

APPENDIX 'A'

#19072

Chair and Members
Civic Works Committee

May 14, 2019
(Approve Budget & Contract Increase)

RE: Greenway Wastewater Treatment Plant Organic Rankine Cycle Equipment Installation Budget Allocation
(Subledger FS16GW01)
New Capital Project ES5272 - Greenway WWTP Organic Rankine Cycle Equipment
GHD Limited - \$1,707,515.50 (excluding H.S.T.)

FINANCE & CORPORATE SERVICES REPORT ON THE SOURCES OF FINANCING:

Finance & Corporate Services confirms that the cost of this project, although not included in the Capital Plan, can be accommodated with financing from Federal Gas Tax, Sewage Works Reserve Fund and IESO Grant funding and that, subject to the adoption of the recommendations of the Managing Director, Environmental & Engineering Services & City Engineer, the detailed source of financing for this project is:

<u>SUMMARY OF ESTIMATED EXPENDITURES</u>	<u>Approved Budget</u>	<u>Additional Financing</u>	<u>Revised Budget</u>	<u>This Submission</u>	<u>Balance for Future Work</u>
Engineering	\$0	\$1,200,000	\$1,200,000	\$915,840	\$284,160
Construction	0	9,800,000	9,800,000		9,800,000
NET ESTIMATED EXPENDITURES	<u>\$0</u>	<u>\$11,000,000</u>	<u>\$11,000,000</u>	<u>\$915,840</u> 1)	<u>\$10,084,160</u>

SUMMARY OF FINANCING:

Federal Gas Tax	2)	\$0	\$4,500,000	\$4,500,000		\$4,500,000
Drawdown from Sewage Works Reserve Fund	3)	0	5,770,000	5,770,000	915,840	4,854,160
Independent Electricity System Operator Grant	4)	0	730,000	730,000		730,000
TOTAL FINANCING		<u>\$0</u>	<u>\$11,000,000</u>	<u>\$11,000,000</u>	<u>\$915,840</u>	<u>\$10,084,160</u>

1) **Financial Note:**

Contract Price	\$1,707,516
Less: Amount previously approved by Council Dec. 6, 2016 - Project ES6075	807,516
	900,000
Add: HST @13%	117,000
Total Contract Price Including Taxes	1,017,000
Less: HST Rebate	101,160
Net Contract Price	<u>\$915,840</u>

- 2) The additional financing requirement of \$4,500,000 is available as a one-time transfer from the Government of Canada through the Federal Gas Tax Fund.
- 3) The additional financing requirement of \$5,770,000 is available as a drawdown from the Sewage Works Reserve Fund. The uncommitted balance in this reserve fund will be approximately \$53.8 million with the approval of this project.
- 4) A grant estimated at \$730,000 is being offered through an Independent Electricity System Operator (IESO) incentive program which will help offset the installation of the new equipment.

JG

Kyle Murray
Director of Financial Planning & Business Support