



THE REGIONAL MUNICIPALITY OF NIAGARA
PUBLIC WORKS COMMITTEE
FINAL AGENDA

PWC 4-2020

Tuesday, May 12, 2020

9:30 a.m.

Meeting will be held by electronic participation only

All electronic meetings can be viewed on Niagara Region's website at:

<https://www.niagararegion.ca/government/council/>

Due to efforts to contain the spread of COVID-19 and to protect all individuals, the Council Chamber at Regional Headquarters will not be open to the public to attend Committee meetings until further notice. To view live stream meeting proceedings, visit:
[niagararegion.ca/government/council](https://www.niagararegion.ca/government/council/)

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A presentation (to be provided at the meeting) will precede the discussion on this item.

7. OTHER BUSINESS

8. NEXT MEETING

The next meeting will be held on Tuesday, June 16, 2020 at 9:30 a.m.

9. ADJOURNMENT

If you require any accommodations for a disability in order to attend or participate in meetings or events, please contact the Accessibility Advisor at 905-980-6000 ext. 3252 (office), 289-929-8376 (cellphone) or accessibility@niagararegion.ca (email).

Subject: Extension to Residential Waste and Recycling Drop-Off Depot Contract

Report to: Public Works Committee

Report date: Tuesday, May 12, 2020

Recommendations

1. That the Commissioner of Public Works **BE AUTHORIZED** to seek the consent of Walker Environmental Group Inc. to a five year extension of the existing agreement between The Regional Municipality of Niagara and Walker Environmental Group Inc. for the Operation of a Residential Waste and Recycling Drop-off Depot on the same terms and conditions as contained in the original agreement save the end date and the further opportunity to renew;
2. That an Amending Agreement for the Operation of a Residential Waste and Recycling Drop-off Depot **BE PREPARED** by the Director of Legal & Court Services to amend the agreement end date, and that the Commissioner of Public Works **BE AUTHORIZED** to execute the amending agreement between The Regional Municipality of Niagara and Walker Environmental Group Inc. for extension of the agreement; and
3. That Niagara Region staff **BE AUTHORIZED** to review options to expand and/or relocate the Residential Waste and Recycling Drop-Off Depot operation at the Walker Environmental Group Inc. site.

Key Facts

- The purpose of this report is to seek Council's approval of a five (5) year extension to the existing agreement with Walker Environmental Group Inc. (WEG) (formerly known as "Integrated Municipal Services Inc.") for the operation of a residential waste and recycling drop-off depot, effective January 1, 2021 and expiring December 31, 2025.
- The request to extend the existing WEG agreement aligns with clause 18 (a)(i) of The Regional Municipality of Niagara By-Law No. 02-2016 which states that bid solicitations are not required for Single Source Purchases if the compatibility of a Purchase with existing equipment, product standards, facilities or service is a paramount consideration.

- WEG have operated a residential waste and recycling drop-off depot under the existing contract with The Regional Municipality of Niagara (Niagara Region) since 2001 at their Townline Road location.
- The 10-year agreement between WEG and Niagara Region expires on December 31, 2020 and contains a provision that the parties may mutually agree to extend the term of this agreement for an additional five (5) years under the same terms, covenants and provisions.
- To maintain and/or increase service, staff are recommending a review of the operation of WEG's residential waste and recycling drop-off depot.
- As part of the residential waste and recycling drop-off depot review, Niagara Region will examine any resulting impact on organics processing at WEG's site, particularly considering anticipated future requirements.

Financial Considerations

The extension of the agreement would be executed under the terms and conditions of the existing agreement. The residential waste and recycling drop-off depot agreement with WEG is a net revenue-generating contract. As per the existing agreement, Niagara Region receives quarterly royalty payments of four per cent (4%) of gross revenues generated by WEG. Since 2016, Niagara Region has received an average of approximately \$104,000 annually in royalty payments from WEG. The royalty payment is dependent upon the tonnage of materials dropped off at the depot and the tipping fee charged by WEG to residents to dispose of materials.

There are minor costs incurred by the Niagara Region through this agreement that partially offsets the royalty revenue. In alignment with the exemptions in place at Regionally-owned landfill sites, WEG shall not charge tipping fees to non-profit organizations that are designated by Niagara Region, and in turn invoices Niagara Region for waste delivered by such non-profit organizations at a specified rate per tonne (\$72.91 per tonne in 2019), adjusted annually by an amount not greater than the Consumer Price Index. The cost to Niagara Region for this exemption in 2019 was approximately \$13,500.

Under the existing agreement, Niagara Region is also responsible to provide carts and/or bins for the receipt of recyclable materials, and to recognize WEG's facility as part of Niagara Region's Solid Waste Management System, including signage and advertising/communications.

Analysis

Background

Residential Waste and Recycling Drop-Off Depot

In 2001, Niagara Region entered into an agreement with WEG for the establishment and operation of a residential waste and recycling drop-off depot. WEG constructed the drop-off depot at their property located on Townline Road at the border of Thorold and Niagara Falls. WEG was formerly known as Integrated Municipal Services Inc. but changed its name in or about January 2013.

The existing 10-year agreement was negotiated with WEG in 2011 for the operation of a Residential Waste and Recycling Drop-off Depot. At the end of the term, the agreement provides that both parties may mutually agree in writing to extend the agreement for a five-year term under the same terms and conditions.

Following the closure of the Glenridge Quarry Landfill Site in 2002, the WEG drop-off depot was established to provide an effective and convenient location for residents primarily from Niagara Falls, Niagara-on-the-Lake, St. Catharines and Thorold. Each year, approximately 85,000 residents drop-off a total of around 26,000 tonnes of material comprised of household waste, construction and demolition materials, soil, and recyclables such as blue / grey box materials, electronics, and leaf and yard waste.

The disposal of recyclable materials is free of charge to residents. The payment of a tipping fee is required for the disposal of the following materials: household waste, appliances with refrigerants (ex. CFCs), concrete & asphalt, tree stumps, clean wood and shingles. In 2019, WEG's minimum tipping fee was \$10 per load and \$114.58 plus HST per tonne to dispose of household waste. This fee may be adjusted once per year on March 1, by an amount not greater than the Consumer Price Index, All Items, Ontario. In comparison, the tipping fee at Regionally-owned and operated landfill sites is \$115 per tonne and is reviewed regularly to ensure cost-recovery of current and future landfill operation and monitoring costs. Under the terms of the agreement, Niagara Region receives 4% of all gross revenues, which equated to approximately \$106,500 in 2019. All revenues generated through this contract are used to offset the cost of providing waste management services in Niagara Region.

Since the opening of the residential waste and recycling drop-off depot in 2001, the site has not undergone any significant upgrades or modifications in layout or services

provided. With the continued population growth of Niagara Region and increasing emphasis on material diversion, the site has become undersized. Additionally, any potential expansion of the existing WEG composting facility may impact the operation of the residential waste and recycling drop-off depot due to site size constraints.

Over the past several years, WEG and Niagara Region staff have been engaged in discussions of how to optimize the operation of the residential waste and recycling drop-off depot. As a result, staff are recommending that an operational review of options be undertaken, including the possible relocation of the drop-off depot and expansion of services.

Organics Processing

Niagara Region's organic materials have been processed at WEG's composting facility under a separate contract since 2009, and will continue until 2029. It is anticipated that the amount of organics generated in Niagara Region will continue to grow as a result of increasing organics diversion. A review of future organics requirements has occurred to ensure that Niagara Region maintains sufficient organics processing capacity. The tonnage of diverted organics will be closely monitored and capacity requirements will be continually reassessed to ensure future needs will be met. Expansion of this compost facility will more than likely impact the current residential waste and recycling drop-off depot location and its operations. Staff are currently in discussions with WEG and further analysis will be undertaken.

