



The Corporation of the District of Saanich

Report

To: Mayor and Council

From: Harley Machielse, Director of Engineering

Date: February 26, 2025

Subject: Grant Application - Canada Housing Infrastructure Fund, Direct Delivery Stream: Brett Sewer Lift Station and Forcemain Upgrade Project

RECOMMENDATIONS

That Council endorse the District's application to the Canada Housing Infrastructure Fund, Direct Delivery Stream, for up to up to 40% of the eligible costs, for the Brett Sewer Lift Station and Forcemain Upgrade Project, which is funded in the 5-year Sewer Capital Budget within the 2025-2029 Financial Plan.

PURPOSE

The purpose of this report is to obtain Council's endorsement for a grant application to the Canada Housing Infrastructure Fund, Direct Delivery Stream for the project entitled "Brett Sewer Lift Station and Forcemain Upgrade" including a commitment for the District's portion of the project costs from the sewer capital budget.

BACKGROUND

Canadian Housing Infrastructure Fund

The Canada Housing Infrastructure Fund (CHIF) is a \$6 billion fund that aims to accelerate new construction, rehabilitation and expansion of housing by enabling drinking water, wastewater, stormwater, and solid waste infrastructure, directly supporting the creation of new housing supply and improved densification.

CHIF's direct delivery stream provides funding directly to municipalities and other eligible recipients to support pressing infrastructure needs that directly enable new housing. The funding program requires municipalities to implement measures to promote new housing supply and denser neighborhoods. To be eligible to receive funding, municipalities and regional governments in the provinces will be required to adopt two conditions:

1. Adopt zoning for "four units as-of-right" per lot in all low-density residential areas with municipal servicing (i.e., water and sewer) in communities with populations greater than 30,000; and
2. Implement a three-year freeze on increasing development charges above the rates that were in effect as of April 2, 2024 (when CHIF was initially announced) in municipalities

or regional governments with populations greater than 300,000, according to Statistics Canada.

The District of Saanich meets these conditions as follows:

1. On April 18, 2024, the District of Saanich adopted Amendment Bylaw No. 10013 to enable legislation of Small-Scale Multi-Unit Housing (SSMUH) within the Urban Containment Boundary (UCB) as per the requirements of the *Local Government Act* (LGA), Section 481.3. Effective June 30, 2024, Small-Scale Multi-Unit Housing (SSMUH) is a permitted use on eligible zoned properties within the District which allows three, four, or six dwelling units in all zones previously restricted to single detached or duplex use.
2. At the Capital Regional District Board Meeting on February 12, 2025, the following recommendation was put forward and approved: "That the Capital Regional District Board direct staff to implement a Development Cost Charge rate freeze for Capital Regional District services from April 4, 2024 until April 4, 2027 to allow member municipalities to pursue funding opportunities under the Canadian Housing Infrastructure Fund."

In addition to these conditions, the funding is intended for projects with a high level of readiness, as they must be substantially completed by September 2031. Projects under the direct delivery stream must be between \$1 million and \$100 million in total eligible costs. Staff have identified the *Brett Sewer Lift Station and Forcemain Upgrade* project as being within this funding range for this federal competition.

DISCUSSION

Rationale for the Project

The District of Saanich is putting forward the Brett Sewer Lift Station and Forcemain Upgrade project as it is the most appropriate solution to addressing the community's existing infrastructure and future development needs due to the combination of anticipated growth in the area and known infrastructure constraints. The project also meets the eligibility criteria for CHIF Direct Delivery funding program as the engineering conceptual design is advanced sufficiently to demonstrate project viability and meet the timing requirement for completion, and the total eligible costs are \$3,225,000. The grant funding is a national competition and staff believe that a project of this size will be well received given the population the District supports.

The Brett Sewer Lift Station and Forcemain Upgrade Project is located at the east end of Brett within the roadway and adjacent to the Galloping Goose Regional Trail, above Swan Lake. The project is proposed at the same location as the existing station. The new station's footprint is expected to remain similar to the existing facility, minimizing land impacts while maximizing capacity improvement.

The Brett Lift Station, originally built in 1960 and replaced in 1994, currently operates at approximately 98% capacity, serves around 3,605 residents, and has a catchment area largely made up of single-family homes. Due to the anticipated number of housing units and overall

population growth within the lift station's service area, infrastructure upgrades will be needed to accommodate the projected rise in wastewater flow.

Currently, housing within the Brett catchment area is largely composed of single-family dwellings, which are unaffordable to many households in the District. This area has a high redevelopment potential, which can increase housing within the community to address ongoing housing needs. The Brett Lift Station presents a barrier to development and the completion of its upgrade will enable an increased housing supply.

Additionally, portions of the Brett sewer catchment fall within a primary growth corridor of Saanich along Quadra Street (south of McKenzie), where planned densification further underscores the importance of upgrading the Brett Sewer Lift Station. The projected growth highlights the need for upgrades to the Brett Sewer Lift Station to support future development and ensure adequate service capacity.

