

**TOWN OF MINTO**

DATE: September 29, 2016
REPORT TO: Mayor and Council
FROM: Bill White, CAO/Clerk
SUBJECT: Clean Water and Wastewater Fund

STRATEGIC PLAN:

- 5.1 Actively seek out Federal and Provincial grants and revenue-sharing programs, and promote sustainable and equitable funding programs that require a minimal amount of reporting and promote local autonomy.
- 5.3 Ensure financial plans to include a blend of capital financing methods including long-term debt, user fees, grants, internal reserves and taxation, and maintain reserves to the point where Minto reduces reliance on borrowing or tax increases to finance major capital expenditures.

BACKGROUND

There are now four significant infrastructure programs being offered by the Province and Federal Government:

1. Ontario Community Infrastructure Fund (OCIF), including both merit based and formula-based funding for the first three years;
2. Small Communities Fund (SCF) for populations under 100,000.
3. Connecting Link Program
4. Clean Water and Wastewater Fund (CWWF)

Guidelines for the Clean Water and Wastewater Fund, were produced in September 14 with an October 31, 2016 deadline. The Federal government will provide \$569.5 million to cost-share on rehabilitation and new construction projects, optimization initiatives, planning and design. The Province matches municipal contributions to a maximum of 25% of total eligible costs within the specified allocations. The Town has been advised the maximum federal allocation is \$498,740 and maximum provincial allocation is \$249,370. This means the Town must fund a minimum \$1,000,000 project to qualify for these amounts.

Approved and pending projects subject to grant consideration are as follows:

Project	Estimated Grant	Total Project \$
2015 OCIF Bride Road Culvert (complete)	\$454,444	\$652,000
2015 SCIF Harriston Elora Street (complete)	\$1,000,000	\$2,500,000
2015 Connecting Link Intake 1 Clifford Elora	\$1,935,806	\$2,800,000
2016 Connecting Link Intake 2 Clifford Elora north**	\$ 830,000	\$1,250,000
2016 OCIF Jane & Inkerman (underway)	\$1,300,000	\$2,090,000
Canada 150 (Harriston Pool) **	\$ 83,333	\$ 250,000
Ontario 150 (Harriston Arena Accessibility) **	\$ 72,500	\$ 145,000
2016 CWWF (TBA)	\$748,110	\$1,000,000 min
Total	\$6,424,193	\$10,687,000

** is not approved decision pending

Minto received \$130,000 in formula based funding under OCIP as its Asset Management Plan is up to date and appropriate FIR reports are filed with no critical errors. This amount is now assured through to 2019 increasing as follows:

2016	\$130,000
2017	\$223,161
2018	\$315,205
2019	\$476,143

Council is asked to sign an agreement on the use and distribution of these funds through a report by Treasurer Duff.

Recently the Town heard that its SCF application for \$1,68 million to complete a \$2.525 million project on Brunswick and Nelson was not approved despite reaching the second round in that program. The following are projects the Town might consider under the Clean Water and Wastewater program:

1. Brunswick Street Palmerston Structure \$2,525,000
2. George Street South Harriston water and sewer \$1,225,000
3. Harriston Industrial Park sanitary sewer replacement and extension, watermain replacement and road reconstruction – John Street \$700,000
4. Park Street Clifford \$750,000
5. Palmerston Industrial Minto Road sewage pumping station, water/sewer \$750,000
6. Repair/upgrade Palmerston Wastewater Treatment Plant as per County growth forecast

COMMENTS

Based on the criteria for the Clean Water and Wastewater programs, the Town should select projects that improve reliability of drinking water, wastewater and stormwater systems to meet federal or provincial regulations, standards or guidelines; rehabilitate and modernize aging infrastructure, and accelerate short-term community infrastructure investments. Capital works must be completed by March of 2018, although where need is demonstrated up to 25% of project costs may be extended with approval. In addition, projects involving design and planning for upgrades to wastewater treatment infrastructure are permitted.

1. Brunswick Street

At Nelson & Brunswick Street in Palmerston 19 homeowners need private pumps to lift their sewage to the sanitary main on Nelson. Preliminary drawings years ago showed potential for a small sewage pumping station on the southwest corner of Brunswick and Nelson on Town lands. The project will need a Schedule A Municipal Class Environmental Assessment which could make the March 2018 difficult. Water and sanitary sewer need improvement. Having a Town controlled pumping station is better from a public safety and environmental viewpoints.