Alternatives Reviewed

Two alternatives were considered during analysis. The first alternative is to allow the existing agreement with WEG to expire. Residents would continue to have the option of disposing / diverting their materials at the WEG residential waste and recycling drop-off depot, taking materials to an alternate private facility or visiting one of Niagara Region's three drop-off depots. The nearest Regionally-owned drop-off depot is located at the Humberstone Landfill in Welland. Due to the convenient location of the WEG residential waste and recycling drop-off depot and Niagara Region's household hazardous waste depot just down the road from WEG's facility for the residents of Niagara Falls, Niagara-on-the-Lake, St. Catharines and Thorold, this alternative was not pursued.

The second alternative is to issue a tender for residential waste and recycling drop-off depot services. Given that the existing agreement has the option to extend for a period of five years (subject to the mutual agreement of the parties), and the excellent service

that WEG has provided to date, Niagara Region staff did not consider the option to issue a tender at this time. Report PWA 40-2011, wherein approval for the original agreement was obtained from Council, referenced the potential for an extension of the agreement.

Relationship to Council Strategic Priorities

This recommendation aligns with Council's strategic priority of Responsible Growth and Infrastructure Planning, specifically as it relates to Environmental Sustainability and Stewardship. By extending the agreement with WEG, Niagara Region will continue to optimize waste diversion opportunities and convenience for Niagara residents.

Other Pertinent Reports

- PWA 40-2011

Prepared by:

Emil Prpic
Associate Director, Waste Disposal
Operations & Engineering
Waste Management Services

Recommended by:

Bruce Zvaniga, P.Eng.
Commissioner of Public Works (Interim)
Public Works Department

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with Sara Mota, Program Financial Specialist, Corporate Services; Andrew Winters, Program Manager, Waste Management Services; and reviewed by Sterling Wood, Legal Counsel, Corporate Services, Catherine Habermehl, Director, Waste Management Services, Lydia Torbicki, Manager Waste Policy and Planning, Waste Management Services, and Sherri Tait, Acting Manager of Collections and Diversion, Waste Management Services.

Memorandum

PWC-C 13-2020

Subject: COVID-19 Response and Business Continuity in Public Works
Date: May 12, 2020
To: Public Works Committee
From: Bruce Zvaniga, P.Eng., Commissioner of Public Works (Interim)

Public Works has remained focused on keeping the critical public infrastructure operational while responding to the COVID19 pandemic. Departmental staff continue to ensure that the community has: safe drinking water, reliable wastewater systems, recycling and waste collection/disposal, regional specialized and regular transit and a well-maintained regional road system. Public Works staff recognize and are dedicated to the essential role they play ensuring that healthcare, social services, emergency responders and the community-at-large can depend upon the reliable availability of these core municipal services.

Public Works leadership is actively participating in the Operations Section of the Municipal Emergency Control Group. Working with all other departments, the Business Continuity Plan and staff redeployment strategy is monitored and adjusted to respond to changing conditions.

The following provides a brief highlight from each of the four divisions on their respective status, service changes, actions taken and future outlook.

Water & Wastewater Services

Current Status of Operations

High quality, safe and reliable water and wastewater services in accordance with health regulations and standards continue to be provided.

Both the Drinking Water and Wastewater Quality Management Systems remain active.

Capital infrastructure projects are deemed essential and continue to be delivered.

Service/Operational Changes

- Cancellation of the Niagara Children's Water Festival
- Cancellation of the Water Wagon service for May and June
- Suspension of Recreational Vehicle wastewater holding tank disposal service (re-opened April 19 for Sundays only, and only at the Niagara Falls Wastewater Treatment Plant)

Significant Initiatives or Actions undertaken

- Developed a full divisional staffing mitigation strategy to deal with any staff shortages that may occur due to COVID-19.
- Received license from Health Canada to produce disinfectant spray and hand sanitizer for Regional workplace use during the COVID-19 emergency response to alleviate supply chain shortages. Currently able to produce 40 litres per week.
- Cancellation of all non-essential meetings, plant tours, training activities, visitor access.
- Implemented COVID-19 protocols for consultants, contractors and project managers at plant facilities.
- Enhanced focus on the health and well-being of staff operating the essential systems including limiting access to the plant and deferring all non-essential contracted services.
- Assigned maintenance staff to dedicated areas and implemented flexible start and end work locations to avoid both unnecessary travel and exposure.
- One employee per vehicle where possible; installation of barriers in vehicles requiring two employees.
- Setup static sanitation stations in all staffed W-WW facilities and deployed mobile sanitation kits for all fleet vehicles.
- Implemented W-WW tailored daily COVID-19 spot check reports including regular reporting of facility sanitation supply inventories.
- Adopted changes to ensure no physical interaction on deliveries, courier and lab samples.
- Changes to pickup and handling of uniform laundry.
- Screening signage, screening protocol and limited door access have been implemented at all Water-Wastewater buildings. Daily reports of staff well-being and screening are being provided to management for recording and documentation purposes.

- Screening protocol for all vendors and contractors also implemented at all worksites.
- Constructors at various worksites have put into place proper distancing, working measures and PPE for the well-being of all staff.
- Accepting digital signatures for MECP form approvals.

Operational Outlook

1 month

- No further change

3 months

- No further change

6 months

- There are no anticipated changes to the water and wastewater service delivery in the six month timeframe. The focus continues to be on the maintenance of all key components, the sustainable supply of key chemicals and materials and most importantly on the well-being of the staff managing these essential systems.

Transportation Services

Current Status of Operations

Essential bridge and roadway, streetlighting, forestry and traffic control critical services continue to be provided.

Design, construction management and environmental assessments continue from staff and consultants.

Some contracts are experiencing delays in material shipments that are coming from locations outside of Canada.

Essential and critical project interpretation based on Provincial announcements will affect the delivery of projects and levels of service to residents of Niagara Region. This is currently under review.

Service/Operational Changes

Dispatch is supporting after-hours calls for COVID-19 and by-law enforcement (Local and Regional) support from 4:30 p.m. - 9:15 a.m. and coordinating with Public Health as required.

Earlier in assessing the separation of staff in field operations, the normal weekday shift and management oversight had been split into two groups scheduled to not physically interact with each other. As a result, the hours of operation were stretched from 5 a.m. - 9:30 p.m. with the support of the union and management.

Since the implementation of two (2) shifts, management have continued to review staffing levels and needs. Due to the number of redeployments to Long Term Care (LTC) and EMS in support of the pandemic, vacancies, plus sick time, management reassessed the two shifts and converted back to one shift per day from 7 a.m. - 3 p.m. Management is continuing to assess service levels against staffing needs and safety protocols and will adjust accordingly.

Significant Initiatives or Actions undertaken

Separation of field staff in vehicles where possible is being administered. Vehicle assignment to specific staff with the responsibility to clean / maintain on a daily basis.

Face masks have been ordered for additional staff protection in certain circumstances.

Staff continue to monitor supplies out of Fleet stores such as wipes, hand sanitizer, N95 masks and are supporting other Divisions with resources as required.

Screening signage, screening protocol and limited door access have been implemented at all yards and the service center. Daily reports of staff well-being and screening are being provided to management for recording and documentation purposes.

Screening protocol for all vendors and contractors also implemented at yards and service centers.

Constructors at various worksites have put into place proper distancing, working measures and PPE for the well-being of all staff.

Updated protocols based on provincial regulations/guidelines for working on construction sites has been sent to Heavy Construction Association of the Region of Niagara to notify their members that they must adhere to these measures.

IT equipment to assist with working from home has been provided where applicable.

A number of Transportation Staff have already been trained and redeployed to assist other Departments where needed. In assisting with the redeployments to LTC, Staff manufactured personal screening barriers for screener positions at entry points of the homes as an additional safety measure.

Operational Outlook

1 month

- Essential and critical project interpretation based on Provincial announcements will affect the delivery of projects and levels of service to residents of Niagara region. This continues to be under review. The Business Continuity Plan with Redeployment Strategy of staff for the Division will be administered accordingly.

