

Subject: Combined Sewer Overflow Control Program – 2025 Funding Recommendations

Report to: Public Works Committee

Report date: Tuesday, May 6, 2025

Recommendations

1. That staff **BE AUTHORIZED** to issue letters to award funding to Local Area Municipalities for qualifying projects as outlined in Appendix 1 of Report PW 19-2025 for funding options as set out in Appendix 2 of Report PW 19-2025 and subject to the terms and conditions outlined in Appendix 3 to Report PW 19-2025; and
2. That Local Area Municipalities **BE ADVISED** of the results of Regional funding support, as outlined in Appendix 1 to PW 19-2025.

Key Facts

- The purpose of this report is to provide recommendations and background information for the 2025 Local Area Municipality (LAM) projects proposed for funding pursuant to the Combined Sewer Overflow (CSO) Control Program and Public Works Policy PW4.S06.0.
- The CSO Control Cost Share Program has been in place since 2007 and shares funding with the LAMs for capital projects that help to mitigate the impacts of wet weather events on the region-wide sanitary system and the environment. The Region benefits from this program by gaining capacity at regionally owned sanitary trunk sewers, sewage pump stations, and wastewater treatment plants, which in return, could be used for growth without oversizing Regional infrastructure.
- Representatives of the CSO Working Group, including representatives from all Municipalities, developed administrative procedures and criteria to evaluate project submissions by LAMs in accordance with the guiding principles.
- The Region includes funding in annual budgets to support these projects. For 2025, \$4,000,000 was budgeted in the Region's Wastewater Operating Budget.
- Twenty-three (23) eligible applications representing a total of 28 eligible projects were submitted by LAMs for 2025; however, the total requested funding is more than the approved program budget of \$4,000,000 by \$3,297,081 for 2025 and

demonstrates high demand to address wet weather issues in sanitary collection systems.

- Twelve (12) municipal projects are recommended for funding in full, four (4) municipal projects are recommended for partial funding and 12 projects are declined for funding as outlined in Appendix 1 to Report PW 19-2025; however, they can be reconsidered, in accordance with the CSO Program Policy, following approval of the Region's 2026 budget.

Financial Considerations

A gross budget of \$4,000,000 has been approved as part of the 2025 Wastewater Operating Budget for the CSO Control Cost Share program. Funding for this program is partially provided through Development Charges (DC) at 50%.

Twenty-eight (28) projects from LAMs are eligible for funding under the 2025 CSO Control Program at a total value of \$7,297,081. As the total requested amount is more than the approved program budget of \$4,000,000 by \$3,297,081, 12 projects will not be able to be funded by the Region's CSO Control Program.

In summary, Appendix 1 to Report PW 19-2025 presents 12 municipal projects recommended for funding in full, four (4) municipal projects recommended for partial funding and 12 unfunded projects. Prior to awarding the 2025 budget, the Region had \$6.0 million in outstanding commitments to eight (8) municipalities for approved, but unspent, CSO projects at 2024 year-end as illustrated in Appendix 4 to Report PW 19-2025.

As an update to PDS-C 1-2024 (Combined Sewer Overflow Control Program Update), staff closed 75 projects equating to \$3,357,554 during 2024. This resulted in \$1,707,331 of the encumbrances being returned to the wastewater reserve and \$1,650,223 of the DC portion being returned to the DC reserve in accordance with reserve policy.

Analysis

The CSO Program was Oversubscribed to in 2025

The CSO Control Working Group collaboratively reviews the funding structure and evaluates eligible CSO cost share projects, adjusting if needed, based on present-day needs and funding priorities for different types of work. Appendix 2 to Report PW 19-2025 shows the Funding Options.

A number of local area municipalities (LAMs) submitted eligible applications for the CSO Program, including four (4) from Fort Erie, one (1) from Grimsby, two (2) from Lincoln, four (4) from Niagara Falls, one (1) from Niagara-on-the-Lake (NOTL), one (1) from Pelham, three (3) from Port Colborne, one (1) from St. Catharines, five (5) from Welland, and one (1) from West Lincoln.

The 23 eligible applications were separated into 28 individual projects eligible for funding, as per the program policy PW4.S06.0.

Regional staff reviewed the 28 eligible projects for cost-share funding. 12 projects were incorporated for full funding and four (4) projects for partial funding into the final recommendation list presented in Appendix 1 to Report PW 19-2025. Projects were awarded based on the program evaluation matrix following the CSO Control and Wet Weather Management Policy as approved by Council.

Wet Weather Flows Continue to Negatively Impact Infrastructure

Like other jurisdictions across Ontario, wet weather flows continue to negatively impact sanitary infrastructure resulting in potential basement flooding, overflows to the environment, and reduce capacity for future growth. The removal of wet weather flow and inflow and infiltration reduction is important work that needs on-going focus and support over the long term to be successful. Success of this program reduces the pressure on the capital program and reduce sanitary infrastructure expansions.

