



# Council Report

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**Date:** November 5, 2024  
**To:** Anthony Haddad, City Manager  
**From:** Kristen Dixon, General Manager of Infrastructure  
Kelsey Johnson, Director of Community Services  
**Subject:** Q3 2024 – Capital Project Update

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## Staff Recommendation

THAT Council receive into the record the report dated November 5, 2024, titled "Q3 2024 – Capital Project Update".

## Strategic priority objective

**Vision:** Penticton is a connected, resilient and healthy waterfront city focused on safety, livability and vibrancy.

**Mission:** Penticton will serve its residents, businesses and visitors through organizational excellence, partnership and the provision of effective and community focused services.

## Background

On December 14, 2023, Council adopted the 2024-2028 Financial Plan, which included \$41.3 in new capital funding for 2024. In addition, the City carried forward roughly \$41.2M of capital projects from 2023. This report provides a brief update on the larger capital projects or those that may be of higher public interest that are currently underway.

## Financial implication

The City has continued to experience the impacts of construction cost escalation and inflationary pressures. The City had allocated roughly \$1.4M of the \$7.1M Growing Community Fund for escalation on previously budgeted capital projects, and as of this fall, these funds had been fully utilized. On October 15, 2024, Council supported a further \$1.6M of this funding be reallocated from North Gateway allocation to the inflationary allocation to continue to support projects as required, although every effort is still being made to mitigate increased costs where possible. This report does not have any direct financial implications at this time, as those would be brought forward either through the quarterly financial updates or separate reports to Council.

## Climate Impact

Not applicable.

## Analysis

Three quarters through the year, staff are on track to deliver a significant portion of the capital program through 2024. The following is a summary of the larger capital projects either carried forward from 2023, or that have started in 2024, as well as a brief status:

Project	Status
Point Intersection	This project is now substantially complete, subject to landscaping which will be completed next spring.
Advanced Waste Water Treatment Plant – Phase 2 Expansion and Upgrades	This is a continuing multi-year initiative. This work includes the installation of a new secondary clarifier, a new nitrified mixed liquor pump and remediation of the headworks concrete and slide gate. Upgrades will increase AWWTP capacity and replace end-of-life infrastructure. Detailed design work was completed in Q1 and the RFP for construction is scheduled for Q4.
Penticton Ave PRV	Following a budget amendment that was approved by Council on October 15, 2024, a contract has been awarded. Construction is anticipated to begin in Winter 2024, and completed by Fall 2025.
Utility Scale Battery Storage	Staff are currently developing an RFP for an Owner's Engineer. The specifications and financial analysis will be completed in Q4 2024 based on factors such as demand charge reduction and grid resiliency.
Water Refill and Wash Stations	Water Stations have been ordered and received, with installation of three anticipated to be completed by end of year, with the and an additional four scheduled for the spring.
Skaha Park Splash Pad	Following a budget amendment that was approved by Council on October 15, 2024, a contract is being negotiated for the construction and installation. Work will start beginning of November, and will be completed in time for next summer next spring.
Kiwanis Pier Replacement	A proposed reduction to the scope of work was proposed to the Parks and Recreation Committee on October 23, 2024. This information will come forward to Council at the November 5 meeting, with a recommendation that the scope be further considered at upcoming budget deliberations.
KVR Trail Planning and Improvements	Proposed RFQ is currently being revised by staff and consulting services will be issued and awarded in Q4.
Dog Park Improvements	Staff have completed most of the various upgrades to existing dog parks. A report on the off-leash pilot project will return to Council before the end of the year for further direction.