3 months

- Essential and critical project interpretation based on Provincial announcements will affect the delivery of projects and levels of service to residents of Niagara region. This continues to be under review. The Business Continuity Plan with Redeployment Strategy of staff for the Division will be administered accordingly.

6 months

- Contractors have shared their concern that once non-essential work can recommence, there will be shortage within the trades due to demand.

Waste Management Services

Current Status of Operations

Changes to the curbside collection program, as noted below, have been implemented to ensure that front line collectors can prioritize the weekly collection of garbage, recycling and organics.

Landfill sites and drop-off depots are open for essential loads and are accepting:

- Collection vehicles
- Commercial / contractors (including farmers)
- Municipal vehicles
- Commercial / municipal brush
- Residential Household Hazardous Waste disposal
- Residential large household / bulky goods and move outs as noted in Service Changes below.

There are occasionally delays at the sites due to the recent changes implemented, including limiting the number of people on the drop-off pad to support COVID-19 physical distancing guidelines.

Preferred methods of payment are debit and credit, using the tap option.

Environmental compliance at all waste management sites continues to be maintained.

The processing of recyclable materials is being maintained, despite a shortage in staffing.

- Plans to remove restrictions at landfills/public drop off depots are being prepared, to be effective Wednesday, May 13. Due to anticipated high demand for site access and limiting the number of residents on the drop-off pad to support COVID-19 physical distancing guidelines, wait times will be longer than normal. Residents will be encouraged to only access sites if necessary.
- Preferred methods of payment are debit and credit, using the tap option.
- Communication pieces are being drafted to advise residents.

Service/Operational Changes

Landfill Service Changes

In order minimize non-essential trips in the community, restrictions have been put in place at our sites. Residents are permitted one trip, every two weeks, to dispose of the following:

- Leaf and yard waste, which is still being collected at the curb
- Grass clippings, but residents are being encouraged to grass cycle
- Oversize brush bundles, tree limbs

Large household item suspension

Curbside collection of large household item / bulk goods for single-family homes and apartments with six units or less is suspended until May 30. This will prioritize regular curbside collection of waste, recycling and organics. Residents are encouraged to hold on to their large household items until service resumes. For those who need to dispose of a large household item due to a residential move out, residents are restricted to one visit per month per license plate for the duration of the service changes. Eligibility for this service will be confirmed by requiring home address information to be provided. Large items brought to Walker Environmental, in Thorold, require a disposal fee.

Leaf and yard waste collection

On April 13, 2020, a limit was set of only three (3) bags/cans of yard waste per collection day for single-family homes and apartments with six (6) units or less. Effective Monday, May 11, this limit was increased to five (5) bags/cans.

The collection of garbage, food waste and recycling will be prioritized over leaf and yard waste. Residents may experience delays with leaf and yard waste collection due to contractor staff shortages from COVID-19 and the increase in volume of waste at the curb due to residents being at home.

Ripped leaf and yard waste bags must be re-bagged or placed in another container to ensure material can be collected. Communication of these changes to advise residents is underway.

Curbside Battery Collection

Battery collection originally scheduled for April 20-24 has been postponed until further notice.

Compost Giveaway

Compost giveaway originally scheduled for May 4-9 has been postponed until further notice.

Recycling/Green Bin Distribution Locations Closed

Residents can use alternative rigid plastic containers.

For more information, visit <https://www.niagararegion.ca/waste>.

Community Events

Presentations, community booths, sites tours and special events recycling have been postponed until June 30.

Significant Initiatives or Actions undertaken

Screening signage, screening protocol and limited door access have been implemented at all facilities. Daily reports of staff well-being and screening are being provided to management for recording and documentation purposes.

Screening protocol for all vendors and contractors has also been implemented at all facilities and sites.

Installation of a portable washroom and hand washing station for commodity drivers to avoid visitors entering the Recycling Centre.

Staggering breaks and lunch to reduce amount of people taking breaks at one time at the Recycling Centre.

Increased cleaning being completed at night and during the day (i.e. between lunch breaks and in high traffic areas).

Installed plexi-glass between sorters on the processing line.

Staff are travelling in separate vehicles to maintain physical distancing per health guidelines.

On-road staff working from home to start and end their day due to lack of public washroom availability, and to reduce the need to enter their work location.

Operational Outlook

1 month

- Staff will assess the viability of commencing with other programs and services that were suspended temporarily such as compost give-away days, curbside battery collection and outreach activities.
- Staff will be working on developing and implementing a communication strategy to inform residents about upcoming service changes that will occur with the new waste collection contracts.
- The Business Continuity Plan with Redeployment Strategy of staff for the Division will be administered accordingly.

3 months

- The Business Continuity Plan with Redeployment Strategy of staff for the Division will be administered accordingly.
- Staff will be developing and implementing communications about the service changes that will occur with the new waste collection contracts.

6 months

- New waste collection contracts are set to commence October 19, 2020. Staff will be working to ensure changes are communicated to the community and that the transition is as seamless as possible.

Niagara Region Transit/Specialized Transit & GO Implementation

Current Status of Operations

Niagara Region Transit (NRT) is operating at a modified version of the “Saturday” level of service:

- All express routes were eliminated (40a, 40b, 45a, 45b, 60a, 65a, 70a, 75a) March 23
- 7:00 a.m. - 9:00 p.m. operating hours effective May 4
- Hourly service on Routes 22, 25, 50, 55, 60, 65, 70 & 75
- Routes 40 and 45 were eliminated as of May 4

Passengers are only permitted to board using the rear door of the buses to maintain physical separation with the driver (as is the case across the province).

Niagara Specialized Transit (NST) is operating at the normal level of service, except trips whose origins or destinations are for a location with reported cases of COVID-19 are not being provided. Reducing hours of operation is not a necessity in this case as Niagara Region only pays for trips that are delivered rather than an hourly rate.

Service/Operational Changes

"Rear door boarding" policy enacted on NRT (unless a wheelchair ramp deployment was required to utilize the front door). This was enacted as of March 23 to limit driver contact and respect physical distancing. This temporary measure of no interaction with the farebox has remained in place across all of Niagara's municipal providers and all transit operators in Ontario. As per AODA legislation, fares are also not being collected on NST. The IMT Working Group is currently exploring bio-barriers to better protect the drivers, which would then allow for reinstatement of front door boarding and thus revenue collection, to resume. However, there is no estimated time for implementation and is still early in the review period.

Significant Initiatives or Actions undertaken

All NRT and NST fleet vehicles have been professionally cleaned/disinfected/sanitized beyond regular protocols, and Aegis antimicrobial spray was applied to all interior surfaces. This work was completed by the local transit service providers as they manage and operate the NRT fleet as part of their own.

Due to the low volume of trips, BTS has made every effort to deliver trips with only a single occupant in each vehicle, although this has not been formalized as a public policy.

Operational Outlook

1 month

- NRT staff will be reviewing ridership data from May 4 to May 30 (inclusive) in order to determine where additional service reductions are viable. Any changes would likely begin Monday, June 1 in order to give the local transit service providers time to make the necessary operational changes to staff complements, schedules, etc. Due to the likelihood that these trips are being taken by essential workers (Long Term Care homes, grocery store staff, access to municipal/regional services, etc.), additional service reductions will require careful evaluation of the resulting effects.
- Resumption of fare collection (boarding through the front door) is being considered as soon as possible, but is currently limited by a number of physical distancing and passenger/driver protection requirements still in place by provincial authorities. Staff will continue to explore ways to mitigate these risks with the aim to resume fare collection in line with transit agencies across the province.

3 months

- Possible further service adjustments based on ridership and in reaction to any provincial changes.
- Front door boarding/revenue collection will be examined in line with provincial regulations.

6 months

- Service adjustments will have to consider whether schools and universities remain closed for Fall semester.