2. George Street South Water and Sewer

The project involves reconstructing George Street with new water, sewer, storm sewer and



upgrades to improve system function and address inflow and infiltration concerns. It coincides with reconstruction of George Street North in front of the Harriston Senior School. Total project cost is estimated at \$1,225,000. As this is infrastructure replacement a Class EA is not required. Detailed design is in the process of being completed and it is anticipated a tender could be released by Spring 2017.

3. Harriston Industrial Park – John Street North

In preparing the Class EA for Harriston Industrial Park it was determined an 8" waterline replacement and sewage work on John Street could increase fire flows to the area, and lower the sanitary sewer on John Street to accommodate gravity flow from industrial future development on Town owned lands to the west.



The overall benefit of the watermain will only be achieved when the watermain on John Street north is looped through from Adelaide and reconstructed down to the water tower. John Street was impacted by the summer detour due to heavy truck traffic which has led to further deterioration. Much of this design has not been completed so it would be difficult to design and construct the entire project before March of 2018.

4. Park Street Clifford

Park Street in Clifford requires reconstruction to upgrade water, sanitary sewer and roadway conditions. As it may function as a detour during 2018 and 2019 reconstruction of Elora Street Clifford this project reconstruction could be re-considered for 2019-20.

5. Palmerston Industrial Minto Road sewage pumping station, water/sewer

To service the north end of the Palmerston Industrial Park and potentially lands to the east or west, if added to the urban area, a sewage pumping station is required and water and sewer mains extended to service these lands. The Town's certified site is serviced by water and gravity flow sanitary sewer to the south along Minto Road. This infrastructure improvement would open up about 20 acres of additional lands for development.

There are four one acre lots remaining on Frank Lambier for future development and one commercial parcel fronting on CR 123. The three acre lot north of MSW may be partially serviced from the existing sewer on Minto Road depending on the location and design of the building proposed. Along with the certified site the Town still has options within Palmerston Industrial Park although if development continues in the coming years these options could soon be reduced. It does not appear critical that this project proceed in 2017 and could be delayed until 2020.



6. Palmerston Wastewater Treatment Plant

County growth forecast project 1300 new households in Minto over 25 years, representing 52 homes. This represents between 25 and 32 homes per year in Minto urban areas, including over 630 homes in Palmerston in 25 years. As stated to Council during review of the County forecasts, on-going improvement to inflow and infiltration at the waste water plant as well as upgrades to increase capacity will be needed to support this kind of growth.

As the CWWF allows for planning and design funding for plant upgrades staff has brought this project forward for Council's information. At the 2017 budget staff will be recommending Triton Engineering assess plant need and determine the most cost effective manner to upgrade and expand the plant. One concern is the age and condition of the existing clarifier which will require replacement, and potentially a second clarifier to increase redundancy and assist with future plant upgrades. The project would be considered a maintenance activity, and similar projects have been completed within a year or so at a cost of about \$1 million. There are other areas to be investigated in the plant. Triton has been asked to bring back a work plan for this work for budget deliberations in December.

FINANCIAL CONSIDERATIONS:

The gross value of Town Tangible Capital Assets is \$123 million and the depreciated or “book value” is \$68 million depreciating at a rate of \$2.8 million annually. The Town’s Asset Management Plan suggests over \$6 million is needed annually to maintain roads, bridges, water and sewer infrastructure. This means the Town should continue to spend about \$4 million per year to properly maintain its assets.

Between 2011 and 2015 million, \$19.7 million in capital work was completed. For 2016 \$7.4 million is budgeted, and between 2017 and 2020 another \$17.5 million of capital work is identified.

For roads and bridges the Town receives gas tax of \$240,000 annually which when coupled with the formula based amount in OCIF will increase to \$716,143 annually in sustained funding. In the coming years the Town will need to continue to set aside additional funds out of taxation to support its capital needs as well as some borrowing according to a solid financial plan. This financial plan will be provided at the 2017 budget.

RECOMMENDATION:

That Council of the Town of Minto receives the joint report from the Treasurer, Public Works Director and C.A.O. Clerk dated September 29, 2016 regarding Ontario Community Infrastructure Fund, Small Communities Fund, Permanent Infrastructure Funding and that Council of the Town of Minto approves submission of the George Street North project.

Gordon Duff, Treasurer

Brian Hansen, Director Public Works

Bill White, CAO/Clerk