



The Corporation of the Town of Tecumseh

Public Works & Environmental Services

To: Mayor and Members of Council

From: Phil Bartnik, Director Public Works & Environmental Services

Date to Council: December 10, 2019

Report Number: PWES-2019-52

Subject: Investing in Canada Infrastructure Program
Green Stream – 2019 Intake

Recommendations

It is recommended:

That Administration **be authorized** to submit an application to the federal government for funding under the Investing in Canada Infrastructure Program (ICIP): Green Stream – 2019 Intake for a future commitment to the Riverside Drive Trunk Sanitary Sewer to be completed in 2022-2023;

And that Administration **be authorized** to complete any business case(s), application(s) and/or to provide all information/documentation as required in order to constitute an application under ICIP;

And further that the Chief Financial Officer **be authorized** to sign any required documents necessary to complete the application and the subsequent documentation to ICIP;

And furthermore that the Mayor and Clerk **be authorized** to sign any documents/agreements (if required) for the application submissions and documentation to ICIP, in a form satisfactory to the Town's Solicitor, financial content satisfactory to the Town's Chief Financial Officer and technical content to the Town's Engineer.

Background

Program Overview

The Investing in Canada Infrastructure Program (ICIP) is a federal infrastructure program designed to create long-term economic growth, build inclusive, sustainable and resilient communities and support a low-carbon economy. Through ICIP, the federal government is providing \$11.8 billion in federal funding infrastructure funding to cost-share projects under the following four streams: (1) Rural and Northern Communities (2) Public Transit (3) Green Infrastructure (4) Community, Culture and Recreation.

The Green Stream includes up to \$7.12 billion in combined federal (\$2.85B), provincial (\$2.35B) and other partner (\$1.92B) funding over 10 years for projects across three federal sub-streams that advance outcomes associated with climate change mitigation, environmental quality and disaster mitigation.

Eligibility

Eligible recipients for the 2019 intake include:

- Municipalities with a population of 100,000 or less based on 2016 Statistics Canada Census data;
- Indigenous communities in Ontario with a population of 100,000 or less; and
- Local Services Boards, Conservation Authorities and not-for-profit organizations that own water, wastewater and stormwater infrastructure and serve populations under 100,000.

Eligible projects must include a capital component for one of the following asset types: drinking water, wastewater, or stormwater on one of the following project types: rehabilitation, replacement/upgrade or renewal.

Applicants may bundle more than one eligible project asset type (i.e. a project may have both water and wastewater components). Bundled projects must demonstrate that each component of the project is inter-related and meets eligibility requirements.

Timelines

The completed application and supporting documentation must be submitted through the Transfer Payment Ontario Network (TPON) by **4:49 p.m. EST on January 22, 2020**.

The province will notify applicants if their project has been selected for nomination to the federal government for review and approval in **winter 2020 (estimated)**. Applicants will be notified of the federal funding decision in **spring 2020 (estimated)**.

Projects must be completed by **October 31, 2026**.

Project Eligibility

Eligible projects must include a capital component and be specific to Drinking Water, Wastewater and Stormwater assets. Project types must be either rehabilitation, replacement/upgrade, or renewal. Construction of 'new' projects may be eligible if the majority of the project is considered as rehabilitation or replacement.

Eligible Costs

The maximum total eligible cost per project for a single applicant is **\$3M**. A population-based formula will be used to determine each applicants funding cap and will be provided to applicants in a notification letter.

However, it is our understanding from advance presentations for the ICIP: Green Stream, the project funding cap is calculated as: $\$3M - (\text{Population} \times \$30/\text{person})$. **The anticipated project funding cap for Tecumseh would be: $\$3M - (24,000 \times \$30) = \$2.28M$.**

Eligible costs would include:

- Capital costs
- Design and planning
- Costs related to meeting specific Program requirements i.e. climate lens assessments

Project costs are only eligible following the project approval.

Cost Sharing

The maximum funding from all federal sources to a project that is approved for the Green Stream funding will not exceed:

- **40% of eligible expenditures for municipalities or other partners, matched at 33.33% by the Province and 26.67 by municipalities or other partners.**
- 75% of eligible expenditures for Indigenous Ultimate Recipients, matched at 18.33% by the Province and 6.67% by Indigenous Ultimate Recipients.

Additional information and details respecting this funding opportunity are provided in the Program Guide appended as Attachment 1 to this report.

