



## NRDRWSC Waterline Extension Project Plan

Revision 1.4

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## Revisions

<i>Revision #</i>	<i>Date Approved</i>	<i>Description</i>
<i>1.0</i>	May 17, 2021	1. Accepted as information
<i>1.1</i>		1. Added to Phase 2 Deliverables: Updated CRD Supply Agreement 2. Added ACP and Funding Grant deadlines 3. Board direction to proceed with Phase 1 May 17, 2021
<i>1.2</i>	September 13, 2021	1. Board direction to proceed with Phase 2 September 13, 2021 2. Phase 1 Complete
<i>1.3</i>	September 18, 2023	1. Board resolutions reconfirming the project progress continues to align with the Board's expectations June 19, 2023
<i>1.4</i>	January 11, 2024	1. Added Phase 2a: Update the Feasibility Study 2. Various updates based on the latest project information shown in red.

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## Introduction

Extending the NRDRWSC waterline to Ermineskin Cree Nation is a complex project. This high-level plan represents the most critical project aspects, so the Board, ECN and other key stakeholders are well-informed on how the project will be implemented at a high level.

Key stakeholders are advised to allow for a fair and liberal interpretation of this high-level plan. Leniency in implementing this plan is critical due to the complex and evolving nature of the project. The Commission's project manager will develop and manage a more detailed plan that operates according to the ECN/NRDRWS Memorandum of Understanding and the project framework outlined in this document.

Still, from time to time, modification or alteration of this plan may be necessary if:

- key stakeholders propose changes to the project scope or schedule that conflict with Commission agreements,
- changes to the phasing sequence/start-up triggers outlined in this document would be advantageous to the project,
- to mitigate risk to the Commission, or documents
- as recommended by Administration.

This document organizes the project into eight major milestones or phases.

## Project Phases

The eight phases that make up the project plan are:

- Phase 1: Governance options review
- Phase 2: ECN MOU & Funding Agreement
- Phase 2a: Update the Feasibility Study
- Phase 3: ECN Membership and Service Agreements, City of Red Deer Supply Agreement Amendments, NRDRWSC Bylaw Amendments
- Phase 4: Assembling a team
- Phase 5: Design, construction documents, and updated cost estimates
- Phase 6: Contract tender and award
- Phase 7: Construction, system commissioning and water-on
- Phase 8: Project closeout, normal operations

## Project Budget

In the [2019 First Nations Feasibility Study](#), Stantec Consulting estimates the project cost to be \$30M to \$42M. The Government of Alberta confirms that 100% of the project's capital costs are grant-eligible. The draft grant agreement uses \$38.9M as the current project budget.

## Phase 1: Governance Options Review - Complete

**Description:** Administration will prepare a report outlining three governance and financial scenarios for the extension of the NRDRWSC system:

1. Full membership: like existing members, ECN is a full voting member of the Board and has system ownership share. NRDRWSC builds and operates the waterline extension to ECN's border. This is ECN's strong preference.
2. Customer: ECN is a customer of the NRDRWSC; it pays a rate for water purchased and does not have any system ownership share. NRDRWSC builds and operates the waterline extension to ECN's border. The terms and conditions of a customer agreement can resemble the existing membership agreements or be significantly different. For example, a customer agreement may have variable rates based on the actual volume of water purchased. A customer would typically not "buy in" to the system; instead, it typically pays a higher rate.
3. 3<sup>rd</sup> Party Ownership: This is a variation of the customer scenario described above, except the NRDRWSC does not build and operate the waterline extension. The NRDRWSC agrees to supply water to the owner of the waterline extension (e.g. Alberta, ECN, a Regional Services Commission). This is not the scenario contemplated by Alberta nor ECN.

**Startup trigger:**

- ✓ Board resolution to proceed with the governance options review. **(Board approved May 17<sup>th</sup>, 2021)**

**Deliverables:**

- ✓ Report outlining three governance and financial scenarios as described. **(Presented to the Board September 13<sup>th</sup>, 2021)**

**Important considerations:** Administration will need to engage a third-party expert to support its review at an estimated cost of \$5,000 - \$8,000, an eligible cost under the Commission's existing Alberta Community Partnership Grant. **-Complete**

**Estimated time:** 4 months – **Complete September 13<sup>th</sup>, 2021**

## Phase 2: ECN Memorandum of Understanding & Funding Agreement- Underway

**Description:** Administrations of the NRDRWSC and ECN will develop a Memorandum of Understanding (MOU) that outlines how NRDRWSC and ECN will work together on the project and develop service and membership agreements that ensure the terms and conditions of all members are aligned. The MOU also will provide a common understanding of the project history, roles and responsibilities and priorities to move the project forward.