Respectfully submitted and signed by,

Bruce Zvaniga, P.Eng.
Commissioner of Public Works (Interim)

Subject: Weekly Diaper Collection Service for All Households, Regardless of the Number of Children

Report to: Public Works Committee

Report date: Tuesday, May 12, 2020

Recommendations

1. That this report **BE RECEIVED** for information.

Key Facts

- The purpose of this report is to respond to the Councillor Information Request made at the February 11, 2020 Public Works Committee (PWC) meeting to provide a report respecting weekly diaper collection for families regardless of the number of children.
- Confidential Report PW 69-2019 – Managing Diaper Waste Under Every Other Week (EOW) Garbage Collection was approved by Budget Review Committee of the Whole on November 28, 2019 and included the provision of weekly services as follows:
 - Curbside diaper collection at eligible low-density residential (LDR) households with two (2) or more children under the age of four (4) in diapers,
 - daycares, and
 - medical waste.
- The 2020 Waste Management operating budget, as approved, includes the cost for this weekly collection service.
- LDR households with only one child under the age of four are not eligible for the weekly service.
- This report provides two options to include those households with only one child under the age of four.

Background

Niagara Region's Current Curbside Diaper and Medical Waste Exemption Programs

Niagara Region currently has the following curbside diaper and medical waste exemption programs in place. In order to be eligible to receive these exemption programs, properties need to pre-register with Niagara Region by completing either an

on-line application or mailing in an application, for approval. If approved, properties would need to reapply for these exemption programs, on an annual basis.

i) Curbside Children's Diaper Exemption Program:

- Provided to Eligible LDR properties, up to six (6) units:
 - One (1) clear bag of children's diapers per unit collected per week, for households with two (2) children in diapers under the age of four (4), without a garbage tag.
 - Two (2) clear bags of children's diapers per unit collected per week, for households with three (3) or more children in diapers under the age of four (4), without a garbage tag.
- Provided to daycares operating out of LDR properties, up to six (6) units:
 - Two (2) clear bags of children's diapers collected per week, without a garbage tag.
- The clear garbage bag must only contain diapers and weigh less than 22.7 kg.
- The diaper exemption application process is annual.

ii) Curbside Medical Waste Exemption Program:

- Medical waste must be contained in opaque garbage containers affixed with a medical waste garbage tag.
- Provided to LDR Properties, up to six (6) units, including homes for adults with disabilities, or individuals with a medical condition:
 - Residents can receive either 52 or 104 free medical waste garbage tags annually, depending on the approval from their doctor.
 - Additional tags will be made available, on a case-by-case basis, subject to an annual application process and doctor's approval, every seven (7) years.

- Provided to group homes, homes for adults with disabilities and homes for assisted living:
 - Residents receive 52 free medical waste garbage tags annually.
 - If the group home has individuals with medical conditions, then the group home can also apply for a medical exemption for each eligible individual, in addition to the group home exemption. The group home can apply for the additional medical exemption for each eligible resident and shall note how many additional bags (i.e. 1 or 2) are required to satisfy the medical needs of each resident, each week. The additional medical exemption request is documented on the agency letter head in the form of a letter sent in with the application. No physician approval is required in this case.

Changes effective with new Curbside Collection Contract

Confidential Report PW 69-2019 was approved by Budget Review Committee of the Whole on November 28, 2019, which included the provision of curbside collection of children's diapers and medical waste at eligible LDR households during the off-weeks of EOW garbage collection, resulting in the provision of weekly collection, on a year-round basis.

Those eligible LDR households, which were approved to receive the additional collection of children's diapers and medical waste as noted above, include the following:

- i) Collection of one (1) additional clear garbage bag of children's diapers would occur for those LDR households with two (2) children in diapers, under the age of four (4).
- ii) Collection of two (2) additional clear garbage bags of children's diapers would occur for:
 - LDR households with three (3) or more children in diapers, under the age of four (4); and
 - Daycares operating out of a LDR household, which are either operating under an agency that is provincially licensed, or otherwise can provide documentation to prove that income is generated through childcare.

iii) Collection of one (1) or two (2) additional opaque garbage containers of medical waste, affixed with a medical waste garbage tag, would occur for:

- LDR households that have an individual living with a medical condition (physician's signature is required); and
- Group homes, homes for adults with disabilities and homes for assisted living. The group home to submit a letter on their letterhead stating which residents need a medical waste exemption, and how many additional bags (i.e. 1 or 2) are required each week, for each eligible resident.

In order to be eligible to receive these exemptions, these residents will need to pre-register with Niagara Region by completing an on-line application or mailing in an application for approval. If approved, these residents would need to reapply for these exemption programs every year.

As a result, those LDR households with only one (1) child under the age of four (4) will not be eligible to receive collection of one (1) additional clear garbage bag of children's diapers during the off-weeks of EOW garbage collection, on a year-round basis.

At the February 11, 2020 Public Works Committee (PWC) meeting, a Councillor Information Request was brought forward to provide a report respecting weekly diaper collection for families regardless of the number of children.

Financial Considerations

The annual cost to provide curbside collection of children's diapers to eligible LDR properties with two (2) or more children in diapers, daycares, and medical waste during the off-weeks of EOW garbage collection is \$146,763, which was approved as part of Confidential Report PW 69-2019, with three (3) months of the annualized cost included in the approved 2020 Waste Management operating budget. This cost will be subject to annual contract escalations, and is based on current usage, which could increase in the future, depending on how many eligible LDRs apply for this service.

Under the new collection contracts, the cost to add each eligible LDR property would be \$5 per month, or \$60 per year.

Additional Cost to Provide Curbside Collection of Diapers to Eligible LDR Households with Only One (1) Child During the Off-Weeks of EOW Garbage Collection

The estimates below are based on the City of Ottawa's program usage, which were applied to Niagara Region's number of households with only one (1) child 0-5 years old, and multiplied by the annual cost to add an eligible LDR property, for each Collection Area.

The costs to provide this service to these additional households have not been included in the approved 2020 Waste Management operating budget. If this additional service is approved by Council, it would represent a pressure on the 2020 operating budget starting in October 2020 with the start of the new collection contract.

Based on multi-year estimates, the overall net waste management budget increase for 2021 is anticipated to be 18.5%, without any reserve mitigation. This increase is mainly due to the increased collection contract costs. With the new collection contract to start October 2020, the approved 2020 budget included an estimate of anticipated collection costs under the new contract for the last three (3) months of the year only, with the full impact of the new collection contract included in the 2021 multi-year budget estimate.

Through the 2020 operating budget process in CSD 70-2019, staff recommended a mitigation plan to assist in phasing in the increased costs of the new collection contract, which includes significant use of Waste Management Stabilization reserve funding over 2020, 2021 and 2022. The intent of the reserve funding was to limit the annual increase to 9.8% over the next three years, adjusted to 9.9% for 2020 and 10.2% for 2021, with the inclusion of weekly diaper and medical waste collection service for eligible households under the current program. Note that this recommendation would be subject to the availability of future year reserves and approval of Council for each of 2021 and 2022. However, staff is projecting that the balance of the Stabilization reserve is insufficient to mitigate further budget increases resulting from additions to the current program, and therefore the increase to the local area municipalities would be greater than the 10.2% previously recommended for 2021 and 2022, as noted in each option below.

Option 1 – Provide Weekly Curbside Collection of Diapers, on a Year-Round Basis

Collection costs for Option 1, which would provide eligible LDR households with only one (1) child with curbside collection of diapers during the off-weeks of EOW garbage collection, resulting in the provision of weekly collection, on a year-round basis, are estimated to be between \$107,215 per year (Scenario 1) and \$150,931 per year (Scenario 2), depending on usage (Refer to Appendix 1).

As noted above, the cost to provide this service to these households has not been included in the approved 2020 operating budget, but is estimated to represent an increase up to approximately \$31,500 for 2020, based on the City of Ottawa's usage. The estimated 2021 budget increase would go from the projected 10.2% with reserve mitigation to an estimated 10.6%.

