
Subject: Combined Sewer Overflow (CSO) Control and Wet Weather Management (WWM) Program – 2020 Funding Recommendations

Report to: Planning and Economic Development Committee

Report date: Wednesday, July 15, 2020

Recommendations

1. That the twenty-six (26) Local Area Municipal projects under the 2020 Combined Sewer Overflow (CSO) Control / Wet Weather Management (WWM) Cost Sharing Program, as identified in Appendix 1 of Report PDS 12-2020, **BE APPROVED** in the amount of \$4,000,000;
2. That the respective partnership funding agreements with the Local Area Municipalities **BE PREPARED AND EXECUTED** in compliance with the terms and conditions, as outlined in Appendix 3 and Appendix 4 of Report PDS 12-2020; and
3. That the respective Local Area Municipalities **BE ADVISED** of the results of Regional funding support, as outlined in Appendix 1 of PDS 12-2020.

Key Facts

- The purpose of this report is to provide background information to support the approval of the 2020 Local Area Municipal projects (LAM) 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 group periodically reviews established criteria for improvements and needed adjustments in the funding priorities;

- The Region supports this approach and has included funding annually in its budget. For 2020, 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 2020 was \$5,177,397;
- The total requested amount exceeded the approved program budget of \$4,000,000 by \$1,177,397 for 2020;

Financial Considerations

A gross budget of \$4,000,000 has been approved as part of the 2020 Wastewater Operating Budget for the CSO Control Cost Share program. Funding for this program is partially provided through the Development Charges (50%).

The thirty-five (35) eligible projects considered for funding under the 2020 CSO Control Program totaled \$5,177,397. The total requested amount exceeded the approved program budget of \$4,000,000 by \$1,177,397 for 2020. As a result, Appendix 1 presents twenty-six (26) municipal projects being recommended for funding of which, one (1) is recommended to receive a partial funding. The other nine (9) eligible municipal projects, presented in Appendix 2, have not been recommended for funding in 2020 due to the budget limitations.

Included in the recommended projects list is 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 WWM strategic approach benefiting both, the Region and the LAM. In support of it, each municipality signed a written consent in 2019 agreeing that the contribution be taken from the CSO Control Funding Program. This agreement was confirmed again for 2020 by the Working Group.

Early in 2020, Regional staff in collaboration with the local Municipal partners, will review the local budget forecast for the CSO related projects. This will ensure the ability to consider a potential increase of the CSO Control Program through 2021 rate budget process should the increased demand continue.

In addition to the \$4,000,000 approved in the 2020 Wastewater Operating Budget, there are currently \$22,548,871 of previously approved and active CSO projects at December 31, 2019. Of that amount, \$6,469,553 has been paid to Local Area Municipalities at December 31, 2019.

The Region currently has \$16 million in commitments to 10 municipalities for approved but unspent CSO projects as per 2019 Year-End in Appendix 5.

Analysis

The CSO Control Work 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 3 shows the Funding Options.

Thirty-six (36) applications were received from eight (8) local Municipalities. One (1) application from Fort Erie, after an initial review, was not supported by the CSO Control Program Policy and therefore, not included in the final evaluation process. Regional staff reviewed and evaluated thirty-five (35) compliant projects and incorporated twenty-six (26) of them into the final recommendation list presented in Appendix 1.

The requested funding for all eligible projects totaled \$5,177,397 including a \$15,000 support contribution to Municipal I/I Collective research project, which was endorsed by all local Municipal partners. The total requested fund of \$5,177,397 is \$1,177,397 greater than the 2020 approved budget of \$4,000,000. Nine (9) projects not recommended for funding are presented in Appendix 2.

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. This aligns with Council's Strategic Priorities for Responsible Growth and Infrastructure Planning and the 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 14-2019, April 17, 2019 – Combined Sewer Overflow (CSO) Control and Wet Weather Management Program – 2019 Funding Recommendations
- PW 18-2020, May 12, 2020 - Council Motion Re 2020 Water and Wastewater Budget Increase Deferral

Prepared by:

Ilija Stetic, B.Sc., PMP
Project Manager
Planning and Economic Development

Recommended by:

Rino Mostacci, MCIP, RPP
Commissioner
Planning and Economic Development

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with Phill Lambert, P. Eng., Director, Infrastructure Planning & Engineering, Lyndsey Ferrell, Program Financial Specialist, and reviewed by Dan Ane, Manager Program Financial Support. In addition to, the final consultation was done with Ron Tripp, P.Eng., Acting Chief Administrative Officer

Appendices

Appendix 1	Recommended 2020 CSO Control Program Funding Requests
Appendix 2	Projects Not Recommended for Funding
Appendix 3	Funding Options
Appendix 4	CSO Control / WWM Policy Funding Conditions
Appendix 5	Summary of CSO Project Remaining Budget Encumbrance by Municipality by 2019 Year-End