Concurrently, Administration will finalize the funding agreement with the Government of Alberta for the Board's approval.

### Startup trigger:

- ✓ Board resolution selecting its preferred governance option.  
On September 13<sup>th</sup>, 2021 the Board resolved:  
*“that the Board endorses the full membership of Ermineskin Cree Nation governance option for the system expansion upon completion of the waterline extension.”*
- ✓ Board resolution to proceed with Phase 2.  
On September 13<sup>th</sup>, 2021 the Board resolved:  
*“that the Board proceeds to Phase 2 of the Project Plan and directs Administration work with Ermineskin Cree Nation to draft a membership agreement for the Board's consideration.”*

### Deliverables:

- Board approval of:
  - ✓ Revised project plan
  - ✓ Final GoA Grant Agreement
  - Final Waterline Extension MOU

### Important considerations:

- the project background/history,
- the parties' roles, expectations, and intentions, including project committees,
- scope of the project,
- project funding, including the capital buy-in,
- dispute resolution during the project,
- Board June 19, 2023 resolution reconfirming the project progress continues to align with the Board's expectations: ***“THAT the Commission directs the Administration to return the updated project plan, and final waterline extension MOU with ECN, and Grant Agreement with Alberta for the Commission's consideration at a future meeting.”***

- Board June 19, 2023 resolution: *“THAT the Commission directs Administration to cap the Commission's unreimbursed waterline extension costs to \$150,000.”*

**Estimated time:** 36 months

## Phase 2a: Update the Feasibility Study - Underway

**Description:** The Commission will engage its engineering consultant to update the 2019 Stantec Feasibility Study based on the cost, volume and demand assumptions in coordination with ECN.

**Startup trigger:**

- Interim GOA Grant Agreement executed.

**Deliverables:**

- Updated feasibility study.

**Important considerations:**

- Consensus on volume and peak demand assumptions.

**Estimated time:** 6 months

## Phase 3: Membership and Supply Agreements, City of Red Deer Supply Agreement Amendments, NRDRWSC Bylaw 1 Amendments

**Description:** Administration and its legal counsel will work to finalize the membership and service agreements with ECN. Also, Administration will:

1. seek approval from the City of Red Deer to incorporate ECN into their supply agreement,
2. seek the Board's approval on amendments to the existing membership agreements, if required.
3. seek the Board's approval on amendments to Bylaw 1 to include ECN as a full member as outlined in the MOU.

On June 19<sup>th</sup>, 2023 the Board resolved:

*“THAT the Commission directs the Administration to finalize the ECN membership and water supply service agreements for the Commission's consideration at a future meeting.”*

**Startup trigger:**

- All Phase 2 deliverables are complete.

**Deliverables:**

- Board approval of:

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- ECN Membership and Service Agreements
- City of Red Deer Supply Agreement amendments
- Amendments to the existing membership agreements, if required
- Amendments to Bylaw 1

**Important considerations:**

- Operational responsibilities
- Dispute resolution
- Minimum/maximum flows, volumes, pressures
- Transfer of custody

**Estimated time: 12 months**

## Phase 4: Assembling a Team

**Description:** The City of Lacombe will hire a project manager to oversee the day-to-day aspects of the project. Administration will also procure the engineering consultant to lead the design, tendering and construction oversight of the waterline extension. This phase also includes the formation of the project committees described in the NRDRWSC/ECN MOU.

**Startup trigger:**

- All Phase 2 and 2a deliverables complete.

**Deliverables:**

- Board endorsement of the project manager services agreement.
- Board endorsement of the engineering services agreement.
- Project committees Terms of Reference.
- Traditional ceremony, if approved by the project on-boarding Committee.

**Important considerations:**

- Alignment with City of Lacombe Procurement Policy or as specified by the Board.
- Funding agreement procurement requirements.
- Opportunity to shorten procurement timelines under the North West Partnership Trade Agreement exemptions:

*A. GENERAL EXCEPTIONS*

*1. Measures adopted or maintained relating to:*

*(a) Aboriginal peoples;*

*(b) Water, and services and investments pertaining to water;*

**Estimated time: 8-9 months**



- Write PM job description, post PM position, shortlisting, final selection and start date: 2-3 months
- Develop RFP, proposal period, shortlisting, and final selection of engineering consultant: 6 months

## Phase 5: Design, Construction Documents, and Updated Cost Estimate

**Description:** Under the oversight of the project manager, the engineering consultant and the project committees will execute the work plan, including engineering, environmental, geotechnical, legal survey, land assembly, and coordinating with ECN's engineers as required. The project manager will report to Alberta Transportation as required to comply with the grant agreement terms and conditions.

