

Subject: Combined Sewer Overflow (CSO) Control and Wet Weather Management (WWM) Program – 2019 Funding Recommendations

Report to: Planning and Economic Development Committee

Report date: Wednesday, April 17, 2019

Recommendations

1. That the 2019 Local Area Municipal projects under the Combined Sewer Overflow (CSO) Control / Wet Weather Management (WWM) Cost Sharing Program, as identified in Appendix 1 of Report PDS 14-2019, **BE APPROVED** in the amount of \$3,944,230;
2. That Regional staff **PREPARE AND EXECUTE** the respective partnership funding agreements with the Local Area Municipalities for qualifying projects to reflect the terms and conditions set out in Appendix 2 and Appendix 3 of Report PDS 14-2019; and
3. That information respecting Regional funding support, as outlined in Appendix 1 of PDS 14-2019, **BE PROVIDED** to the Local Area Municipalities for information.

Key Facts

- The purpose of this report is to provide background information to support the approval of the 2019 Local Area Municipal projects under the CSO Control / WWM Cost Sharing Program.
- The Combined Sewer Overflow (CSO) Control/Wet Weather Management (WWM) Program has been in place since 2007 and is intended to facilitate shared funding with the Local Area Municipalities (LAMs) 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, which in return, could be used for growth without oversizing Regional infrastructure. The CSO Control/WWM Program supports Council's Strategic Priorities with a goal to increase capacity in the wastewater systems by mitigating impacts of and reducing inflow and infiltration (I/I).
- Representatives of the CSO/WWM Work Group developed administrative procedures to support this Program and to rank project submissions by the LAMs in accordance with the guiding principles. In 2018, the group added a weighted approach of a growth component into the existing evaluation matrix.

- The Region supports this approach and has included funding annually in its budget. For 2019, an amount of \$4,000,000 was budgeted in the Region's Wastewater Operating Budget.
- The total of eligible projects submitted by the Area Municipalities for 2019 adds up to \$3,944,230.

Financial Considerations

A gross budget of \$4,000,000 has been approved as part of the 2019 Wastewater Operating Budget for the CSO Control/WWM cost share program. Funding for this program is partially provided through the Development Charges – Sewer deferred revenue account (50%).

The recommended eligible projects submitted by the LAMs for 2019 totaled \$3,944,230; therefore, sufficient funds are available to accommodate this request. The total amount included a \$15,000 support contribution to Municipal I/I Collective Research Project for the reduction of I/I. This project is directly aligned with the CSO Control/WWM Program benefiting all LAMs. In support of it, each municipality signed a written consent agreeing that the contribution be taken from the 2019 CSO Control/WWM Funding Program.

The remaining \$55,770 budget will still be available for the rest of 2019 in order to accommodate any unforeseen or not yet approved projects requested by the LAMs. If still unused by year-end, this amount could be returned to the Regional reserves from which the funding originated. The list of recommended eligible projects is presented in Appendix 1.

Based on the preliminary consultations with the LAMs, 25 finished projects are being reviewed for potential closure this year, which could create a net total of \$1,581,961 to be returned to Regional reserves. During the consultations, LAMs suggested the Region review the CSO Control/WWM Policy to explore if possible to provide assistance with municipal offered programs region-wide for disconnection of private side I/I sources. It is an industry known estimation that 50% of all extraneous flows originate from the private sources. Regional staff will review the policy to prepare recommendations after receiving LAM program information and data, and report to Committee and Council at a later date.

In addition to the \$4,000,000 approved in the 2019 Wastewater Operating Budget, there are currently \$23,633,914 of previously approved and active CSO projects at December 31, 2018. Of that amount, \$5,709,612 had been paid to Local Area Municipalities at December 31, 2018.

Analysis

Forty six (46) applications were received from eight (8) municipalities. Fifteen (15) applications either did not align with the CSO Control/WWM Program or were retracted by the applicants and therefore, were not included for the final analysis.

Thirty one (31) applications from eight (8) municipalities were considered for the funding in the amount of \$3,929,230. In addition to, a \$15,000 support contribution to Municipal I/I Collective research project for the reduction of I/I was endorsed by all municipalities. This total requested funding of \$3,944,230 shows a surplus of \$55,770 that will be available for the rest of 2019.

Alternatives Reviewed

No alternatives were considered at this time.

Relationship to Council Strategic Priorities

This report was brought forward by Regional Staff, supported by the CSO/WWM Work Group, and supported by the Public Works Officials as the first priority in establishing a more holistic and strategic approach to the operational challenges in dealing with high flows in the collection system, basement flooding, and overflows to the receiving water bodies.

Other Pertinent Reports

- PWA 116-2008, October 29, 2008 – Combined Sewer Overflow (CSO) Control Policy-Proposed Policy Amendments
- PW 96-2014, September 23, 2014 – Combined Sewer Overflow (CSO) Control Policy Amendments

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Appendices

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