



**Transportation and Infrastructure Renewal  
Office of the Minister**

PO Box 186, Halifax, Nova Scotia, Canada B3J 2N2

March 26, 2020

**DRAFT**

The Honourable Cecil Clarke  
Mayor  
Cape Breton Regional Municipality  
300 Esplanade - Suite 400

Sydney, NS B1P 7B9

Dear Honourable Cecil Clarke:

**Re: Provincial Infrastructure Funding – Cape Breton Regional Municipality**

The Province endorsed and mailed a Contribution Agreement (CA) to Cape Breton Regional Municipality (CBRM) on September 5, 2019, regarding the project: Wastewater Treatment Infrastructure (project # 05-18-0072). This project was approved under the Investing in Canada Infrastructure Program (ICIP) and included a Provincial contribution of 33.33%. The Province is offering to increase its share, to offset the Municipal share, of the project to pay a contribution to the Recipient of not more than 60% of the total Eligible Expenditures for the Project up to a maximum of \$58,737,344. This will be reflected in an upcoming amendment to the CA following receipt of the signed declaration referred to in this letter.

The federal and provincial shares combined for this project will total 100% of the approved total eligible expenditures of \$97,895,574 as identified in the CA under the ICIP. As outlined in that Agreement, project expenses are to be incurred by CBRM and are reimbursed on a claims basis. In order to alleviate cashflow pressures for this project, the Department will advance a \$6,000,000 one-time payment from the 60% Provincial share to CBRM for this project, contingent upon CBRM agreeing and satisfying the conditions set out in this letter. This does not alter any terms of the CA as referenced above.

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In addition, the Province will contribute up to 50%, to a maximum amount of \$4,000,000 of the total approved eligible expenditures, towards a project for upgrading underground water and wastewater infrastructure in and around Glace Bay (as identified in appendix A) on the condition that an application is to be submitted and approved for federal funding of 50% under the ICIP and will be subject to a formal CA upon approval.

The \$6,000,000 advance payment towards the Wastewater Treatment Infrastructure CBRM project and the \$4,000,000 contribution towards the potential Glace Bay infrastructure project, will be released to the CBRM under the following terms and conditions, to which CBRM indicates their agreement, by returning a copy of this letter duly signed by an authorized municipal official by March 27, 2020:

- a) the Municipality shall maintain a separate and distinct account for the funds provided by Nova Scotia as referenced within this Agreement, and agrees to track separately the funds received from the Province for the purpose of the projects; the municipality also agrees that the accounts are subject to audit by the Province at any time;
- b) the Municipality shall report on the balance of the funds provided by Nova Scotia with respect to these contributions quarterly, and when requested by the Province on a reasonable and timely basis;
- c) all funds provided by the Province shall be expended for the sole purposes of the design and construction of the projects as identified;
- d) the Municipality must submit an application for ICIP funding of the Glace Bay area project, and it must receive federal approval;
- e) the Municipality must enter into a Contribution Agreement with the Province for both projects identified herein with the ICIP Wastewater Treatment Infrastructure Project CA signed and returned by March 27, 2020;
- f) the Municipality will be required to repay the contributions, or a portion thereof, to the Province, in the event that:
  - i. the contribution, or any part of it, is used for a purpose other than the design and construction of the projects identified;
  - ii. the Municipality is in default of any term of the Agreements;
  - iii. the projects are not approved under federal contribution programs; or,
  - iv. final costs are less than approved budgets.

- g) Any repayment required under these terms is considered a debt to the Province;
- h) A Motion of Council supporting the signing of this letter is required by March 27, 2020.

Please indicate agreement to these Terms and by signing the declaration below and returning the original to my attention. Please retain a copy for your files.

The Department will release the agreed funds to the Municipality upon receipt of this signed declaration and, the signed Contribution Agreement referred to in (e) above and a copy of the Motion of Council referred to in (h) above. A formal amending agreement to integrate the revised provincial contribution into the Wastewater Treatment Infrastructure ICIP Contribution Agreement will follow, as well as other documentation that may be required for the Glace Bay project submission.

Should you have any questions, please feel free to contact me at (902) 424-7705 or [TIRMIN@novascotia.ca](mailto:TIRMIN@novascotia.ca)

Yours sincerely,

**DRAFT**

The Honourable Lloyd Hines  
Minister of Transportation and Infrastructure Renewal

***On behalf of the Cape Breton Regional Municipality, I accept and agree to the Terms and Conditions set out in this letter for the Wastewater Treatment Infrastructure – Cape Breton Regional Municipality and the Glace Bay and area Water and Wastewater Project.***

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**Mayor**

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**Date**

cc The Honourable Chuck Porter, Minister of Municipal Affairs and Housing

## Appendix A

### Projects in and around Glace Bay

Union Street	Water, storm, Road
Highland Street	Water, storm, Road
Connaught Ave P1	Water, storm, Road
Mechanic Street	Storm, Sanitary, Road
Phalen Road	Water, storm, Road
Gannon Street	Storm, Sanitary, Road
Connaught Ave P2	Water, storm, Road
King Edward Street	Storm, Sanitary, Road
McKeen Street	Storm, Sanitary, Road
Dominion Street	Storm, Sanitary, Road
Connaught Ave, P3	Water, storm, Road
Brookside Street	Storm, Sanitary, Road
Wallace Road	Water, storm, Road