



Subject: Green Infrastructure Stream Funding for Watermain Replacements

To: Council

From: Public Works Department

Report Number: 2021-224

Meeting Date: August 23, 2021

Recommendation:

That Public Works Department Report 2021-224 be received; and

That Council direct the Manager of Water and Wastewater to apply for Green Infrastructure Stream funding for watermain replacement projects.

Purpose:

This report is submitted to seek Council's approval to apply for Green Infrastructure Stream funding for watermain replacement projects.

Background:

On Tuesday, July 13, the Province announced the second intake of the Green Infrastructure Stream funding program. The Green Stream is part of the joint federal and provincial Investing in Canada Infrastructure Program (ICIP). Up to \$240 million in joint federal and provincial funding is available for this intake, including \$110 million from the Ontario government. This round of funding is targeted towards smaller municipalities, First Nations and Local Service Boards with populations under 100,000.

Eligible project categories include drinking water projects that:

- Focus on addressing critical health and safety issues or;
- Projects that relate to rehabilitation and replacement (i.e. no new builds or expansion of existing assets to accommodate growth/development).

The maximum total eligible project cost is \$5 million, and eligible costs include design and construction. Projects must start by September 30, 2022 and be completed by

October 31, 2026. Multiple watermain replacement projects within the same distribution system are eligible. The funding formula is 40% from the federal government, matched at 33.33% by the Province and municipalities are responsible for the remaining 26.67%.

The application deadline is September 9, 2021.

Discussion:

Water/wastewater staff have reviewed the most current water Infrastructure Needs Study (completed in 2014), historic watermain break records, water quality results and water quality complaints and have come up with a list of six potential watermain replacement projects:

- Davis Street between Rodney Street and Durham Street (660m)
- Hawthorne Heights (Thorncrest Road, Runnymede Road 900m)
- Omer Avenue between West Side Road and Knoll Street (330m)
- Homewood Avenue between Sugarloaf Street and Clarence Street (600m)
- Berkley Avenue between Wellington Avenue and the dead end (450m)
- West Street south of Sugarloaf Street, looping through 11 King into King Street (250m)

Since only watermain replacement projects are eligible for the funding, Engineering staff are reviewing the condition of the sanitary, storm and road infrastructure in the proposed project areas to assist with determining which projects are best suited to the application and are preparing cost estimates to assist in determining how many of the six projects will fit within the maximum funding. Staff's goal is to submit for the maximum \$5 million in funding.

Financial Implications:

Should the City's funding application be successful, the maximum amount the City will need to contribute towards the watermain replacement projects would be \$1,333,500. As the projects are required to be completed between September 2022 and October 2026, the contribution would be funded from the annual water budget. For purposes of the application, staff propose the City's portion will be funded from the 2022, 2023, 2024, 2025 and 2026 Water Capital Budget, averaging \$266,700 annually. A funding substitution to debenture financing may be proposed to Council following the completion of the Infrastructure Needs Study update, anticipated for completion next year.

Strategic Plan Alignment:

The initiative contained within this report supports the following pillar(s) of the strategic plan:

- City-Wide Investments in Infrastructure and Recreational/Cultural Spaces
 - Value: Financial Management to Achieve Financial Sustainability
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Conclusion:

The ICIP Green Infrastructure Stream provides an opportunity to leverage \$1.5 million of municipal funds to replace up to \$5 million of watermain in Port Colborne by acquiring \$3.5 million from upper levels of government. Staff feel that this is an opportunity that shouldn't be missed.

Appendices:

- a. Ontario Investing in Green Infrastructure to Help Smaller Communities

Respectfully submitted,

Darlene Suddard
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Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.