
Subject: Combined Sewer Overflow (CSO) Control and Wet Weather Management (WWM) Program – 2021 Funding Recommendations

Report to: Planning and Economic Development Committee

Report date: Wednesday, April 14, 2021

Recommendations

1. That the thirty-four (34) Local Area Municipal projects under the 2021 Combined Sewer Overflow (CSO) Control / Wet Weather Management (WWM) Cost Sharing Program, as identified in Appendix 1 of Report PDS 19-2021, **BE APPROVED** in the amount of \$3,252,976;
2. That Regional staff **PREPARE AND EXECUTE** the respective partnership funding agreements with the Local Area Municipalities (LAM) for qualifying projects to reflect the terms and conditions set out in Appendix 2 and Appendix 3 of Report PDS 19-2021; and
3. That the local Municipal partners **BE ADVISED** of the results of Regional funding support, as outlined in Appendix 1 of PDS 19-2021.

Key Facts

- The purpose of this report is to provide background information to support the approval of the 2021 Local Area Municipal projects under the CSO Control / WWM Program.
- The Combined Sewer Overflow (CSO) Control Cost Share Program has been in place since 2007 and is intended to facilitate shared funding with the local Municipal partners to help mitigate the impacts of wet weather events on the Region-wide sanitary system and the environment. As a result, the Region benefits from this program by gaining capacity at regionally owned trunks, sewage pump stations and wastewater treatment plants, which in return, could be used for growth without oversizing Regional infrastructure.
- Representatives of the CSO/WWM Working Group developed administrative procedures and criteria to support this Program and to rank project submissions by local Municipalities in accordance with the guiding principles.

- The Region supports this approach and has included funding annually in its budget. For 2021, an amount of \$4,000,000 was budgeted in the Region's Wastewater Operating Budget.
- The total of eligible projects submitted by local Municipal partners for 2021 was \$3,252,976.
- Although the total requested amount is less than the approved program budget of \$4,000,000 by \$747,024 for 2021, the need to address wet weather issues in sanitary collection systems remains high.

Financial Considerations

A gross budget of \$4,000,000 has been approved as part of the 2021 Wastewater Operating Budget for the CSO Control Cost Share program. Funding for this program is partially provided through the Development Charges (50%).

The thirty-four (34) eligible projects considered for funding under the 2021 CSO Control Program totaled \$3,252,976. As the total requested amount is less than the approved program budget of \$4,000,000 by \$747,024 for 2021, these existing funds will remain available for the remainder of 2021 in order to accommodate any unforeseen or not yet approved projects requested by LAM. If the funds are still unused by year-end, the 50% funded by DC revenues (\$373,512) will remain unrecognized and the 50% funded through the water wastewater requisition (\$373,512) will be recognized as surplus through the 2021 financial reporting process. Appendix 1 presents thirty-four (34) municipal projects being recommended for funding in full.

Included in the recommended projects list is a \$15,000 support contribution for the Guidelines to Undertaking Flow Monitoring in New Construction for the reduction of I/I. This project is directly aligned with the WWM strategic approach benefiting both, Region and LAM. In support of this work, each municipality signed a written consent agreeing that the contribution be taken from the CSO Control Funding Program. This agreement was confirmed again for 2021 by the Working Group.

During mid-2021, Regional staff in collaboration with the local Municipal partners, will review the approved local budgets for the CSO related projects. This will insure that a consideration is given for a potential acceptance of the in-year applications should the increase in demand continue.

In addition to the \$4,000,000 approved in the 2021 Wastewater Operating Budget, there are currently \$22,105,628 of previously approved and active CSO projects at December

31, 2020. Of that amount, \$8,672,415 has been paid to Local Area Municipalities at December 31, 2020 for qualifying CSO projects. As a result, there are \$13,433,213 in commitments to 11 municipalities for approved but unspent CSO projects at December 31, 2020 as shown in Appendix 4.

Analysis

Thirty-four (34) applications were received from ten (10) local Municipalities. Five (5) applications from Fort Erie, one (1) from Grimsby, two (2) from Lincoln, eight (8) from Niagara Falls, two (2) from NOTL, one (1) from Pelham, three (3) from Port Colborne, three (3) from St. Catharines, eight (8) from Welland and one (1) from West Lincoln.

Regional staff reviewed and evaluated thirty-four (34) eligible projects and incorporated all of them into the final recommendation list presented in Appendix 1.

The requested funding for all qualified projects totaled \$3,252,976 including a \$15,000 support contribution to Municipal I/I Collective research project, which was endorsed by all local Municipal partners. The total requested funding of \$3,252,976 is \$747,024 less than the 2021 approved budget of \$4,000,000.

Previously the CSO Control Working Group adjusted the funding options structure for the eligible CSO cost share projects during 2018 and 2019. This adjustment incorporated a weighted approach of a growth component into the evaluation matrix and a change of funding priorities for different types of work. Appendix 2 shows the Funding Options.

Local Municipalities are encouraged to apply during 2021 for new eligible CSO projects as they are able to do so. Similar to other jurisdictions across Ontario, wet weather flows continue to negatively impact sanitary infrastructure resulting in potential basement flooding, overflows to the environment, and reduced capacity for future growth. The removal of wet weather flow and Inflow & Infiltration reduction is important work that needs on-going focus and support over the long term to be successful.

Alternatives Reviewed

No alternatives were reviewed at this time.

Relationship to Council Strategic Priorities

This report was brought forward by Regional Staff, supported by the CSO/WWM Working Group and by the Public Works Officials as the Responsible Growth and Infrastructure Planning priority in establishing objectives of Environmental Sustainability & Stewardship and Maintenance of Existing Infrastructure.

Other Pertinent Reports

- PW4.S06.0, September 2, 2014 – Combined Sewer Overflow (CSO) Control & Wet Weather Management Policy
- PDS 12-2020, April 8, 2020 – Combined Sewer Overflow (CSO) Control and Wet Weather Management Program – 2020 Funding Recommendations”)

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Appendices

Appendix 1	Recommended 2021 CSO Control Program Funding Requests
Appendix 2	Funding Options
Appendix 3	CSO Control / WWM Policy Funding Conditions

Appendix 4

Summary of CSO Project Remaining Budget Encumbrance by
Municipality by 2020 Year-End