
Niagara Region

REPORT TO: Chair and Members of the
Public Works and Utilities Committee

SUBJECT: Follow-up Report on Financial and Other
Aspects of the Wainfleet Servicing Class
Environmental Assessment (EA)

RECOMMENDATION(S)

That this report be received for information.

PURPOSE

The purpose of this report is to provide supplementary information to the PPWC regarding the Wainfleet Servicing Class EA project, as a follow up to PWP 04-2006.

EXECUTIVE SUMMARY

In connection with the Wainfleet Servicing Class EA project, this report was prepared to supplement information previously provided in PWP 04-2006. It provides information on Regional, Township and homeowner costs; financing/funding matters; the status of the Township's COMRIF application and the potential servicing of vacant lots in the Lakeshore area of Wainfleet Township.

REPORT

This report provides an update on the following topics:

- Regional and Wainfleet costs associated with implementing the preferred servicing solution for the Township's Lakeshore area, as described in the Wainfleet Class EA
- Status of the Township's Canada Ontario Municipal-Rural Infrastructure Fund (COMRIF) application
- Servicing of vacant land in the Lakeshore study area
- Exploration of alternative financing and funding options

Township and Regional Costs

Currently there are no municipal water and wastewater services in Wainfleet Township. Consequently, costs associated with providing water and sewer infrastructure to address substantive public health issues and environmental contamination concerns in the Lakeshore area are the responsibility of homeowners or the local area municipality.

Under the proposed servicing scenario, reflecting the traditional Regional-local municipal cost sharing relationship, the Region has responsibility for costs associated with the treatment and major transmission of potable water and the treatment and major conveyance of wastewater associated with the proposed new municipal services. Costs related to these respective responsibilities to fully provide water and wastewater services are illustrated below.

Components	Total (Million)	Subsidy	Net Cost (Million)	Funding Source
Regional water	\$5.3	\$2.7	\$2.6	SuperBuild (approved)
Regional wastewater	\$8.7	\$4.3	\$4.4	
Regional total	\$14.0	\$ 7.0	\$ 7.0	
Township water	\$18.1	\$12.1	\$ 6.0	COMRIF (requested)
Township wastewater	\$29.4	\$19.6	\$9.8	
Township total	\$47.5	\$31.7	\$15.8	
Total Project Costs	\$61.5	\$38.7	\$22.8	

The net cost estimate for Township components, shown above, assumes full approval of the Wainfleet's COMRIF application committing a federal/provincial contribution of \$31.7 million. This includes the cost of a proposed local water distribution system, water services, a local sewer collection system, sewer laterals and private service connections. The net cost of the Township components on that basis is estimated to be \$15.8 million.

The Region's net cost estimate, shown above, includes a contribution of approximately \$7 million towards Regional components of the water and wastewater systems. This includes a transmission main from the Port Colborne WTP, a pressure booster station, a re-chlorination facility, a main sewer pump station, a force main to the Seaway WWTP in Port Colborne and a portion of the Seaway WWTP's upgrading cost to accommodate the Township's estimated wastewater flows. Engineering, land acquisition, legal and contingency costs are also included.

The net cost to the Region is estimated to be \$7 million. Provincial funding under the Super Build program has already been approved for the Regional component of this project.

Estimated Homeowner Costs

Township and Regional staff prepared and submitted the Township’s COMRIF Intake Two funding application in late September 2005. PWP 04-2006 provided a summary of the major cost components of the Township’s submission.

Assuming a successful outcome of the COMRIF application (i.e. full 67% federal/provincial funding in the amount \$31.7 million) an example of a typical homeowner cost, based on a flat-rate assessment, is provided below. For comparison, estimated homeowner costs without COMRIF funding are also shown. Both costs are itemized into water and wastewater components.

The table assumes an estimated connection charge and a private, on-site servicing cost based on typical water and wastewater servicing costs in Niagara. Individual costs may vary considerably according to site-specific conditions. The table also estimates typical homeowner costs, assuming that no COMRIF funding is forthcoming.

Example of Typical Municipal Flat Rate Assessment with Full COMRIF Subsidy and No COMRIF Subsidy

Components	Subsidy	Flat Rate	Connection Charge	Municipal Assessment	Private Services	Estimated Total Cost
Water	66.7%	\$3,700	\$1,320	\$5,020	\$1,500	\$6,520
Wastewater	66.7%	\$6,050	\$2,180	\$8,230	\$2,500	\$10,730
Total	66.7%	\$9,750	\$3,500	\$13,250	\$4,000	\$17,250
Water	0%	\$11,100	\$1,330	\$12,430	\$1,520	\$13,950
Wastewater	0%	\$18,050	\$2,170	\$20,220	\$2,480	\$22,700
Total	0%	\$29,150	\$3,500	\$32,650	\$4,000	\$36,650

In the above table, “private services” refers to portions of water service lines and sewer laterals that fall within private property. “Connection charges” refers to the hook-ups to water and sewer pipes within the road allowance. Cost estimates provided here are intended to illustrate total and typical lot situations and will vary according to individual site conditions.

