



REPORT TO: Public Works Committee

SUBJECT: Combined Sewer Overflow (CSO) Cost Sharing Program
2012 Funding Recommendations

RECOMMENDATION

1. The amount of \$5,644,875 **BE APPROVED** for 2012 Local Area Municipal projects identified in Table 1 for funding under the CSO Cost Sharing program;
2. That funding of \$2,344,875 **BE TRANSFERRED** from the Wastewater Capital Variance Reserve for the 2012 CSO Cost Sharing program (ZSW1206);
3. That Area Municipalities **BE ADVISED** of the results of Regional funding support as set out in Tables 1 and 2;
4. That Regional staff **PREPARE AND EXECUTE** the respective partnership funding agreements for up to 50% funding support to Local Area Municipalities for qualifying projects to reflect the terms and conditions set out in the attached Appendix 2.

PURPOSE

- To make funding and approval recommendations for the 2012 Regional CSO cost sharing program.

BUSINESS IMPLICATIONS

The recommended projects submitted by Local Area Municipalities total \$5,644,875, which exceeds the 2012 CSO cost-sharing budget of \$3,300,000 by \$2,344,875. It is recommended that this amount be funded from the wastewater capital variance reserve.

Sufficient funding is available to accommodate the transfer. The balance of that reserve will total \$7,125,634 following the closures being recommended concurrent to this report through CSD 34-2012 to the Corporate Services Committee.

Included within CSD 34-2010 is the closure of \$3,461,500 of uninitiated funding for past CSO programs (ZSW0004), resulting from lower than anticipated requests from Local Area Municipalities.

REPORT

Fifteen applications were received from Local Area Municipalities. Regional staff reviewed these applications for compliance with the CSO Cost Sharing Policy (Policy).

The recommended 2012 projects are identified in Table 1. Projects not recommended for funding at this time are identified in Table 2. A summary of all CSO Applications including project descriptions is included in Appendix 1.

**Table 1 - Recommended 2012 CSO Cost Sharing Program Funding Requests
(NET Region)**

Project	Area Municipality	2012 Funding
Chippawa Sewer Flooding Relief Study – CSO Tank Construction	Niagara Falls	\$2,500,000
First Avenue Sewer Separation – Bridge Street to North Limit	Niagara Falls	\$75,000
Buckley Avenue – Queen Street to Park Street Sewer Separation	Niagara Falls	\$225,600
Dixon Street from Allendale to Level and Cleveland from Dixon to Dunn Sewer Separation	Niagara Falls	\$228,275
Hamilton Street Sewer Separation – Fourth Avenue to Sixth Avenue	Niagara Falls	\$100,000
Nickel Area Extraneous Flow Reduction Program including Sewer Separation	Port Colborne	\$406,000
Monitoring of Wastewater Overflows	Welland	\$40,000
OAW Tunnel – Disconnection of 3 remaining connections to obsolete system	Welland	\$400,000
Fitch St. Sewer Separation	Welland	\$100,000
Plymouth Sewer Separation	Welland	\$400,000
Burger Area Sewer Separation	Welland	\$650,000
Beamsville Inflow/Infiltration Remedial Repair Program – Phase III	Lincoln	\$225,000
Smithville PCP Study – Phase 2	West Lincoln	\$57,500
Riverview Creek – Source Reduction for Wet Weather Flow	St. Catharines	\$237,500
Total Recommended 2012 Funding		\$5,644,875

When combined with the 2012 funding from Local Area Municipalities, over \$11 million will be committed towards the reduction or elimination of combined sewer overflows to Niagara's receiving water bodies.

Table 2 - 2012 CSO Cost Sharing Program Funding Requests (Net Region)
Subject to Further Review (not recommended at this time)

Project	Area Municipality	2012 Funding Request	Rationale
Beamsville Remedial Repair Program: Elizabeth Street - Design	Lincoln	\$11,500	This project is described as a sanitary sewer replacement in conjunction with a full road re-construction. Further review of the application with Lincoln will be undertaken. Should the project be recommended for consideration, it will be the subject of a future report.

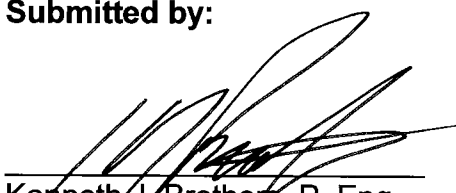
Subject to Council's approval, participating Local Area Municipalities will be issued a letter formalizing funding terms and conditions. An outline of terms and conditions is provided in Appendix 2.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

PWA 28- 2011, Combined Sewer Overflow (CSO) Cost Sharing Program, 2011 Funding Recommendations, Parent Project ZSW0004, April 5, 2011.

PWA 17-2010, Combined Sewer Overflow (CSO) Cost Sharing Program, 2010 Funding Recommendations, Parent Project ZSW0004, February 23, 2010.

