

2026 Project Update

The Dugald–Oakbank Water System (DOWS) Upgrade and Expansion project seeks to deliver a new regional water treatment plant (WTP) that will sustainably meet the current and long-term potable water needs of the rural communities of Dugald and Oakbank within the Rural Municipality (RM) of Springfield. The project is driven by rapid population growth, increasing water demand, and limitations in the quality and capacity of existing water treatment infrastructure serving the two communities. The 2021 census population of Oakbank and Dugald communities was 5,655 and is projected to grow to 21,460 by 2041.

The project consists of the following work:

- New Raw Water Wells (x2) at the Dugald Raw Water Well Field;
- Raw and Treated Water Pipelines to move water from the Dugald Raw Water Well Field to the DOWS Water Treatment Plant and from the DOWS to Dugald and Oakbank (converted) Pumping Stations;
- New DOWS Water Treatment Plant with partial Reverse Osmosis Treatment;
- Overhaul and retrofitting of the Dugald and Oakbank Pumping Stations

The 2023 Projected Capital Budget for the project, including a 19% contingency, placed the project at \$29,410,000 (\$29.41m). Since that time, we are anticipating an annual 3.0% inflation rate; bringing an estimated budget of \$32.13M for the 2026 fiscal year. The increase from \$29.41 to \$32.13M has not been formally allocated as we work to refine the final design and obtain an Environment Act License.

In terms of funding, the base \$29.41m budget the RM has is as follows (based on 2023 approvals):

RM Funding (Capital Water Levy, Utility Reserves, Gas Tax)	\$ 6.237M
Municipal Northern Relations Grant	\$ 5.650M
Manitoba Water Services Board Grant #1	\$ 4.650M
Manitoba Water Services Board Grant #2	\$ 4.050M
Base Commitments:	\$20.587M in funding
Balance to fund:	\$ 8.823M

RM Borrowing By-Law 24-01 (passed May 31 by the Municipal Board) authorizes the RM of Springfield to borrow \$ 12.563M to complete the project.

Developers, during the Development Stage of their property (and similarly any property that wants to connect to the Utility Municipal Water System pay a Capital Water Levy at a rate of 1.0 REU / lot (minimum) based on what is planned for the property. (This is another piece of the funding model that uses pre-established tables to define the REU value).

In 2026, the Capital Water Levy stands at \$ 9,250.00 / REU; the new DOWS Water Treatment Plant is designed to provide 5,200 REU storage capacity; resulting in approximately \$ 48.1M in Capital Water Levies being received by the Municipality over the 20-25 years. The RM reviews and raises the levies on an annual basis.

The Borrowing By-Law is used to provide bridge financing over time while the Developers pay their Capital Water Levies. With that, the Borrowing By-Law may need to borrow between \$ 8.823 and \$11.543M when the DOWS Water Treatment Plant Project is constructed, commissioned and put into service.

The RM is currently working with the Manitoba Water Services Board to apply for Federal Funding through the Canadian Housing Infrastructure Fund (CHIF). If successful, the DOWS Project may be eligible for funding upwards of an additional \$7.0M, significantly reducing the borrowing needs.