Option 2 – Provide Weekly Curbside Collection of Diapers, for the Period Between April 1 to October 31 Only

Collection costs for Option 2, which would provide eligible LDR households with only one (1) child with curbside collection of diapers during the off-weeks of EOW garbage collection, resulting in the provision of weekly collection, for the seven (7) month period between April 1 and October 31 (warmer months), are estimated to be between \$62,542 per year (Scenario 3) and \$88,043 per year (Scenario 4), depending on usage (Refer to Appendix 1).

As noted above, the cost to provide this service to these households has not been included in the approved 2020 operating budget, but is estimated to represent an increase up to approximately \$18,000 for 2020, based on estimated the City of Ottawa's usage. The estimated 2021 budget increase would go from the projected 10.2% with reserve mitigation to an estimated 10.5%.

Analysis

City of Ottawa's Special Consideration Waste Program

The City of Ottawa's Special Consideration Waste Program was created for residents requiring collection of children's diapers and incontinence products on weeks without scheduled garbage collection.

Participating Ottawa households can place one (1) bag of waste children's diapers and incontinence products out for collection, on the alternating week from garbage collection. Residents must renew their registration annually.

According to Statistics Canada's 2016 Census data, the City of Ottawa had a total of 26,080 LDR households with one (1) or more children from 0 to 5 years old. City of Ottawa staff reported that annual registration in this program ranges between approximately 7,000 households (27%) and 10,000 households (38%), annually.

Options to serve Niagara Region's LDR Households with Only One (1) Child Under the Age of Four (4) in Diapers

Provided below is a breakdown of Niagara's estimated number of LDR households with only one (1) child under the age of four (4), which could potentially be using this additional collection service. These estimates are based on the City of Ottawa's program usage of 27% and 38%, as the City of Ottawa is the only other Ontario municipality, which has a similar curbside diaper exemption program to Niagara Region.

- According to Statistics Canada's 2016 Census data, Niagara had a total of 6,505 LDR households with only one (1) child from 0 to 5 years old.
- Based on the City of Ottawa's program usage of 27%, Niagara's total estimated program uptake for those LDR households with only one (1) child from 0 to 5 years old could be 1,756 households (Scenario 1).
- Based on the City of Ottawa's program usage of 38%, Niagara's total estimated program uptake for those LDR households with only one (1) child from 0 to 5 years old could be 2,472 households (Scenario 2).

Option 1 – Provide Weekly Curbside Collection of Diapers, on a Year-Round Basis

Option 1 would provide those eligible LDR households with only one (1) child with curbside collection of diapers during the off-weeks of EOW garbage collection, resulting in the provision of weekly collection, on a year-round basis.

In order to be eligible to receive this exemption, these residents would need to pre-register with Niagara Region by completing an on-line application or mailing in an application, for approval. If approved, these residents would need to reapply for the exemption every year.

Based on current practice, the additional collection of diapers would include the following:

- i) Collection of one (1) additional clear garbage bag of children's diapers would occur during the off-weeks of EOW garbage collection, on a year-round basis, for those LDR households with one (1) child in diapers, under the age of four (4).

Based on the City of Ottawa's program usage, the additional cost to provide Option 1, as noted above, would range between \$107,215 per year (Scenario 1) and \$150,931 per year (Scenario 2) (Refer to Appendix 1).

Option 2 – Provide Weekly Curbside Collection of Diapers, for the Period of April 1 to October 31 Only

Option 2 would provide those eligible LDR households with only one (1) child with curbside collection of diapers during the off-weeks of EOW garbage collection, for the period between April 1 to October 31 only. The additional service would be provided in a manner parallel to that of Option 1 above.

Based on the City of Ottawa's program usage, the additional cost to provide Option 2, as noted above, would range between \$62,542 per year (Scenario 3) and \$88,043 per year (Scenario 4) (Refer to Appendix 1).

Administration Support

In 2019, a total of 624 diaper exemption applications were processed by Niagara Region. Scenario 1, as shown in Appendix 1, would result in an additional 1,756 eligible LDR households with only one (1) child applying for year-round diaper collection service (see Appendix 1), which is an increase of approximately 281% in the total number of applications to be processed for Niagara Region's diaper exemption program. It is anticipated that this work can be accommodated with current staff support; however, additional resources may be required in the future if the workload associated with processing applications becomes too great for existing staff to manage.

Alternatives Reviewed

Staff have presented two options in this report for the provision of curbside collection of diapers only to eligible LDR households with only one (1) child during the off-weeks of EOW garbage collection, for Committee's consideration.

Alternatively, Niagara Region implements the recommendations as presented in CSD 70-2019 – 2020 Budget-Waste Management Services Operating Budget and Requisition – REVISED, which includes the cost for weekly collection of diapers and medical waste for those households with two (2) or more children under the age of four (4) in diapers, daycares, and medical waste during the off-weeks of EOW garbage collection.

Relationship to Council Strategic Priorities

This report supports Council's Strategic Priority of Responsible Growth and Infrastructure Planning.

Other Pertinent Reports

PW 69-2019 – Managing Diaper Waste Under Every Other Week Garbage Collection

Prepared by:

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Program Manager, Policy and Planning
Waste Management Services

Recommended by:

Bruce Zvaniga, P.Eng.
Commissioner of Public Works (Interim)
Public Works Department

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with Lucy McGovern, Program Manager, Collection & Diversion Operations, and Sara Mota, Program Financial Specialist, and reviewed by Lydia Torbicki, Manager, Waste Policy and Planning, and Sherri Tait, Acting Manager, Collection and Diversion Operations and Catherine Habermebl, Director, Waste Management Services.

Appendices

Appendix 1 Additional Cost to Provide Curbside Collection of Diapers Only to Eligible
LDR Households with One (1) Child During the Off-Weeks of EOW
Garbage Collection

Appendix 1 – Additional Collection Cost to Provide Curbside Collection of Diapers to Eligible LDR Households with Only One (1) Child During the Off-Weeks of EOW Garbage Collection

Option 1 – Year-Round Service:

Scenario	Estimated Number of Households (Hhlds)	Annual Cost per Household (including net HST)	Additional Annual Cost (including net HST)
Scenario 1 (Based on 27% Uptake)	1,756	\$61.06	\$107,215
Scenario 2 (Based on 38% Uptake)	2,472	\$61.06	\$150,931

Option 2 – Seven (7) Month Service (April 1 to October 31):

Scenario	Estimated Number of Households	Cost per Month per Household (including net HST)	Additional Seven (7) Month Cost (including net HST)
Scenario 3 (Based on 27% Uptake)	1,756	\$5.09	\$62,542
Scenario 4 (Based on 38% Uptake)	2,472	\$5.09	\$88,043

MEMORANDUM

PWC-C 12-2020

Subject: Procurement Progress Report Liquid Biosolids & Residual Management

Date: May 12, 2020

To: Public Works Committee

From: Bart Menage, Director Procurement & Strategic Acquisitions

As requested at February 11, 2020 Public Works Committee, Procurement provides the following Progress Report for the Liquid Biosolids & Residuals Management Program.

Fairness Commissioner: The non-binding Request for Quotation closed on March 12, 2020 and of the five (5) submissions electronically opened at the closing, the lowest compliant bid was from Optimus SBR Inc for the bid amount of \$8312.50 excluding HST

Subject Matter Expert: The non-binding Request for Quotation closed on March 19, 2020 and of the three (3) submissions electronically opened at the closing, the lowest compliant bid was from CH2M Hill Canada Limited (Jacobs) for the bid amount of \$27,430.00 excluding HST

Pursuant to a March 30, 2020 Project Kick Off meeting with Regional Staff and representatives from the aforementioned companies, Procurement has scheduled weekly project meetings; set up a SharePoint site for the RFP and affirm that the project is on schedule for bid issuance on May 1, 2020.

As part of the Fairness Commissioners assignment, they reviewed the procurement process undertaken by Niagara Region for the services of a Subject Matter Expert.

"We certify that the principles of openness, fairness, consistency and transparency have been, in our opinion, properly established and maintained and all Proponents treated consistently in the evaluation process and in accordance with the Project RFQ documents. Furthermore, we were not made aware of any issues that emerged during the process that would have impaired the fairness of this initiative."

