of Environment and Parks, House Leader, Honorable Jason Nixon – no response.
- **July 10, 2019** follow up email sent to AEP Senior Manager Approvals and Disposition Service for update to May 3, 2019 email – no response.
- **August 15, 2019** follow up email sent to AEP Senior Manager Approvals and Disposition Service for update to July 10, 2019 email - no response.
- **August 20, 2019** City: Mayor, CAO and GM of Infrastructure met with the MLA – Hansen. MLA Hansen indicated that he'll look into the file.
- **September 19, 2019** City: Mayor and CAO met with the Minister of Municipal Affairs. Minister Madu indicated that he'll look into the file. No further follow-up received



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- **October 8, 2019** Fischer Pond Project Tendered for Construction with assurances from the Minister and the MLA looking into the issue as why the City hasn't received any follow-up.
- **November 1, 2019** Tender closed with 12 bids were received
- **November 5, 2019** email sent from CAO to AEP Stakeholder relations requesting for updates and tender information.
- **November 12, 2019** email sent from CAO to AEP Stakeholder relations requesting for update.
- **November 13, 2019** email sent for Mayor to MLA Hansen requesting for an update from August 20, 2019 meeting. MLA Hansen indicated that he would look into the file - no follow-up to date.
- **November 22, 2019** follow-up call with AEP Stakeholder Relations. AEP could not provide much insight on the delays and indicated that the City still in queue with others still be being ahead before the AEP can reopen and review the file. AEP would not provide specifics and would only signal that there continues to be files ahead of the City. The City requested for insight on the process timelines of approvals and that AEP should be advising applicants that the process takes several years at the onset (e.g. 5+ years). AEP indicated they would look into the file and follow-up on the status.
- **December 5, 2019** follow-up email from AEP indicating that their organization is now in the midst of a reorganization and will be reporting to different supervisors and managers. They hope of have things ironed out in late January 2020. AEP recommended the City continue to call and/or email into AEP to receive updates.
- **January 7, 2020** a query was made to AEP regarding the status of the approval.
- **January 17, 2020** AEP responded and signaled that they do not have the capacity to manage the file however will appoint a staff member to have a quick review the file.
- **February 12, 2020** AEP indicated that their review confirmed that all minor corrections were made back in 2016/2017 however the plans needed to be updated to 2020. No additional information is necessary. The file will be put into the cue for review.
- **February 24, 2020** a query was made to AEP regarding the status of the approval and indicated the acceptance period for the tender was nearing (March 31, 2020).
- **February 28, 2020** AEP advised that the management went on holidays therefore the file will be on hold for several weeks until their return.
- **March 31, 2020** a query was made to AEP regarding the status of the approval and indicated that another month has gone by and the date has arrived for the acceptance period for the tender.
- **March 31, 2020** the City of Cold Lake cancelled the tender despite having very competitive bids.
- **April 15, 2020** AEP advised they are busy with other priority projects therefore no times can be provided as to the next time they can review the file.