



## Staff Report

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<b>Report To:</b>	Dan Best, Chief Administrative Officer
<b>From:</b>	<b>Don Giberson, Director of Infrastructure &amp; Development</b>
<b>Date:</b>	August 12 2019
<b>Report:</b>	ESD.19.30
<b>Subject:</b>	Grand Bend Trunk Sanitary Sewer – Project Update

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### Recommendations:

**That** South Huron Council receives the report from Don Giberson, Director of infrastructure and Development Re: Grand Bend Trunk Sanitary Sewer – Project Update

### Purpose:

The purpose of this report is to provide Council with updated information regarding Phase One of the Grand Bend Trunk Sanitary Sewer and potential cost sharing options with the Municipality of Lambton Shores and Bluewater.

### Background and Analysis:

This project involves the construction of a sanitary trunk sewer from the existing main sanitary pumping station in Grand Bend, across the Walker Drain, west on Municipal Drive, then northerly on Ontario Street, terminating just beyond the entrance to Oakwood Park Association off Highway #21, as identified through the Environmental Assessment process.

The GBSTF Joint Servicing Agreement, Sections 36 – 40, set out conditions regarding routing of the trunk sewer, environmental assessments, use of municipal right-of-ways, Bluewater cost sharing option, restriction of no

further connections to Lambton Shores' sanitary sewers and removal of South Huron temporary connections after a new trunk sewer is constructed.

The project is fully designed, tender ready and all approvals are in place, including Ministry of the Environment, Ministry of Transportation and Ausable Bayfield Conservation Authority approvals. However, the project has been on hold since 2015, as directed by Council, until such time as there was a Ministry Order as a result of an environmental issue along the lakeshore area or if required by potential development along the Highway #21 corridor.

The Municipality has had numerous development inquiries over the years regarding development along the Highway #21 corridor; however, all have declined to proceed due to the lack of a sanitary sewer outlet. Recently, the Municipality has been approached by a Developer proposing an approximately 350 lot residential development in this area that relies on the construction of the trunk sanitary sewer. It should be noted that capacity is available in Grand Bend Sewage Treatment Facility, forcemain and Main Pumping Station in Grand Bend to accommodate this potential development.

An opportunity also became available recently to potentially construct phase one of the trunk sewer, with a proposed connecting link project on Ontario Street in Lambton Shores. The limits of this project are from the Main Street intersection in Grand Bend to the north limit of Lambton Shores. This section of road work overlaps with a portion of the trunk sewer and provides an opportunity to partner/cost share with the Municipality of Lambton Shores. It is also reasonable to expect that this opportunity will not be available again during the useful life of that section of road in Lambton Shores (ie. minimum 20 years).

There have been discussions at a Staff level for several months in anticipation of a potential project. It was recently announced that Lambton Shores was successful in obtaining connecting link funding from the Province. Lambton Shores Staff have advised that their road design work is well advanced and that they plan to proceed with the connecting link project in 2020, with preparatory work as soon as the fall of 2019. Our Engineer has been working diligently with Lambton Shores Engineer to coordinate the projects and to accommodate this proposed schedule.

The cost sharing details are still being worked out, but Lambton Shores Staff have indicated a strong desire to work cooperatively with South Huron to construct a joint trunk sewer as part of the road reconstruction project and share the sewer construction cost on a flow proportional basis with an allowance/credit for the remaining useful life of their existing sanitary sewer.

This is significantly better financially for South Huron, than constructing the trunk sewer at entirely our own cost, including 100% of the road restoration.

Should Council direct that this project proceed, in accordance with the GBSTF Joint Agreement, we are required to notify Municipality of Bluewater; provide the incremental costs associated with oversizing the trunk sewer and request confirmation of their participation. If Bluewater decides to participate in the project, they will also make a financial contribution for their share of the project costs.

### **Operational Considerations:**

Several alternatives were considered, but a joint project with Lambton Shores was confirmed as the most cost effective solution.

### **South Huron's Strategic Plan:**

Section 6.2.2 of the Municipality of South Huron 2015- 2019 Strategic Plan identifies key objectives that are reflective of the collective perspectives of the strategic planning process.

The recommendations and actions outlined in this report are reflective of the following strategic objectives:

Administrative Efficiency and Fiscal Responsibility

Increased Communications and Municipal Leadership

Transparent, Accountable and Collaborative Governance

Dedicated Economic Development Effort

### **Financial Impact:**

There are no financial implications for the Corporation resulting from the proposed recommendation.

However, if Council directs the project to proceed, Staff will bring back a detailed report outlining the associated costs, cost sharing information and the full financial impact. It should also be noted that this project was not included as a proposed capital project in the recently completed Water and

Wastewater Rate Study. The growth related costs should also be considered in the current Development Charges Study.

### **Legal Impact:**

There are no legal implications for the Corporation resulting from the proposed recommendation.

However, if Council directs the project to proceed, South Huron has a legal obligation to notify the Municipality of Bluewater, in accordance with the terms and conditions of the GBSTF Joint Servicing Agreement.

### **Staffing Impact:**

There are no staffing implications for the Corporation resulting from the proposed recommendation.

### **Policies/Legislation:**

1. Ontario Water Resources Act, R.S.O. 1990, c. O.40
2. Environmental Protection Act, R.S.O. 1990, c. E.19
3. Environmental Assessment Act, R.S.O. 1990, c. E.18

### **Consultation:**

Dan Best, CAO, Sandy Becker, Director of Financial Services and Shawn Young, Manager of Environmental Services

### **Related Documents:**

1. GBSTF Joint Servicing Agreement

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Don Giberson', enclosed within a large, loopy oval shape.

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**Don Giberson, Director of Infrastructure & Development**