Comments

The Town completed a Municipal Class Environmental Assessment (Class EA) in April 2013 for improvements to the Town's sanitary collection system. As part of the 2013 Class EA, various alternative solutions were identified and evaluated to address the problem of basement flooding and the lack of capacity in the sewage system to accommodate future growth. An

expansion and upgrading of the existing sanitary sewage collection system was identified as the preferred solution.

The functional design for the preferred solution identified a reduction in the risk of basement flooding and would also accommodate new development. These improvements included:

- Stage 1 (completed in 2014)
 - Decommissioning of the existing Hayes Sanitary Pump Station
 - Construction of the new Lakewood Sanitary Pump Station
 - Increased on-line peak flow storage capacity – Lakewood Park Trunk Sewer
- **Stage 2 (currently scheduled for 2022/2023)**
 - **Increased on-line peak flow storage capacity – Riverside Drive Trunk Sewer**
- Stage 3 (presently being reviewed as part of the 2019 Sanitary Sewer Model Update)
 - Additional investigation and sanitary sewer modeling required on Dillon Drive and Green Valley Drive

Stage 2, the Riverside Drive Trunk Sewer project consists of replacing the existing sanitary sewer along Riverside Drive between Kensington Boulevard and Pentilly Road with an on-line peak flow storage facility. Approximately 395 meters of the existing 400 mm diameter sanitary sewer will be replaced with 1500 mm diameter sanitary sewer to provide remedial flooding measures to reduce sanitary sewer surcharging and reduce the risk of basement flooding within its service area due to extraneous flows entering the sanitary system through inflow and infiltration. An approximate population of 1,400 people representing 400 properties would see a direct benefit from the project.

The Riverside Drive Trunk Sewer project has been identified within the 2020-2024 PWES 5-Year Capital Works Plan with the design commencing in 2022, and construction following in 2023.

This project aligns with ICIP objectives of adapting and becoming more resilient to the impacts of climate change and climate-related disaster mitigation by managing the risks associated with current and future natural hazards, particularly extreme weather events. This is accomplished by means of infrastructure improvements to reduce the risk of sanitary surcharging which in turn reduces the risk of basement flooding and the discharging of raw wastewater into the Detroit River.

Consultations

Financial Services

Financial Implications

Should the Application for funding be successful, the following financial implications arise if the grant application is approved:

| | |
|---|--------------------|
| Total Project Costs: | \$2,804,750 |
| Total net eligible project costs*: | \$2,280,000 |
| Federal cost share (max 40%): | \$912,000 |
| Provincial cost share (max 33.33%): | \$759,924 |
| Amount to be funded by the Town: | \$1,132,826 |

*A population-based formula will be used to determine each applicants funding cap and will be provided to applicants in a notification letter. The anticipated project funding cap for the Town of Tecumseh is \$2.28M.

The 2020-2024 PWES 5-Year Capital Works Plan has identified the following allocation of funds for the years 2022 and 2023 (values depicted are prior to application of the grant):

| Reserve Fund | 2022 (Design) | 2023 (Construction) | Totals |
|------------------------|----------------------|----------------------------|--------------------|
| Road Lifecycle Reserve | \$58,125 | \$690,625 | \$748,750 |
| Wastewater Sewers RF | \$123,375 | \$1,932,625 | \$2,056,000 |
| Totals | \$181,500 | \$2,623,250 | \$2,804,750 |

Approval of the project and allocation of funding will be the subject of a future Administrative report to Council.

Link to Strategic Priorities

| Applicable | 2019-22 Strategic Priorities |
|-------------------------------------|---|
| <input type="checkbox"/> | Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers. |
| <input checked="" type="checkbox"/> | Ensure that Tecumseh's current and future growth is built upon the principles of sustainability and strategic decision-making. |
| <input type="checkbox"/> | Integrate the principles of health and wellness into all of Tecumseh's plans and priorities. |
| <input checked="" type="checkbox"/> | Steward the Town's "continuous improvement" approach to municipal service delivery to residents and businesses. |
| <input type="checkbox"/> | Demonstrate the Town's leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals. |

Communications

Not applicable ☒

Website ☐

Social Media ☐

News Release ☐

Local Newspaper ☐

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Cheryl Curran, BES
Clerk I Administrative Clerk

Reviewed by:

Tom Kitsos, CPA, CMA, BComm
Director Financial Services & Chief Financial Officer

Reviewed by:

Phil Bartnik, P.Eng.
Director Public Works & Environmental Services

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

| Attachment Number | Attachment Name |
|------------------------------|--|
| 1 | Investing in Canada Infrastructure Program: Green Stream, Program Guide – 2019 Intake |