Pickleball Courts	Construction of the additional courts at Robinson Park are largely complete, with resurfacing work and final deficiencies scheduled for the spring when the weather improves.
Safe Routes to School	Work on the Columbia Elementary and Skaha Elementary plans are well underway, and has just completed the first round of engagement. Development of travel plans and additional engagement is scheduled for the Winter of 2024 with the final plans completed in Spring 2025.
Eckhardt Avenue Corridor Reconstruction	The detail design has recently been reviewed through ICBC's road safety audit program and proposed changes are being considered and/or prepared by the design team. Following these changes, staff will re-engage with the neighborhood and impacted stakeholders. The project will be tendered through the winter for construction next year.
Lake to Lake AAA Route – Section 1 (South Main)	Construction of the final section of the route has commenced, with completion anticipated next summer.
EV Charging Stations	A contract has been executed for the installation, and work is anticipated to be completed in 2024. The kiosks will be wrapped with artwork completed by the Penticton Indian Band.
Riverside Park – Skate Park and Basketball Court Lighting	This project is largely complete, and the opening was celebrated with the Community on October 18, 2024.
Sidewalk Network Improvements	Sidewalk work on Middle Bench Road is now complete. Detail designs for improvements along Manitoba and Ontario Street are still underway, with RFP's for construction anticipated to be issued in the spring for construction next year.
Traffic Calming and Crosswalks	The City has launched the "Friendly Streets" initiative. Construction has completed for various traffic calming projects through the City, including Lee Ave/Skaha Lake Rd, Moosejaw St/Eckhardt Ave, and Lee Ave/Cypress St.
Ellis 4 Dam Upgrades	Construction is well underway. The project experienced some initial delays and work is now expected to extend through the winter. In addition, much of the material that was anticipated to be able to be reused is not suitable and has resulted in a significant amount of imported materials being required. A public service announcement was issued in response to concerns about the large volume of trucks travelling up Carmi Ave, and the full financial impact of the change will be known once the fill placement is complete.
City Yards Upgrades	The new electrical vehicle bay building is nearing completion with final grading, HVAC, electrical and interior

	<p>finishes underway. Full and final completion is anticipated for late November 2024.</p> <p>The month of August saw the final completion and commissioning of the new secure gate to the yard compound. The new gate and access control system now provides for 24/7 secure access to the compound only allowing entry and exit to authorized vehicles and individuals.</p> <p>The new brine shed has now been fully erected and complete with the final building permit closure to be completed upon installation of a new fire hydrant by the Utilities department to ensure adequate fire protection within proximity of the new structure.</p>
Community Centre – Power Street Child Care Centre	<p>With approval having been received by the ministry on the requested increase in grant funding, the construction and renovation contract was awarded to Redline Construction with abatement and construction commenced in September 2024.</p> <p>Work is currently underway with anticipated completion in late 2025.</p>
Community Centre – Emergency Repairs	<p>Through the months of August and September, full and final completion of the electrical equipment replacement and installation of the basement HVAC was completed.</p> <p>Remaining works to be completed through the 2025 annual shutdown include the replacement of failed glazing and drywall in the hot tub area and the completion of a second sonar scan of the pool deck to compare to the scan completed in 2023 to confirm no water loss or growth in any voids.</p>
City Hall - Chiller Replacement	<p>Removal of the temporary chiller was completed in late September 2024 with installation of the new chiller having commenced in October. The new chiller is anticipated to be fully installed and completed by November 2024 and ready for use in the 2025 season.</p>
Library/Museum – Electrical Upgrade	<p>All work undertaken and successfully completed in June 2024.</p>
Community Centre – Energy & Emissions Reductions Retrofit	<p>Tender pricing received for ECM 3 &amp; 4 were considerably higher than the grant funding amounts received. After discussion with the ministry, we were advised that the grant funding amount was a set amount with no opportunity for increased funding due to costs received. The projects have currently been delayed for completion in 2026 to allow staff an opportunity to seek alternate grant funding sources.</p>
Community Safety Building & Fire Halls	<p>Initial design of proposed CSB completed. Submitted Memorandum of Understanding (MOU) to private</p>

	landowner for 450 Martin Street and working through MOU with landowner. Preliminary design of Fire Hall #2 (Headquarters) is now complete with space layout and stacking plan reviewed and agreed by all stakeholders. Staff reviewed various project delivery strategies and are preparing to use an Integrated Projected Delivery (IPD) method to advance the Fire Hall Headquarters design and construction. More details on IPD will be forthcoming as part of 2025 budget deliberations.
RCMP – Generator Replacement	Project completed in August 2024 with new generator installed and fully functional.
RCMP – Chiller Replacement	Project completed in September 2024 with new chiller installed, commissioned and fully functional.

**Alternate recommendations**

None. This report is for information.

Respectfully submitted,

Kristen Dixon, P.Eng MBA  
General Manager of Infrastructure

Kelsey Johnson  
Director of Community Services

Concurrence

Director of Finance & Administration  AMC	City Manager  AH
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