Alternatives Reviewed

No alternatives were reviewed as the approved budget was fully utilized.

Relationship to Council Strategic Priorities

This report and more specifically, the CSO program supports the Council Strategic Priority of Effective Region through innovative service delivery and collaboration with Municipal partners.

It also assists in establishing objectives of Green and Resilient Region to adopt to climate change impacts to help the current and future infrastructure be more resilient by reducing wet weather flow to gain capacity at regionally owned wastewater infrastructure and provide for growth.

Other Pertinent Reports

- Public Works Policy PW4.S06.0, September 2, 2014 – Combined Sewer Overflow Control & Wet Weather Management Policy (Please contact Niagara Region for copy of this document.)
- [PDS-C 1-2024, January 10, 2024 – Combined Sewer Overflow Control Program Update](https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=524e81b7-e788-4788-b364-48a291e6c28b&Agenda=Merged&lang=English&Item=15&Tab=attachments)

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Appendices

Appendix 1 Recommended 2025 CSO Control Program Funding Requests

Appendix 2 Funding Options

Appendix 3 CSO Control Policy Funding Conditions

Appendix 4 Summary of CSO Project Remaining Budget Encumbrances by
Municipality at 2024 Year-End

Eligible Unfunded Projects

Municipality	Project Description	Category	% ¹	Project Cost	Regional Share	Recommended Regional Funding
Fort Erie	Flow Monitoring Program 2025 (FLOMON25)	2	60%	\$ 425,000	\$ 255,000	\$ -
Fort Erie	Sanitary CCTV (SANCTV25)	2	50%	\$ 205,000	\$ 102,500	\$ -
Fort Erie	Wastewater Trenchless Repair (WWTR24) - R/R/R Portion	5	30%	\$ 864,640	\$ 259,392	\$ -
Lincoln	Ontario Street Design & Construction - Later Assessment & Rehab, Phase 1	5	30%	\$ 820,000	\$ 246,000	\$ -
Niagara Falls	Burdette Drive Rehabilitation	5	30%	\$ 1,020,000	\$ 306,000	\$ -
Port Colborne	Rosemount Area Lateral Lining	5	30%	\$ 750,000	\$ 225,000	\$ -
Welland	Broadway Area Phase 2 Infrastructure Renewals	5	30%	\$ 2,806,600	\$ 841,980	\$ -
Welland	Church Street Infrastructure Renewals - R/R/R Portion	5	30%	\$ 574,600	\$ 172,380	\$ -
Welland	Church Street Infrastructure Renewals - Sewer Separation Portion	1	40%	\$ 171,736	\$ 68,694	\$ -
Welland	First Street Infrastructure Renewals	5	30%	\$ 675,300	\$ 202,590	\$ -
Welland	Young Street Infrastructure Renewals	5	30%	\$ 549,800	\$ 164,940	\$ -
West Lincoln	Sanitary Assessment, Repair & Capacity Management Strategy - R/R/R Portion	5	30%	\$ 34,000	\$ 10,200	\$ -
Eligible Unfunded Projects Total				\$ 8,896,676	\$ 2,854,676	\$ -

	Total Project Cost	Total Regional	Total Regional Share
Total of All Eligible Projects	\$ 20,125,976	\$ 7,297,081	\$ 4,000,000

Note ¹: Funding % share is dependent on specific project component and related work. Appendix 2 has project cost share split details

Note ²: Project received partial funding up to the limit of the 2025 budget amount for that category.

Note ³: Project received partial funding in 2024 due to the limit of the 2024 budget. Project will receive remaining requested funding through resubmission in 2025.

Appendix 2: Funding Options

CSO Control Program Funding Options

Project Category No.	Project Types	100% Funding Amount Priorities	Region %	Municipality %
1.	Sewer Separation	40%		
Work Examples	Disconnection of road drainage		40	60
	Disconnection of private		60	40
	Disconnection of road, previous disconnection of private or opposite		50	50
2.	Studies	15%		
Work Examples	PPCP as per the PPCP guide		50	50
	I&I and Extraneous Flow Investigation including CCTV/Smoke Dye Testing ¹		50	50
	Mandatory Flow Monitoring - Pre and Post		60	40
	Investigative work on municipal/private side		50	50
	Public education/water conservation and efficiency measures		50	50
	Sewer use by-law development/update and municipal activities		50	50
3.	Source Control - Private Side	20%		
Disconnection of roof leaders to be done by homeowners/municipalities as a prerequisite for other works on the private side.				
Work Examples	Disconnection of roof leaders		60	40
	Disconnection of weeping tiles from sanitary including application works		60	40
	Disconnection of private sump pumps		60	40
	Backflow preventer installation on sanitary		40	60
4.	Conveyance and Flow Control/Storage	15%		
Work Examples	Real-time control for detention		60	40
	In-line flow controllers design and construction (i.e. weirs)		60	40
	Off-line conveyance and pumping design and construction		60	40
	In-line/off-line storage		40	60
5.	Repair/ Rehabilitation/ Replacement of Sewers	10%		
Estimated ≥50% flow reduction during WW events				
Work Examples	Repair of sanitary/ manholes - gel sealing, spot repairs		30	70
	Spot repair lining		30	70
	Full length liner		30	70

Note 1: CCTV inspection - only site/project specific. Regular city-wide inspections should be part of municipal O&M.