Based on an amortization period of 20-years, examples of typical annual and monthly property owner costs for both water and sewer services are presented below.

Examples of Typical Annual and Monthly Property Owner Instalment Charges

COMRIF Funding	Municipal Assessment	Yearly Payment	Monthly Payment
66.7%	\$17,250	\$1,483	\$124
0%	\$36,650	\$3,151	\$263

Obviously, optional shorter amortization periods would reflect higher monthly payments. A summary of estimated homeowner costs based on variable COMRIF funding (i.e. showing increments of \$1 million) is provided in Table "A".

Status of COMRIF Application

Since Wainfleet Township submitted its COMRIF funding request, senior levels of government have given no indication of the application's success. Informal discussions with provincial staff indicate that announcements on COMRIF's Intake Two will likely be made following future discussions between the new federal Minister of Transportation, Infrastructure and Communities (TIC), Mr. Lawrence Cannon, and his provincial counterpart, Mrs. Leona Dombrowski. All agreements must be signed jointly by federal and provincial parties.

Due to delays introduced by the recent federal election, we have been unofficially advised that the funding announcement for Intake Two will likely be made by the end of April 2006.

Servicing for New Development

Water and wastewater systems proposed for the Lakeshore area are designed to service approximately 1,280 residential lots and a few commercial land uses, in accordance with Regional policy and MOE design standards. Included in this total are approximately 200 vacant lots situated within the service area and would likely be progressively connected to the proposed system.

The Township is currently undertaking a secondary planning process, involving local stakeholders that will define the Lakeshore area's future infilling growth and preserve its unique character. The secondary plan will adopt land use and density controls for the community and place limitations on the type, characteristics and extent of future development and redevelopment.

The Planning and Development Department will provide additional information regarding planning implications of the proposed water and wastewater servicing in a separate report to PPWC.

Financing and Funding Options

Public Works staff is currently assessing a variety of options to be considered in the event that the requested COMRIF funding is not forthcoming from federal and provincial sources. This includes a review of phasing/financing, servicing alternatives and cost implications. The results of this assessment will be presented to PPWC in April 2005, after the COMRIF funding announcement has been made.

This report augments information provided in PWP 04-2006 on the Wainfleet Servicing Class EA project. It is submitted in response to direction given by PPWC to provide supplementary information on Regional and Township component costs, financing and funding matters, property owner costs and the servicing implications of new infill development in the Lakeshore area of Wainfleet Township.

Submitted by:

Approved by:

Ian Neville, MPA, P.Eng.
Commissioner of Public Works

Mike Trojan
Chief Administrative Officer

This report was prepared by Bob Steele, M.A., MCIP, RPP, with collaboration from Chado Brcic, M. Sc., P.Eng., Director, Water and Wastewater Division.

Table A
Wainfleet Water and Wastewater Class EA
Costs Assessed to Property Owners
Based on Amount of COMRIF Funding Received

COMRIF Funding (Million \$)	Costs Assessed to Property Owners (Million \$)	Costs Assessed to each Property (\$)	Yearly Payment (\$)	Monthly Payment (\$)
Total Cost of Project	\$47.5	\$36,650	\$3,150.86	\$262.57
0	47.5	36,650	3,150.86	262.57
1	46.5	36,044	3,098.74	258.23
2	45.5	35,438	3,046.62	253.89
3	44.5	34,831	2,994.50	249.54
4	43.5	34,225	2,942.38	245.20
5	42.5	33,619	2,890.26	240.86
6	41.5	33,013	2,838.14	236.51
7	40.5	32,406	2,786.02	232.17
8	39.5	31,800	2,733.90	227.83
9	38.5	31,194	2,681.78	223.48
10	37.5	30,588	2,629.66	219.14
11	36.5	29,981	2,577.54	214.79
12	35.5	29,375	2,525.42	210.45
13	34.5	28,769	2,473.30	206.11
14	33.5	28,163	2,421.18	201.76
15	32.5	27,556	2,369.06	197.42
16	31.5	26,950	2,316.94	193.08
17	30.5	26,344	2,264.82	188.73
18	29.5	25,738	2,212.70	184.39
19	28.5	25,131	2,160.58	180.05
20	27.5	24,525	2,108.46	175.70
21	26.5	23,919	2,056.34	171.36
22	25.5	23,313	2,004.22	167.02
23	24.5	22,706	1,952.10	162.67
24	23.5	22,100	1,899.98	158.33
25	22.5	21,494	1,847.85	153.99
26	21.5	20,888	1,795.73	149.64
27	20.5	20,281	1,743.61	145.30
28	19.5	19,675	1,691.49	140.96
29	18.5	19,069	1,639.37	136.61
30	17.5	18,463	1,587.25	132.27
31	16.5	17,856	1,535.13	127.93
32	15.5	17,250	1,483.01	123.58