Respectfully submitted and signed by

Bart Menage, CSCMP, CRM, C.P.M.
Director, Procurement & Strategic Acquisitions

Subject: Council Motion Re 2020 Water and Wastewater Budget Increase
Deferral

Report to: Public Works Committee

Report date: Tuesday, May 12, 2020

Recommendations

1. That this report **BE RECEIVED** for information.

Key Facts

- The purpose of this report is to respond to a Council motion "*That the Region DEFER the 2020 water and wastewater rate increases to October 1, 2020*" which was made at the April 23, 2020 Regional Council meeting during review of CSD 31-2020 – Concessions to Local Area Municipalities regarding Taxes and Water Wastewater Billings.
- The 2020 Water and Wastewater Budget was approved on December 12, 2019 therefore the reduction in revenue/requisition associated with the above motion is a reconsideration of the previously approved budget.
- The months of January to March have already been billed to and collected from the local area municipalities using the approved 2020 requisition amounts, therefore a \$3.1 million amendment to the budget is required in order to revert back to the 2019 Budget for April 1 to October 1, 2020.
- At year-end 2019, the water and wastewater stabilization reserves had uncommitted balances of \$3.0M and \$1.3M, respectively therefore insufficient wastewater reserves are available to fund a budget amendment and manage other risks of operation for the remainder of the year.
- At the time of this report, ten of the eleven municipalities have approved 2020 water and wastewater budgets and six have already billed on this basis (which is inclusive of the Region's 2020 requisition amounts). Approval of this motion would require municipal decisions regarding the amounts already billed and collected, whether municipalities will have to amend their budget, adjust their rates or if they will retain the incremental amount collected.
- Staff is not recommending this deferral for the reasons described in the report and would suggest that a more appropriate way to provide relief to the public as a result of Covid-19 would be to consider relief in the 2021 budget preparation.

Financial Considerations

As identified with the 2020 Water and Wastewater Budget as approved on December 12, 2019, Council approved an increase of 5.15% (\$6 million) to the budget which was estimated to have an impact on the average residential user ranging from approximately \$23 to \$35 annually.

At the April 23, 2020 Council meeting, Council passed a motion requesting a report back to the Public Works Committee outlining the impacts of deferring the 2020 water and wastewater requisition increases until October 1, 2020. The motion is included below for reference:

*“That the Region **DEFER** the 2020 water and wastewater rate increases to October 1, 2020.” – Mayor Campion*

Items to be considered regarding this motion are as follows:

- A deferral of the 2020 budget increase for any portion of the year will result in a budget shortfall which would require a budget amendment and amendments to by-laws 2019-94 and 2019-95 as the requisition amounts would change from what was previously approved.
- The 2020 budget was effective for billings to the local area municipalities beginning January 1, 2020. Therefore monthly water and wastewater amounts have been billed to and collected from the area municipalities for January through March.
- Ten of the eleven municipalities that have water and wastewater services have approved their 2020 water and wastewater operating budgets and six have started to bill based on 2020 approved rates (representing approximately 50% of the total water and wastewater budget for the Region).
- From a practical matter it would be more appropriate to consider this motion as applicable to only adjusting the budget from April 1 to October 1 (six months) however impacts have also been provided for a nine month deferral with a note of the additional considerations related to a retroactive adjustment back to January 1, 2020
- Any decrease in the Regional requisition amounts would not automatically result in savings to property owners. For any savings to flow through to property owners, the area municipality would also need to amend their budgets and reduce rates for 2020
- Any one time budget reductions necessary to accommodate a 2020 amendment to the budget would create additional pressure on the 2021 budget to reinstate the programs and re-establish current service levels.

- Water and wastewater stabilization reserves are currently significantly underfunded relative to Policy and risk mitigation needs therefore the use of these reserves to fund the budget amendment may not leave sufficient balances to mitigate unanticipated expenditures or year-end deficits.

In order to apply the amendment to October 1, 2020 on a prospective basis only (six months), it would create a revenue shortfall of \$0.9 million for water and \$2.2 million for wastewater for a total of \$3.1 million. This would decrease the average residential household impact for 2020 by half to approximately \$12 to \$18 annually over 2019.

Table 1 – Revenue Shortfall for 6 Month Amendment

	Water	Wastewater	Total
2020 Net Requisition (as per Approved Budget)	45,920,957	77,020,694	122,941,651
Amended Revenue	45,041,444	74,850,226	119,891,670
Revenue Shortfall	879,513	2,170,468	3,049,981

Applying the amendment retroactively for the months of January through September 2020 would create a revenue shortfall of \$1.3 million for water and \$3.3 million for wastewater for a total of \$4.5 million and consideration of the following:

- Refunds to the local area municipalities will be required for January to March
- Six municipalities will need to consider budget amendments
- These six municipalities will need to address overbilling to the residents for any period already billed to the residents and businesses

A nine month amendment would decrease the average residential household impact for 2020 to approximately \$6 to \$9 annually over 2019.

Table 2 – Revenue Shortfall for 9 Month Amendment

	Water	Wastewater	Total
2020 Net Requisition (as per Approved Budget)	45,920,957	77,020,694	122,941,651
Amended Revenue	44,655,019	73,764,992	118,420,011
Revenue Shortfall	1,265,938	3,255,702	4,521,640

Options to Address Budget Amendment

As previously noted, the anticipated shortfalls would be approximately \$0.9 million and \$2.2 million for water and wastewater, respectively, under the six month prospective approach. A summary of mitigation options can be found in Table 3 with further explanation below.

Table 3 – Revenue Shortfall Mitigation (\$)

	Water	Wastewater	Total
2020 Net Requisition (as per Approved Budget)	45,920,957	77,020,694	122,941,651
Amended Revenue	45,041,444	74,850,226	119,891,670
Revenue Shortfall	879,513	2,170,468	3,049,981
Mitigation Options:			
(1) CSO Grant Program 1/2 Cancellation	0	1,000,000	1,000,000
(2) Operational Savings	414,803	170,468	585,271
(3) Stabilization Reserve Funding	464,710	1,000,000	1,479,513
Total Mitigation	879,513	2,170,468	3,049,981

(1) CSO Grant Program Cancellation for 2020 – Each year the Region partners with area municipalities to fund combined sewer overflow separation initiatives. The 2020 annual budget for this program is \$4 million with \$2 million funded from the rate requisition and \$2 million from Development Charges. Cancelling half of this for the year would provide \$1 million to offset anticipated revenue shortfalls for the wastewater requisition but will create additional pressures in 2021 to reinstate the program.

The Region currently has \$16 million in commitments to 10 municipalities for approved but unspent CSO projects as per Appendix 1. Deferring a portion of the 2020 CSO funding may allow municipalities to focus on the historical projects.

St. Catharines staff have identified one project that would be impacted if the Regional CSO funds were not approved in 2020 as the project has been tendered. The City would need to find funds to replace the CSO Regional funds as this project needs to continue in 2020.

(2) Operational Savings – Staff have also identified approximately \$0.6 million in operational savings as a result of covid-19 that could be utilized to offset revenue

shortfalls. Removing these savings will cause budget pressures in 2021 as these costs will be proposed to be reinstated into the 2021 budget. These savings include:

- a. **Water** – \$0.4 million – One-time cancellation of public outreach events including the annual Children's Water Festival (\$77K), the Water Wagon program (\$75K), student positions (\$221), conferences (\$15K) and salary gapping (\$27K). These would only be one-time reductions as public outreach events have a significant positive impact on the community in terms of education of the general public and the youth in the Niagara Region. Any salary gapping savings are temporary to 2020 as it is anticipated all positions will be filled post pandemic.
- b. **Wastewater** – \$0.2 million – One-time cancellation of student positions. Hiring students provides the labour to complete general tasks in the division in order to free up Water and Wastewater staff to concentrate on more complex tasks. As well, the student positions provide job opportunities for youth and develop the future workforce.

