



Staff Report

Finance and IT Services

Report To: Council
Meeting Date: October 17, 2016
Report Number: FAF.16.92
Subject: Clean Water and Wastewater Fund (CWWF) Grant
Prepared by: Sam Dinsmore, Deputy Treasurer/Manager of Accounting and Budgets

A. Recommendations

THAT Council receive Staff Report FAF.16.92, entitled “Clean Water and Wastewater Fund (CWWF) Grant”; and

THAT Council approve the following projects to commence immediately and to be funded using the CWWF Grant:

- 1) Clarksburg Concept Design
- 2) Thornbury West Stormwater Master Plan
- 3) Craigeith and Thornbury Wastewater Plant UV Replacements
- 4) Water and Wastewater Plant Roof Replacements
- 5) Elgin Street and Moore Crescent Sewage Pumping Station Renovations; and

THAT Council approve funding \$150,000 from unfinanced that will be levied against the benefiting property owners within the Clarksburg Service Area after the water and wastewater service extensions are complete; and

THAT Council approve funding \$75,000 from the Stormwater Reserve Fund; and

THAT Council approve funding \$45,000 from the Water Asset Replacement Reserve Fund; and

THAT Council approve funding \$280,039 from the Wastewater Asset Replacement Reserve Fund.

B. Overview

This report explains the new Clean Water and Wastewater Fund (CWWF) Grant and outlines project options for Council’s consideration.

C. Background

On September 14, 2016 the Town received a funding announcement that the Federal and Provincial governments had joined together and were releasing Phase 1 of the CWWF. Phase 1

of this grant will disperse \$840 million for water, wastewater, and stormwater projects. The funding for these projects is 50% Federal, 25% Provincial, and 25% Municipal.

Unlike other grants, the CWWF is a 100% formula based system that uses the Town's water, wastewater, and stormwater infrastructure as well as the Town's current economic conditions. Staff received notice that the Town's allocation of the CWWF will be \$1,504,961 for 2016-2018. After approval of this report, staff will submit all necessary information and will ensure that the project list that is submitted meets all of the required grant criteria.

D. Analysis

In addition to being 100% formula based the CWWF differs from other grants that have been seen over the past few years. The CWWF grant can be used for both capital and non-capital projects (including feasibility studies, detailed design and Environment Assessments), whereas previous grants had to be 100% capital in nature. The CWWF also differs from grants in the past, as this grant does not have to be applied to only one project. Instead, the Town can complete as many projects as needed in order to use the entire grant.

Like all existing grants there are certain criteria that the Town must meet for the projects to be eligible:

- 1) Projects must be incremental - the project would have been delayed until funding was available or the project was waiting for upper government funding.
- 2) A completion date of March 31, 2018 – an extension can be granted for 25% of the project value passed March 31, 2018, but in general the Town has less than a 17 months to complete these projects.
- 3) Must be a water, wastewater, and/or stormwater project – the grant must be used to fund costs related to these 3 categories.

An issue that the Town will run into with adding or fast tracking these projects is staffing resources. Town staff will have to re-prioritize their 2016 to 2018 work plans to include these projects so that the Town can benefit fully from the grant opportunity.

E. The Blue Mountains' Strategic Plan

Goal #4: Promote a Culture of Organizational and Operational Excellence
Objective #4: To Be a Financially Responsible Organization

F. Environmental Impacts

None.

G. Financial Impact

Staff reviewed the grant criteria and long-term capital plans and have compiled the following list of projects for Council to endorse through the CWWF Grant:

1) Clarksburg Concept Design

A concept design for servicing Clarksburg would allow staff to explore different servicing options, routes of pipe, pumping station locations etc. Once completed the Town would have schematic drawings that could be used in future grant applications and to start the conversation with local residents. The public consultation will be an important step once the concept design is complete as the local residents will be given the chance to comment on the project itself and the affordability.

By using the CWWF grant the Town is limiting the amount to be collected from the benefitting property owners once the service takes place. For this concept design residents would be looking at \$1,134 per property without upper level government help. If the Town uses the grant that is reduced to \$283 per property.

At the June 27, 2016 Committee of the Whole Meeting, Committee approved including a \$50,000 Servicing Needs Assessment in the 2017 Budget. This concept design will include the work that would have been done through the Servicing Needs Assessment and therefore will not be included in the 2017 Budget.

2) Thornbury West Stormwater Master Plan

As staff are completing the Thornbury infrastructure review, the biggest issue identified has been the stormwater system. This grant would allow the Town to do a large scale holistic plan rather than a small plan with each construction project.

3) Craileith and Thornbury Wastewater Plant UV Replacements

Both plants UV equipment have reached the end of their useful lives and require replacement. These are large projects that meet the criteria of the grant.

4) Water and Wastewater Plant Roof Replacements

Both the Water Plant and Thornbury Wastewater Plant need roof replacements and these projects fit the grant criteria.

5) Elgin Street and Moore Crescent Sewage Pumping Station Renovations

These pumping stations require major renovations that fit this grant criteria.

Due to the fact that the projects need to be incremental a funding source for the Town's 25% will need to be identified and approved. The chart below looks at the project budget as well as the funding sources.

Project	Budget	Federal	Provincial	Town	Town Funding Source
Clarksburg Concept Design	\$600,000	\$300,000	\$150,000	\$150,000	Benefitting Property Owners ⁽¹⁾
Thornbury West Stormwater Master Plan	\$300,000	\$150,000	\$75,000	\$75,000	Stormwater Reserve Fund
Wastewater Plant UV Replacements	\$435,000	\$217,500	\$108,750	\$108,750	Wastewater Asset Replacement RF
Plant Roof Replacements	\$360,000	\$180,000	\$90,000	\$90,000	Water & Wastewater Asset Replacement RF
Elgin Street and Moore Crescent Sewage Pump Station Renovations	\$360,000	\$155,807	\$77,904	\$126,289	Wastewater Asset Replacement RF
Total	\$2,055,00	\$1,003,307	\$501,654	\$550,039	

(1) Please note that no capital charges will be levied back to the benefitting property owners until construction is completed. These costs will be unfinanced until the services are installed.

Additional Options

Staff have compiled an alternative list if Council does not wish to proceed with the Clarksburg Concept Design at this time. In lieu of doing the Clarksburg Concept Design, staff could proceed with the Water Distribution Master Plan EA (\$450,000), which would require \$112,500 to be funded from the Water Asset Replacement Reserve Fund. Staff have included the recommendations that Council could consider if they wanted to proceed with this second list.

THAT Council approve the following projects to be funded using the CWWF Grant:

- 1) Water Distribution Master Plan EA
- 2) Thornbury West Stormwater Master Plan
- 3) Craigeleith and Thornbury Wastewater Plant UV Replacements
- 4) Water and Wastewater Plant Roof Replacements
- 5) Elgin Street and Moore Crescent Sewage Pumping Station Renovations; and

THAT Council approve funding \$75,000 from the Stormwater Reserve Fund; and

THAT Council approve funding \$157,500 from the Water Asset Replacement Reserve Fund; and

THAT Council approve funding \$243,750 from the Wastewater Asset Replacement Reserve Fund.

H. In consultation with

Senior Management Team
Vicky Bouwman, Financial Analyst

I. Attached

None.

Respectfully Submitted,

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