The project is anticipated to create a multitude of benefits for residents in the District of Saanich including:

- **Increased Sewer Capacity for Growth:** The upgraded lift station and forcemain will remove infrastructure barriers to development, directly supporting residential units, including development in a designated primary growth corridor along Quadra Street (south of McKenzie).
- **Improved Infrastructure Resilience and Reliability:** Modernizing the station will enhance system performance, providing opportunities to reduce greenhouse gas emissions, minimize service disruption risks, and support long-term operational sustainability.
- **Equitable Community Benefits:** The Brett catchment includes areas with higher-than-average residential instability and economic dependency, as identified by the Canadian Index of Multiple Deprivation (CIMD). With a significant proportion of residents relying on non-employment income, this is one of the lower-income areas within Saanich. Ensuring adequate wastewater service in this catchment is critical to supporting existing residents and enabling new affordable and diverse housing opportunities.
- **Environmental and Public Health Benefits:** Upgraded infrastructure will reduce the risk of system overflows or failures, minimizing potential environmental impacts and ensuring continued protection of public health.

Saanich considered a range of potential infrastructure projects aimed at supporting housing development, and community growth. However, after careful evaluation, the known capacity constraints at the Brett Lift Station, combined with the scale of projected growth in the catchment, contributed to the selection of this project. This decision is informed by key studies and field assessments over the past five years.

Scope of the Project

The scope of the project includes both planning and capital components. Planning efforts will involve detailed design and engineering to refine the upgrade requirements and prepare documentation for construction tendering, while capital improvements will focus on decommissioning the existing lift station and constructing a modernized replacement facility.

The District of Saanich recently sponsored a student project through Camosun College to develop a preliminary understanding of future upgrade needs for the Brett Lift Station. This work has provided valuable insights to a conceptual design, allowing the District to establish a strong understanding of community and infrastructure needs, as well as inform key project components. However, more detailed design and professional engineering are still required.

Key project components include:

- Decommissioning of the existing wet-well, and the installation of a new wet-well, valve chamber, kiosk, and backup power
- Relocation of a sanitary sewer and watermain
- Forcemain upgrades
- Site preparation and miscellaneous works
- Necessary arborist, archaeological, and geotechnical works,
- Design works
- Planning for this project is anticipated to take one year, starting January 2026, prior to construction which is anticipated to start mid-2027 for a duration of 20 months.

COUNCIL OPTIONS

1. That Council endorse the District's application to the Canada Housing Infrastructure Fund, Direct Delivery Stream, for up to up to 40% of the eligible costs, for the Brett Sewer Lift Station and Forcemain Upgrade Project, which is funded in the 5-year Sewer Capital Budget within the 2025-2029 Financial Plan.
2. That Council provide alternate direction to staff.

FINANCIAL IMPLICATIONS

The CHIF Direct Delivery program will contribute a maximum of 40% of the cost of eligible projects. The project budget is estimated at approximately \$3,225,000 (Class D estimate).; therefore, the District of Saanich's portion is \$1,935,000 (grant = \$1,290,000).

Funding for this project is not included in the current approved 2024 to 2028 sewer capital budget but it is included in the draft 2025 to 2029 budget sewer capital budget. Since the 2025 budget has not yet been approved, Council endorsement is required to fund the District's portion of the budget. The project cashflow has been estimated in the table below.

Project Cashflow

Fiscal Year	Amount (\$)
2026	\$600,000
2027	\$1,000,000
2028	\$1,575,000
2029	\$50,000
Total	\$3,225,000

The project cashflow represents the total project cost including contingency sourced from the sewer capital budget core funding. Should the District be successful in obtaining the grant funding, the core funding will be reduced by the grant contribution of up to 40% of eligible costs.

STRATEGIC PLAN IMPLICATIONS

The project aligns with the District of Saanich Strategic Plan (2023 – 2027) initiative 3.1 “We use mechanisms available to increase and improve the supply of diverse and affordable housing that meets the needs of our residents now and in the future.”

CONCLUSION

Staff are recommending that Council endorse the District's application to the Canada Housing Infrastructure Fund (CHIF), Direct Delivery Stream for the Brett Sewer Lift Station and Forcemain Upgrade Project, and also funding the District's portion of the project costs from the sewer capital budget. The total project costs are estimated at \$3,225,000 and the District's portion is \$1,935,000. Project funding is included in the draft 2025 to 2029 sewer capital budget.

Saanich considered a range of potential infrastructure projects aimed at supporting housing development, and community growth. This project was selected due to the known capacity constraints and condition of the Brett Sewer Lift Station, the scale of projected growth in the catchment, the project scope is well defined through historical investigations, and it is of a realistic dollar value for a community of our size competing on a national scale

The Brett Sewer Lift Station and Forcemain Upgrade Project meets the eligibility criteria of the CHIF, aligns with the District's long-term municipal capital planning goals, and exemplifies Saanich's commitment to resilient and equitable urban development. This project will ensure the continued provision of reliable wastewater services while fostering sustainable community and housing growth.

By investing in this project, Saanich is proactively ensuring that its wastewater infrastructure supports both existing and future community needs, contributing to a more sustainable and equitable urban environment.

Prepared by: Lesley Hatch, Senior Manager Water Resources

Approved by: Harley Machielse, Director of Engineering

Approved by: Paul Aslan, Director of Finance

Attachments:

ADMINISTRATOR'S COMMENTS:

I endorse the recommendation from the Director of Engineering.

Brent Reems, Chief Administrative Officer