(3) Stabilization Reserve Funding – The purpose of the stabilization reserves is to provide a funding source for one-time non-reoccurring costs, operating deficits, mitigation/phase-in of significant impacts (water sales, etc.) or contingency. Utilizing the stabilization reserves for this purpose would be in compliance with this policy. However, based on the Reserve and Reserve Fund Policy, the stabilization reserves for water and wastewater should have a balance equal to 10%-15% of the gross operating expense budget. As per Table 4 the projected balance is below the target balance.

A review of year to date flows for water has identified a significant decline in actual/forecasted flows against the budget as a result of local infrastructure improvements and impacts of Covid-19. This variance is an additional pressure of \$1.4 million for 2020. The only way to mitigate this decrease in revenue would be to utilize the stabilization reserve at year-end.

Table 4 – Stabilization Reserve Continuity Schedules (\$)

	Water	Wastewater
Available Balance after Commitments	2,985,000	1,348,000
Used as Mitigation as per the Above	464,710	1,000,000
2020 Anticipated Water Variable Revenue Variance	1,366,114	0
Projected 2020 year-end Balance	1,154,176	348,000
% of Gross Operating Budget	5.3%	0.7%
Target Reserve Balance	2.2M to 3.3M	4.8M to 7.3M

(4) Capital Reserve – A decrease to capital reserve contributions for 2020 or use of existing water and wastewater capital reserves as a means of offsetting the anticipated revenue shortfalls is not presented. A ten year capital funding gap of \$1.2 billion exists of which \$420 million relates to water and wastewater therefore would impact sustainability of funding for capital and create increasing funding pressure in future years.

(5) Retroactive 9 Month Amendment – In addition to the \$3 million in option identified above, an additional \$1.5 million in budget reductions would need to be identified.

- a. **Water** – Use of stabilization reserve of \$0.4 million which would reduce the projected reserve balance to \$0.8 million, or 3.5% of gross operating expense.
- b. **Wastewater** – Cancellation of full CSO grant program for 2020 (\$1 million) plus the use of stabilization reserve of \$0.1 million which would reduce the projected reserve balance to \$0.2 million, or 0.5% of gross operating expense.

Analysis

The budget increase is requisitioned to local area municipalities based on the approved methodology based on flows. Variations in the flows will cause the budget increase to impact municipalities differently. The six month prospective budget amendment option described previously will impact the municipalities in accordance with Tables 5 and 6. The 2018 wastewater reconciliation amount remains unchanged and therefore excluded from the analysis.

As seen in Table 5 and 6, the six month prospective budget amendment still results in an increase in the 2020 requisitions over 2019 which would have to be considered in the municipalities' 2020 budget. The previously approved water budget increase of 3.80% would therefore be reduced to 1.9% and impact the local area municipalities in accordance with Table 5. The previously approved wastewater budget increase of 5.97% would therefore be reduced to 2.99% and impact the local area municipalities in accordance with Table 6.

Table 5 – Water Fixed Requisition (\$) – 2019 By-law vs. 2020 Six month Amended Budget

Municipality	2019 By-Law	2020 Deferral Period	Difference	% Increase
Fort Erie	891,561	883,168	(8,393)	-0.94%
Grimsby	619,814	596,945	(22,869)	-3.69%
Lincoln	440,441	444,478	4,037	0.92%
Niagara Falls	2,934,620	2,956,014	21,394	0.73%
Niagara-on-the-Lake	598,784	612,288	13,504	2.26%
Pelham	240,909	232,226	(8,683)	-3.60%
Port Colborne	588,466	598,844	10,378	1.76%
St. Catharines	2,920,423	2,987,201	66,778	2.29%
Thorold	395,051	419,391	24,340	6.16%
Welland	1,265,722	1,367,032	101,310	8.00%
West Lincoln	163,933	172,393	8,460	5.16%
Total	11,059,724	11,269,982	210,258	1.90%

Table 6 – Wastewater Fixed Requisition (\$) – 2019 By-law vs. 2020 Six month Amended Budget

Municipality	2019 By-Law	2020 Deferral Period	Difference	% Increase
Fort Erie	7,596,338	7,817,231	220,893	2.91%
Grimsby	3,324,124	3,634,887	310,763	9.35%
Lincoln	2,837,406	2,865,590	28,184	0.99%
Niagara Falls	14,727,578	14,687,622	(39,956)	-0.27%
Niagara-on-the-Lake	2,960,936	3,095,635	134,699	4.55%
Pelham	1,353,523	1,340,186	(13,337)	-0.99%
Port Colborne	4,076,742	4,416,062	339,320	8.32%
St. Catharines	20,740,949	21,298,401	557,452	2.69%
Thorold	3,535,506	3,789,910	254,404	7.20%
Welland	10,363,446	10,702,005	338,559	3.27%
West Lincoln	1,163,210	1,202,697	39,487	3.39%
Total	72,679,758	74,850,226	2,170,468	2.99%

The retroactive nine month amendment calculations relative to the 2019 budget are in Appendix 2. Also, provided in Appendix 3 is a summary of the amended budget relative to the 2020 previously approved requisition amounts.

Alternatives Reviewed

Amending the 2020 water and wastewater budgets is not recommended due to the unsustainable impacts that this will have on the already approved budget and the budgets of local area municipalities. Impacts of COVID-19 will be considered in the preparation of the 2021 budget.

The two options of prospective or retroactive budget amendment to implement the motion being considered are provided in the Analysis section of the report however they are not being recommended. Concessions provided by the local area municipalities and supported by the Region with extended payment terms will provide some relief to the property owners in addition to future sustainable considerations in the 2021 budget.

Relationship to Council Strategic Priorities

- **Objective 3.3: Maintain Existing Infrastructure** – The 2020 Water and Wastewater operating budgets as approved contained enhanced capital financing representing a 3.15% increase over 2019 which is a key component to maintaining existing Regional infrastructure.
- **Objective 4.3: Fiscally Sustainable** – The 2020 Water and Wastewater operating budgets was developed to foster financial stability in delivering critical infrastructure and services.

Other Pertinent Reports

[CSD 71-2019](#) – 2020 Budget – Water and Wastewater Operating Budget, Rate Setting and Requisition

[CSD 31-2020](#) – Concessions to Local Area Municipalities regarding Taxes and Water Wastewater Billings

Prepared by:

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Corporate Services

Recommended by:

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Commissioner/Treasurer
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Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with Pamela Hamilton, Program Financial Specialist, and Joe Tonellato, Director, Water and Wastewater Service, and reviewed by Margaret Murphy, Associate Director, Budget Planning & Strategy.

Appendices

Appendix 1	CSO Project Budget Remaining by Year
Appendix 2	Fixed Requisitions - 2019 By-law compared to the 2020 Nine Month Budget Amendment
Appendix 3	2020 Budget Requisition compared to 2020 Budget Amendment

Summary of CSO Project Remaining Budget Encumbrance by Municipality by Year of 2019 Year-End (\$)

Municipality	Year	2013	2014	2015	2016	2017	2018	2019	Grand Total
Fort Erie				8,729	242,342	9,844	414,581	786,000	1,461,497
Grimsby	1,503,293				136,308				1,639,601
Lincoln					379	2,100	312,182	391,165	705,826
Niagara Falls		4,566	229,644	547,174	320,759	538,935	401,663	615,879	2,658,620
Niagara-on-the-Lake							150,000	150,000	300,000
Pelham				5,173			50,000	15,000	70,173
Port Colborne					186,460	98,684			285,144
St. Catharines		371,751	464,097	479,376	1,375,676	528,374	1,102,654	1,243,200	5,565,128
Thorold				213,663	248,255	10,569	299,465	10,590	782,543
Welland				385,000	265,898	264,067	970,901	719,200	2,605,066
Grand Total	1,503,293	376,317	693,741	1,639,116	2,776,077	1,452,574	3,701,446	3,931,034	16,073,598