### Startup trigger:

- All Phase 4 deliverables complete.

### Deliverables:

- Board endorsement of technical recommendations as required, including finalizing the waterline alignment and confirming the location of the chloramine booster and future pumphouse.
- Board endorsement of land assembly and easement agreements as required.
- Design, tender and construction documents.
- **Alberta confirms 100% funding is in place to advance to construction based on the latest engineer's estimate.**

### Important considerations:

- Alignment with City of Lacombe Procurement Policy or as specified by the Board.
- Topographic survey, geotechnical investigation, utility sweeps, environmental screening studies and regulatory applications may depend on seasonal conditions (i.e. summer only). This will be confirmed with the engineering consultant.
- Alberta Transportation's and Ponoka County's approval is needed early in this phase to locate the waterline in its road allowance.
- The Commission's team will coordinate with ECN's engineers on their on-reserve water system and reservoir improvements, including tie-in details, construction schedule, and commissioning.

**Estimated time:** 10-20 months

## Phase 6: Construction Contract Tender and Award

**Description:** The engineer administers the project pre-qualification and tender on behalf of the Commission, reviews the tender bids, and recommends the contractor. The project manager will advise Alberta Transportation if the total updated project cost estimate exceeds the total project grant funds and will initiate a grant agreement amendment if required.

**Startup trigger:**

- All Phase 3 and 5 deliverables complete.

**Deliverables:**

- Contractor pre-qualification recommendation
- Engineer's recommendation of award
- Alberta Transportation amendments to the grant agreement, if required.
- Board awards the construction contract.

**Estimated time:** 2 months

## Phase 7: Construction, System Commissioning and Water On

**Description:** The project proceeds to construction. The Commission's team, including the construction contractor, will coordinate closely with ECN's team regarding tie-ins and system commissioning through to "water on."

**Startup trigger:**

- All Phase 6 deliverables complete.

**Deliverables:**

- Ground-breaking ceremony
- Various construction notifications
- Construction documentation
- Progress payments
- Commissioning complete (warranty period starts)
- Operator training
- Water-on ceremony

**Important considerations:**

- Maintenance of County roads during construction
- Monitoring of workmanship/quality
- Timeliness of construction

**Estimated time:** 14-18 months

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## Phase 8: Warranty Period, Project Closeout, Normal Operations

**Description:** Engineers and Commission operators closely monitor the system, and deficiencies are identified and corrected during the warranty period. The engineering consultant completes post construction regulatory reports, and the project manager submits final grant reports to the Province. The NRDRWSC operators oversee the day-to-day operations of the system.

**Startup trigger:**

- Phase 7 commissioning complete.

**Deliverables:**

- Deficiency trackers
- Plans of record
- Operations and maintenance manuals
- Operator training
- Post-construction regulatory reports
- Final acceptance certificate issued to contractor
- Final grant reporting
- NRDRWSC Management and Operations contract amendment.

**Important considerations:**

- The project manager's term will end during this phase.

**Estimated time:** 24 months

## Schedule "C"

### DISPUTE RESOLUTION PROCEDURE

1. The following terms and expressions have the meaning set out below in this Schedule:

(a) "**Dispute**" means any disagreement, failure to agree, or other difference of opinion in respect of the application or interpretation of any provision of the Agreement;

(b) "**Dispute Notice**" means a notice from one Party to the other Party providing details of a Dispute and invoking the Dispute Resolution Procedure in respect of that Dispute; and

(c) "**Dispute Resolution Procedure**" means the steps set out in this Schedule.

2. Dispute Notice

The Dispute Resolution Procedure shall be started by delivery of a notice (the "**Dispute Notice**") in writing and expressly referring to this Section 2, from one Party to the other Party providing details of a Dispute and invoking the Dispute Resolution Procedure in respect of that Dispute. Any Dispute Notice issued by a Party must be sent to the other Party in accordance with notice requirements under section [11] of the Agreement.

3. Settlement Meeting

Within twenty (20) days from the receipt of the Dispute Notice, officials designated by Alberta will meet with the officials designated by the Recipient (the "**Settlement Meeting**") at a mutually acceptable time and place to make all reasonable efforts to attempt to resolve the Dispute (all negotiations held pursuant to the Settlement Meeting are to be held on a without prejudice basis and will not be used by either Party as evidence at any other proceeding).

4. If the Settlement Meeting does not result in resolution of the Dispute, either Party may refer the Dispute to a Court of law of competent jurisdiction.