

Cost of critical Ellis 4 dam upgrades increased

(Penticton, BC – February 7, 2025) – A series of unexpected construction costs have resulted in a need to increase the overall budget for the Ellis 4 Dam upgrades.

Council will be asked to approve a budget amendment to cover the changes at Tuesday's meeting. Staff are asking for a total budget of \$18 million, an increase of \$7.5M. Due to cost pressures on capital reserves, Staff is proposing to fund \$11 million through external debt financing, comprised of the original \$3.4M from capital reserves in addition to the cost escalation which is a better long term funding strategy.

"The Ellis 4 Dam, which is nearly 100 years old, is a critical piece of City infrastructure that provides both flood protection and irrigation demands, and the consequences of a failure are extremely high," says Kristen Dixon, the general manager of infrastructure. "Completion of the project is essential as the dam does not meet provincial dam safety regulations. If a major storm occurred, the spillway may not be able to handle the incoming flow and the dam would overflow. It's critical we complete this work to ensure the resiliency and capacity of the structure."

In her report to council, Dixon notes several factors have contributed to the need for a budget amendment.

"The Ellis 4 Dam is an extremely complex project, both from the initial planning and assumptions that had to be made in preparing the detail design deviating significantly from what has been experienced through construction, and also in navigating the various Ministry approval processes and corresponding consulting needs. This, combined with winter working conditions and a limited construction window have all resulted in significantly higher than expected construction costs," Dixon writes in the report.

The project was originally estimated to cost \$10.5 million, of which \$7.1 million is being provided by the federal and provincial governments through the Investing in Canada Infrastructure Program. Requests for further funding from other governments were unsuccessful.

The full report can be found at www.penticton.ca/agendas

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