Appendix 2 - 2019 By-law Fixed Charges Compared to 2020 Amended Fixed Charges

Table 1 – Water Fixed Requisition (\$) – 2019 By-law vs. 2020 Nine month Amended Budget

Municipality	2019 By-Law	2020 Amended Budget	Difference	% Increase
Fort Erie	891,561	874,930	(16,631)	-1.87%
Grimsby	619,814	591,377	(28,437)	-4.59%
Lincoln	440,441	440,332	(109)	-0.02%
Niagara Falls	2,934,620	2,928,440	(6,180)	-0.21%
Niagara-on-the-Lake	598,784	606,577	7,793	1.30%
Pelham	240,909	230,059	(10,850)	-4.50%
Port Colborne	588,466	593,258	4,792	0.81%
St. Catharines	2,920,423	2,959,336	38,913	1.33%
Thorold	395,051	415,479	20,428	5.17%
Welland	1,265,722	1,354,280	88,558	7.00%
West Lincoln	163,933	170,785	6,852	4.18%
Total	11,059,724	11,164,853	105,129	0.95%

Table 2 – Wastewater Fixed Requisition (\$) – 2019 By-law vs. 2020 Nine month Amended Budget

Municipality	2019 By-Law	2020 Amended Budget	Difference	% Increase
Fort Erie	7,596,338	7,703,891	107,553	1.42%
Grimsby	3,324,124	3,582,186	258,062	7.76%
Lincoln	2,837,406	2,824,043	(13,363)	-0.47%
Niagara Falls	14,727,578	14,474,670	(252,908)	-1.72%
Niagara-on-the-Lake	2,960,936	3,050,753	89,817	3.03%
Pelham	1,353,523	1,320,755	(32,768)	-2.42%
Port Colborne	4,076,742	4,352,035	275,293	6.75%
St. Catharines	20,740,949	20,989,601	248,652	1.20%
Thorold	3,535,506	3,734,961	199,455	5.64%
Welland	10,363,446	10,546,839	183,393	1.77%
West Lincoln	1,163,210	1,185,259	22,049	1.90%
Total	72,679,758	73,764,992	1,085,234	1.49%

Appendix 3 – 2020 Council Approved Requisitions Compared to Amended Budget

Table 1 – Total Water Requisition Impact 6 Month Prospective Budget Amendment (Variable & Fixed)

Municipality	2020 Net Budget Allocation	6 Month Budget Amendment	Total Reduction (\$)	Total Reduction (%)
Fort Erie	3,598,580	3,510,000	(88,579)	-2.5%
Grimsby	2,432,329	2,397,982	(34,347)	-1.4%
Lincoln	1,811,083	1,781,956	(29,128)	-1.6%
Niagara Falls	12,044,653	11,777,809	(266,843)	-2.2%
NOTL	2,494,845	2,463,425	(31,420)	-1.3%
Pelham	946,232	926,537	(19,695)	-2.1%
Port Colborne	2,440,066	2,393,457	(46,609)	-1.9%
St. Catharines	12,171,726	11,936,888	(234,838)	-1.9%
Thorold	1,708,861	1,691,152	(17,709)	-1.0%
Welland	5,570,145	5,461,697	(108,449)	-1.9%
West Lincoln	702,438	700,541	(1,896)	-0.3%
Total	45,920,957	45,041,444	(879,513)	-1.9%

The 6 month prospective budget amendment would impact each municipality differently depending on their share of relative flows. The 2020 Water operating budget as approved contained an increase of 3.80% over 2019. The 6 month prospective budget amendment would reduce the impact to 1.9% and would range from approximately a reduction of \$1,896 to \$266,843.

Table 2 – Total Wastewater Requisition Impact 6 Month Prospective Budget Amendment (Fixed)

Municipality	2020 Net Budget Allocation	6 Month Budget Amendment	Total Reduction (\$)	Total Reduction (%)
Fort Erie	8,043,911	7,817,231	(226,680)	-2.82%
Grimsby	3,740,290	3,634,887	(105,403)	-2.82%
Lincoln	2,948,685	2,865,590	(83,095)	-2.82%
Niagara Falls	15,113,526	14,687,622	(425,904)	-2.82%
NOTL	3,185,401	3,095,635	(89,766)	-2.82%
Pelham	1,379,048	1,340,186	(38,862)	-2.82%
Port Colborne	4,544,117	4,416,062	(128,055)	-2.82%
St. Catharines	21,916,001	21,298,401	(617,600)	-2.82%
Thorold	3,899,808	3,789,910	(109,898)	-2.82%
Welland	11,012,336	10,702,005	(310,331)	-2.82%
West Lincoln	1,237,572	1,202,697	(34,875)	-2.82%
Total	77,020,694	74,850,226	(2,170,468)	-2.82%

The 6 month prospective budget amendment would impact each municipality uniformly since both are utilizing 2020 budgeted flows. The 2020 Wastewater operating budget as approved contained an increase of 5.97% over 2019. The 6 month prospective budget amendment would reduce the impact to 2.99%. The amendment would create differentials ranging from approximately reduction of \$34,875 to \$617,600.

**Table 3 – Total Water Requisition Impact 9 Month Retroactive Budget Amendment
(Variable & Fixed)**

Municipality	2020 Net Budget Allocation	9 Month Budget Amendment	Total Reduction (\$)	Total Reduction (%)
Fort Erie	3,598,580	3,479,392	(119,187)	-3.31%
Grimsby	2,432,329	2,378,268	(54,061)	-2.22%
Lincoln	1,811,083	1,767,517	(43,566)	-2.41%
Niagara Falls	12,044,653	11,676,733	(367,920)	-3.05%
NOTL	2,494,845	2,444,875	(49,970)	-2.00%
Pelham	946,232	918,892	(27,340)	-2.89%
Port Colborne	2,440,066	2,370,390	(69,676)	-2.86%
St. Catharines	12,171,726	11,835,568	(336,158)	-2.76%
Thorold	1,708,861	1,676,223	(32,638)	-1.91%
Welland	5,570,145	5,412,850	(157,295)	-2.82%
West Lincoln	702,438	694,342	(8,095)	-1.15%
Total	45,920,957	44,655,049	(1,265,908)	-2.76%

The 9 month retroactive budget amendment would impact each municipality differently depending on their share of relative flows. The 2020 Water operating budget as approved contained an increase of 3.80% over 2019. The 9 month retroactive budget amendment would reduce the impact to 0.94% and would range from approximately a reduction of \$8,095 to \$367,920.

Table 4 – Total Wastewater Requisition Impact 9 Month Prospective Budget Amendment (Fixed)

Municipality	2020 Net Budget Allocation	9 Month Budget Amendment	Total Reduction (\$)	Total Reduction (%)
Fort Erie	8,043,911	7,703,891	(340,020)	-4.23%
Grimsby	3,740,290	3,582,186	(158,104)	-4.23%
Lincoln	2,948,685	2,824,043	(124,642)	-4.23%
Niagara Falls	15,113,526	14,474,670	(638,856)	-4.23%
NOTL	3,185,401	3,050,753	(134,648)	-4.23%
Pelham	1,379,048	1,320,755	(58,293)	-4.23%
Port Colborne	4,544,117	4,352,035	(192,082)	-4.23%
St. Catharines	21,916,001	20,989,601	(926,400)	-4.23%
Thorold	3,899,808	3,734,961	(164,847)	-4.23%
Welland	11,012,336	10,546,839	(465,497)	-4.23%
West Lincoln	1,237,572	1,185,259	(52,313)	-4.23%
Total	77,020,694	73,764,992	(3,255,702)	-4.23%

The 9 month retroactive budget amendment would impact each municipality uniformly since both are utilizing 2020 budgeted flows. The 2020 Wastewater operating budget as approved contained an increase of 5.97% over 2019. If the 9 month retroactive budget amendment were to be approved, the increase would be reduced to 1.49%. The amendment would create differentials ranging from approximately reduction of \$52,313 to \$926,400.