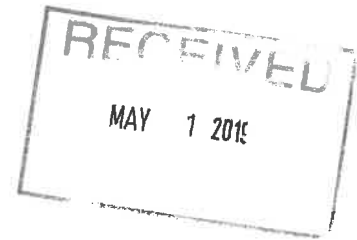


April 26, 2019

The Town of Wadena
Box 730
Wadena SK, S0A 4J0



Attention: Mayor and Council

Re: Infrastructure Asset Management – New Funding Opportunity

Pillar Systems has been pioneers in the field of asset management for decades and are recognized nationally and internationally as industry leaders in asset management best practice.

Over the last few years we have been specifically involved with urban and rural municipalities across Saskatchewan and Alberta delivering asset management solutions under the Federation of Canadian Municipalities (FCM) Municipal Asset Management Program (MAMP) and in accordance with the municipal asset management requirements under the Provincial-Federal Gas-Tax Fund. Our works were reviewed by Infrastructure Canada and deemed to meet their mandate to *“maximize the value for taxpayers, while ensuring infrastructure sustainability over time”*. Our works have been well received by municipal Councils including the following comments by Councilors on delivery of the final report.

“Over 25 years in Council, happy to see we have a plan and it looks good. First time seen a very good plan.” –
Sturgeon County

“This report makes me feel more confident in our future and beneficial for everyone” – Municipality of Jasper

Our approach to urban municipalities covers each of the asset groups including:

- ✓ Roads and Sidewalks
- ✓ Bridges and Culverts
- ✓ Water Distribution
- ✓ Wastewater Collection (Sanitary and Storm)
- ✓ Treatment Facilities
- ✓ Buildings
- ✓ Equipment and Machinery

The process we follow typically includes the following, but is case by case based on the municipal needs:

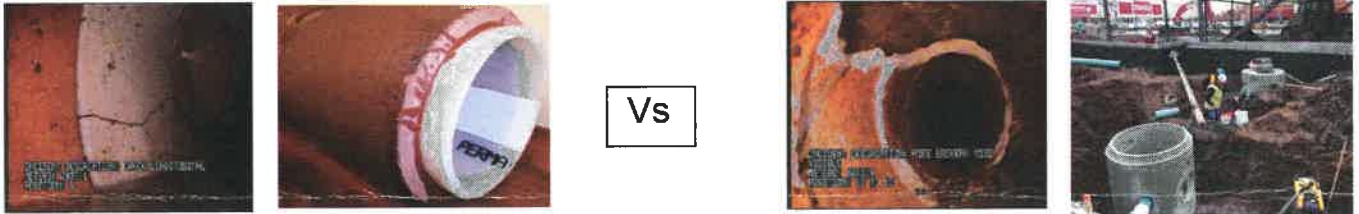
- ✓ Develop the policy and strategy
- ✓ Compile the infrastructure inventory
- ✓ Conduct a field level condition assessment
- ✓ Determine the existing State of the Infrastructure (i.e. Level of Service)
- ✓ Conduct a lifecycle analysis (including performance prediction and determining the optimal treatment selection 20 years into the future)
- ✓ Develop the long-range infrastructure sustainability plan that will optimize maintenance & capital expenditures and infrastructure Level of Service (including determining the Funding Gap)
- ✓ Detail the maintenance and capital works program that will deliver the infrastructure sustainability plan.

Through our lifecycle optimization technology, what can take municipalities decades in determining the infrastructure sustainability level through expensive trial and error, we can determine in months. We accelerate municipalities up the asset management readiness scale faster than others in the industry.

One common finding among urban municipalities is the critical nature of the subsurface (i.e. water distribution and wastewater collection) asset groups. These have been historically *“out of sight and out of mind”*, which can have major consequences. One of the fundamentals of asset management is to *“address issues before they become problems”*. With

this proactive approach, municipalities can save a lot of money and avoid major service disruptions and health risks to the community. This is a fundamental component of what we do.

As example, the following sanitary sewer pipe segment (photo below to the left) contains moderate deterioration. It can function for a few more years. However, through application of mid-life preservation maintenance, a lower cost cured in place pipe liner will extend the service life and potentially save costs over the infrastructure lifecycle in comparison to the more expensive pipe replacement later when the pipe fully deteriorates (photo below to the right). These and many more scenarios are tested in the infrastructure lifecycle analysis.



We have a unique approach to water mains, including asbestos cement pipes, common to many Alberta and Saskatchewan municipalities. In our performance prediction, we identify a replacement program ahead of the risk of failure. This avoids significant costs, service disruption and health risk; where asbestos fibers can be released into the potable water system. The photos to the right illustrate a failed asbestos cement pipe sample that we tested. This data was in part used in our asset management modeling that builds a realistic representation of the water system lifecycle performance. This valuable information can be captured by municipal operations staff during maintenance repairs; which is very cost effective. We have a similar approach with cast and ductile iron water mains.



Pillar Systems is recognized by the FCM as providing the right approach to asset management. Recently we have prepared many applications for municipalities in Saskatchewan and Alberta. We have been 100 percent successful in our funding approval. We are also 100 percent successful in completion of our asset management works in line with the FCM mandate for asset management.

It is our understanding that the FCM will soon be launching new funding for municipalities to complete their asset management programs. This is a popular program among Canadian municipalities as historically it has funded 80 cents on the dollar. As time and funding is limited, it is important that municipalities are prepared before the next call for funding applications, which is expected in the months ahead.

If interested in pursuing this funding and moving forward with your asset management program, we would be pleased to discuss this further with you. We would be willing to prepare and submit your FCM Municipal Asset Management Program grant funding application at no cost; on condition we perform the asset management work upon approval of the grant funding.

We look forward to serving you in the very near future. In the interim, feel free to contact me at 587-338-6099 or email at gordon.molnar@pillarsystems.ca should you have any questions.

Sincerely,

Gordon Molnar, M.A.Sc., P.Eng.
President
www.pillarsystems.ca