Appendix 3
CSO Control Program Terms and Funding Conditions

The terms and conditions under which funding will be offered to the successful applications, including the following:

Number	Terms and Funding Conditions
1	<i>Amount of Funding, Studies</i> - The Region shall contribute 50% of total study costs for the PPCP and I&I studies, and 60% for the Pre and Post Flow monitoring projects provided the Region participates on a committee overseeing the study and the study covers the entire area tributary to the Wastewater Treatment Plant(s) and includes both local and Regional infrastructure.
2	<i>Amount of Funding, Design & Construction projects</i> – The Region shall contribute defined percentage of the cost based on the Funding Options matrix, provided that; the facility or measure is supported by a recommendation from a current CSO study, life cycle cost comparisons of alternative solutions were undertaken and the Region agrees with the cost comparisons, the Region agrees with the 'best overall solution', and the Region participates on a committee overseeing the design.
3	<i>Third Party Funding</i> – The Region's funding shall be net of any third party funding approved for the project. If third party funding is obtained after Regional funding approval, the amount of Regional funding will be adjusted to be net of any third party funding. Payment of the funding to the Area Municipality shall be based on actual expenditures incurred up to the maximum amount approved by Regional Council based on the budget submitted with the application.
4	<i>Project Lead Studies</i> – Lead by either the Area Municipality or the Region based on a mutual agreement prior to initiation of study.
5	<i>Project Lead Design & Construction</i> – A project located in the Area Municipal wastewater system shall be managed by the Area Municipality while a project in the Regional wastewater system shall be managed by the Region. On a case-by-case basis the Region may consider managing a project in the local system, if requested by the Area Municipality.
6	<i>Ownership and Operation of Assets</i> – The ownership and operation of all new and existing assets shall remain the responsibility of the current owner. The Area Municipality, on a case by case basis, may request the Region to operate and maintain an existing or new CSO control facility on behalf of the Area Municipality on a direct charge back basis.

Number	Terms and Funding Conditions
7	<i>Follow up Flow Monitoring</i> – On a case-by-case basis, the Region may include a condition or approval of funding that requires follow up flow monitoring to assess project’s effectiveness.
8	<i>Expiry of Funding</i> – Funding of a project by the Region may expire if the local Area Municipality does not invoice the Region within three (3) years of the date of funding approval by Regional Council. Also, if an Area Municipality decides not to proceed with a project, the Region may revoke funding. The Region may also withdraw funding for future phases if a project does not proceed on a continuous basis toward completion.
9	<i>Indemnity</i> – The Region, or its directors, officers, employees, agents or consultants will not be held liable as a result of providing funding for any project.
10	<i>Regional Recognition</i> – The Area Municipality is to ensure that the Region is to be acknowledged in all advertising and publicity related to the project for which funding was provided.
11	<i>Project Deliverables</i> – The Region shall receive copies of all project deliverables, including, but not limited to, reports, flow monitoring data, hydraulic modelling files, GIS layers/data, and technical memorandums.
12	<i>Funding Agreement</i> - A letter formalizing the funding in accordance with the Region’s CSO Funding Policy will be issued to the Area Municipality for signature and used as the agreement to the terms and conditions of the funding.

Appendix 4: Summary of CSO Project Remaining Budget Encumbrances by Municipality at 2024 Year-End

Municipality	2021	2022	2023	2024	Total
Fort Erie	61,141	65,000	218,736	328,500	673,377
Grimsby	43,393	31,837	162,500	-	237,730
Lincoln	344,639	-	78,525	465,500	888,664
Niagara Falls	298,730	687,500	867,235	378,348	2,231,813
Niagara-on-the-Lake	26,550	84,452	60,000	-	171,002
Pelham	-	-	-	-	-
Port Colborne	14,636	101,607	145,000	25,000	286,242
St. Catharines	204,194	58,150	445,486	480,000	1,187,831
Thorold	-	-	-	-	-
Welland	105,313	74,532	47,508	69,678	297,031
West Lincoln	-	-	-	-	-
Total	1,098,595	1,103,078	2,024,990	1,747,025	5,973,689