



Staff Report

To: Dan Best, Chief Administrative Officer

From: Don Giberson, Environmental Services Director

Date: June 19, 2017

Report: ESD.17.18

Subject: Status of OCIF grant and options for Exeter Sewage Lagoons upgrades

Recommendation:

That South Huron Council receive the report from Don Giberson, Environmental Services Director Re: Status of OCIF grant and options for Exeter Sewage Lagoons upgrades, AND;

That South Huron Council defer the Exeter Sewage Lagoons sand filters upgrades and proceed with engineering evaluation work for future upgrades to sewage lagoons sand filters and disinfection system, AND;

That South Huron Council authorize the Exeter Sewage Lagoons aeration system upgrades proceed to tender, AND;

That South Huron Council reallocate \$391,250 from the Sewers Capital Replacement Reserve to fund the Exeter Sewage Lagoons aeration system upgrades

Background and Analysis:

The purpose of this report is to update Council on the status of the OCIF grant application and options moving forward for upgrades at the Exeter Sewage Lagoons.

Status of OCIF grant and options for Exeter Sewage Lagoons upgrades

On February 21, 2017 the Municipality was notified that we were unsuccessful in our grant application for the Exeter Sewage Lagoons upgrades under the Ontario Community Infrastructure Fund (OCIF) Top-Up grant program. This results in a loss of \$911,250 in grant funding.

The project involved two components, the first to upgrade the aeration system and the second to upgrade the sand filters, including a possible disinfection system. The approved 2017 budget for this project was \$1,215,000 and funding was \$911,250 from the OCIF grant funding program and \$303,750 from Sewers Capital Replacement Reserve.

With the loss of grant funding, the entire project clearly cannot proceed as originally proposed. It makes sense to proceed with the engineering and evaluation of options for upgrades to the sand filter at an approximate cost of **\$45,000**. This review would consider sand filter rehabilitation options and alternative filter technologies, including disinfection options to extend the discharge season through the winter months. The sewage lagoon typically achieves the ECA effluent quality limits in the winter, with the exception of E-Coli. The installation of a disinfection system would resolve this issue and facilitate an increase in the volume of winter discharge.

It is recommended to use the remaining funds to proceed with the tendering of the sewage lagoon aeration system upgrades at an estimated cost of **\$650,000** including engineering. This would require an additional **\$391,250** to be allocated from the Sewers Capital Replacement Reserve.

Operational Considerations:

Various alternatives were considered, as noted above

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:

Status of OCIF grant and options for Exeter Sewage Lagoons upgrades

Administrative Efficiency and Fiscal Responsibility

The proposed upgrades to the sewage lagoon aeration system will be through a public tendering procurement process to ensure fiscal responsibility. Engineering evaluation of the sand filter upgrades options will be through a competitive request for proposal procurement process to ensure fiscal responsibility.

Increased Communications and Municipal Leadership

Results of the public tender and the Engineering RFP will be communicated to Council and the public thorough reports to Council.

Transparent, Accountable and Collaborative Governance

Public reporting of the status of the grant application and consideration of other options, demonstrates commitment to transparent, accountable and collaborative governance.

Dedicated Economic Development Effort

Ensuring sufficient wastewater treatment capacity and effluent quality is in compliance, results in increased public confidence; retention/attraction of businesses and economic development opportunities.

Financial Impact:

This recommended change would require an additional \$391,250 to be allocated from the Sewers Capital Replacement Reserve.

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. Ontario Water Resources Act, R.S.O. 1990, c. O.40

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upgrades

2. Exeter Wastewater Treatment Facility ECA - NUMBER
6088-9FEREP
3. Approved 2017 Sewers Capital Budget.

Consultation:

Sandy Becker, Financial Services Manager was consulted on the financial aspects of this report. Shawn Young, Water/Sewer Foreman was consulted on the technical aspects of this report.

Attachments:

Copy of correspondence from OMAFRA dated February 21, 2017 regarding Ontario Community Infrastructure Fund (OCIF) Top-Up Application Component – 2016 Intake.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Don Giberson', enclosed within a large, hand-drawn oval. The signature is stylized and somewhat cursive.

Don Giberson
Environmental Services Director

I concur with this report.

Dan Best MPA, BA
Chief Administrative Officer