Staff Report

Report To: Dan Best, Chief Administrative Officer
From: Don Giberson, Director of Infrastructure & Development
Date: January 13 2020
Report: ESD.20.01
Subject: Investing in Canada Infrastructure Program Green Stream Funding Application - 2019 Intake

Recommendations:
That South Huron Council receive the report from Don Giberson, Director of Infrastructure and Development RE: Investing in Canada Infrastructure Program Green Stream Funding Application - 2019 Intake, AND;

That South Huron Council selects the Exeter Wastewater Treatment Facility Upgrades as the top priority project for the Investing in Canada Infrastructure Program Green Stream - 2019 Intake, AND;

That South Huron Council authorizes Staff to submit an application to the Investing in Canada Infrastructure Program Green Stream - 2019 Intake for the Exeter Wastewater Treatment Facility Upgrades for the maximum funding amount.

Purpose:
The purpose of this report is to obtain Council approval to submit an application to the 2019 Intake of the Investing in Canada Infrastructure Program Green Stream for upgrades to the Exeter Wastewater Treatment Facility for the maximum eligibility amount.
Background and Analysis:
On October 25, 2019 the Province announced that they would be accepting applications for the joint Federal/Provincial Investing in Canada Infrastructure Program (ICIP) Green Infrastructure Stream grant funding program. This is the fourth stream of the ICIP grant funding program to rehabilitate critical infrastructure across four streams: Rural and Northern; Public Transit; Green; and Community, Culture and Recreation. The deadline to submit an application is 4:59 p.m. EST on January 22, 2020.

Eligibility requirements and the application process are similar the recent application submitted to the Federal/Provincial Investing in Canada Infrastructure Program (ICIP) - Community, Culture and Recreation grant funding program. The Green Stream 2019 intake is for Municipalities with populations less than 100,000, Indigenous communities and Local Services Boards, Conservation Authorities and not-for-profit organizations to help rehabilitate critical drinking water, wastewater and stormwater infrastructure. This intake will prioritize projects that address health and safety issues and support Federal Government initiatives for climate change mitigation/adaption, greenhouse gas reduction and environmental quality improvements.

This is a competitive grant program that is cost-shared between Federal, Provincial and Municipal governments. The maximum eligible project cost is $3,000,000. The Federal Government will fund a maximum of 40% of the eligible project costs, Provincial Government will fund a maximum of 33.33% of the eligible project costs and the Municipality will fund the remaining 26.67%.

Staff reviewed all drinking water, wastewater and stormwater projects in the water/wastewater Master Plan and the five-year capital forecast that met the eligibility criteria. There are no drinking water, stormwater management or linear wastewater/stormwater projects in the long term infrastructure planning documents that will meet the threshold for a high probability of success under this grant funding program. However, upgrades at the Exeter Wastewater Treatment Facility (WWTF) meet the eligibility criteria, are within the funding limits and have a high probability of success under this grant funding program.

The proposed upgrades at the Exeter WWTF involve rehabilitation of the sewage lagoon intermittent sand filters, rehabilitation / upgrades to the Filter Building sewage pumping station and installation of an ultraviolet (UV) disinfection system prior to the final effluent discharge. These upgrades would ensure compliance with effluent quality criteria in the current Environmental Compliance Approval (ECA) for the Exeter WWTF and would improve water quality in the receiving water course. The review of the sand filters by GMBBluePlan Engineers confirmed that this asset is in poor condition and a high priority for rehabilitation/replacement. The estimated cost of this project also fits well with the grant funding limits.
Staff believe that upgrades at the Exeter Wastewater Treatment Facility has the highest probability of success of obtaining a grant under this program, as E-coli and fecal coliform exceedances in the final effluent impacts water quality in the receiving water course, is a health and safety issue and the project aligns well with the Federal Government goals of Climate Change adaptation and environmental quality improvements.

**Operational Considerations:**
There were no alternatives considered.

**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:**
The estimated cost of the upgrades at the Exeter Wastewater Treatment Facility project is approximately $3,493,868 over the next five years. The maximum eligibility amount under this grant program is $3,000,000; therefore $478,868 of the estimated project costs are ineligible.

Based on the funding formula and a total eligible project cost of $3,000,000 the Provincial Government contribution would be $999,900 (ie. 33.33% of the eligible project costs) and the Federal Government contribution would be $1,200,000 (ie. 40% of the eligible project costs) and the Municipality would fund the remaining amount of $1,293,968.

Staff recommend that an application be submitted for the maximum eligibility amount permitted in the ICIP 2019 intake and fund the balance of the project costs from the capital replacement reserves, as recommended in
the 2019 Watson Rate Study. If the Municipality is successful in this grant application and there is not sufficient funds in reserves for the municipal portion, staff recommend reprioritizing the five year capital budget forecast to make these funds available. Re-prioritization of capital projects will be subject to Council review and approval.

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

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

Policies/Legislation:
1. South Huron Asset Management Program
2. South Huron Capital Budget (Five Year Forecast)
3. Water and Wastewater Master Plan
4. Exeter Wastewater Treatment Plant - Tertiary Filtration and Disinfection - Technical Memorandum (GMBluePlan Engineers)

Consultation:
Director of Financial Services/Treasurer
Manager of Environmental Services

Related Documents:
None

Respectfully submitted,
Don Giberson, Director of Infrastructure & Development