Submitted by:


Kenneth J. Brothers, P. Eng.
Commissioner of Public Works

Approved by:


Mike Trojan
Chief Administrative Officer

This report was prepared by Danielle Anders, M.A.Sc., P.Eng, Project Manager, and reviewed by Glen Cowan, Associate Director, Public Works Finance, and Betty Matthews-Malone, P.Eng., Director, Water & Wastewater Services

Appendix 1, 2012 CSO Application Summary

Appendix 2, Terms and Conditions of Funding Agreements

Appendix 1
2012 CSO Application Summary

Project	Area Municipality	Project Type	Project Description	Funding Requested
Chippawa Sewer Flooding Relief Study – CSO Storage Tank Construction	Niagara Falls	Sewer Replacement/Tank Construction	Replacement of Front Street Sanitary Sewer throttle with 600mm diameter sewer and addition of underground storage tank at Low Lift PS in Chippawa.	\$2,500,000
First Avenue Sewer Separation – Bridge Street to North Limit	Niagara Falls	Sewer Separation	First Avenue from Bridge St to North Limit sewer separation in conjunction with road reconstruction.	\$75,000
Buckley Avenue – Queen Street to Park Street Sewer Separation	Niagara Falls	Sewer Separation	Buckley Avenue from Queen Street to Park Street in conjunction with other road works. This is a continuation of the sewer separation work in this area.	\$225,600
Dixon Street from Allendale to Level and Cleveland from Dixon to Dunn Sewer Separation	Niagara Falls	Sewer Separation	Dixon Street from Allendale to Level and Cleveland from Dixon to Dunn sewer separation in conjunction with other road works. This storm sewer provides an outlet for future storm sewer on adjoining streets.	\$228,275
Hamilton Street Sewer Separation – Fourth Avenue to Sixth Avenue	Niagara Falls	Sewer Separation	Hamilton Street from Fourth Avenue to Sixth Avenue in conjunction with road reconstruction. The storm sewer provides an outlet for future storm sewers on adjoining	\$100,000

Project	Area Municipality	Project Type	Project Description	Funding Requested
			streets.	
Nickel Area Extraneous Flow Reduction Program	Port Colborne	Study	The Nickel area consistently exhibits high peak wet weather flows during precipitation events. This project is the City's continuation of their commitment to extraneous flow elimination and sewer separation with the objective being the elimination of extraneous flow in the Nickel St OPC area sanitary sewer via a 2 year program.	\$406,000
Monitoring of Wastewater Overflows	Welland	Flow Monitoring	Installation of flow level meters in the River Road and Northbank interceptor sewers in the vicinity of CSO outfalls.	\$40,000
OAW Tunnel Disconnection	Welland	Sewer Separation	Project focuses on the old Oxford-Atlas-Wellington sewer that runs from Oxford Road to River Road. This project involves removing the three remaining sanitary connections o this sewer and removing the overflow that is located at the junction of the old OAW and the River Road interceptor. This will greatly reduce the volume for storm flow being treated by the WWTP.	\$400,000
Fitch St. Sewer Separation	Welland	Sewer Separation	This project includes sewer separation by lowering an existing section of sanitary sewer in order to provide a legal sanitary outlet for the church and residence on	\$100,000

Project	Area Municipality	Project Type	Project Description	Funding Requested
			Sydney Place. These buildings currently have their sanitary laterals connected to the storm sewer.	
Plymouth Sewer Separation	Welland	Sewer Separation	Sewer separation by constructing a new sanitary sewer, abandoning a combined sewer in poor condition and conversion of another combined sewer to a storm sewer, including catchbasin and lateral redirection.	\$400,000
Burger Area Sewer Separation	Welland	Sewer Separation	This project is planned to occur in 2 phases. Detailed design and MOE application approval will be carried out in 2012 in preparation for tendering and construction in 2013.	\$650,000
Beamsville Inflow/Infiltration Remedial Repair Program – Phase III	Lincoln	Sewer Remediation/Rehabilitation	This is a continuation of the 2009 program. The Town of Lincoln plans to replace / rehabilitate (line) existing sanitary sewers to decrease extraneous stormwater flows in the sanitary sewer	\$225,000
Smithville PCP Study, Phase 2	West Lincoln	Study	This is a continuation of the 2011 work. The 2012 work includes the EA process and modelling.	\$57,500
Riverview Creek – Source Reduction for Wet Weather Flow	St. Catharines	Source Reduction (non-private)	Riverview's Creek Channel alignment has shifted in several locations. This movement has left adjacent areas of sanitary sewer exposed and in some	\$237,500

Project	Area Municipality	Project Type	Project Description	Funding Requested
			<p>areas sitting within the creek channel. A significant amount of water from the creek is infiltrating into the sanitary sewer. This project will involve the removal and replacement of the affected sections of sanitary sewer. Sections of the sewer may also be sealed to further prevent infiltration into the system. Watercourse restoration works to realign and stabilize the channel will also be completed.</p>	

Appendix 2

Terms and Conditions of Funding Agreements

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

- *Amount of Funding* – The Region's 50% 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 50% 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.
- *Regional Representation* - A Regional staff member will participate on the project team. Responsibilities may range from being a participant on the project team, reviewing Terms of Reference prior to project initiation, to undertaking overall project management. This would be decided on a project-specific basis with the respective Area Municipal staff. As a minimum, a Regional staff member is to be involved in reviewing and approving the Terms of Reference defining the scope of work.
- *Expiry of Funding* – 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.
- *Eligible Costs* – Funding will not be available for projects or phases of projects that have previously been completed. The funding provided must only be applied to direct costs.
- *Indemnity* – The Region, or its directors, officers, employees, agents or consultants will not be held liable as a result of providing funding for any project.
- *Regional Recognition* – The Area Municipality is to ensure that the Region is to be acknowledge in all advertising and publicity related to the project for which funding was provided.
- *Ownership of Assets* – The Region's funding shall not imply any transfer of ownership from the Area Municipality of the assets involved in projects. However, the Area Municipality and the Region may agree, on a case by case basis, to have ownership rest with either the Region or the Area Municipality depending on the unique circumstances of the project.
- *Project Deliverables* – 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.
- 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.