

- 2. CLEAN WATER AND WASTEWATER FUND –
TRANSFER OF FUNDS BETWEEN APPROVED PROJECTS**
- FONDS POUR L'EAU POTABLE ET LE TRAITEMENT DES EAUX USÉES –
VIREMENT DE FONDS D'UN PROJET APPROUVÉ À UN AUTRE**

COMMITTEE RECOMMENDATIONS

That Council:

- 1. Receive the Clean Water and Wastewater Fund program update as provided in this report;**
- 2. Approve the capital authority adjustments provided in this report; and**
- 3. Delegate the authority to the City Treasurer to approve transfers between projects in excess of established delegated authority and that such delegation does not extend to additions or deletions to the list of projects previously approved by Council.**

RECOMMANDATIONS DU COMITÉ

Que le Conseil :

- 1. prenne connaissance de la mise à jour du programme du Fonds pour l'eau potable et le traitement des eaux usées, fournie dans le présent rapport;**
- 2. approuve les ajustements de dépenses d'immobilisations autorisées, décrits dans le présent rapport;**
- 3. délègue à la trésorière municipale le pouvoir d'approuver des transferts entre projets de fonds excédant les pouvoirs délégués établis, sans toutefois que cette délégation ne s'applique aux ajouts ou aux suppressions sur la liste des projets déjà approuvés par le Conseil.**

DOCUMENTATION/DOCUMENTATION

1. Director's report, Infrastructure Services, Planning, Infrastructure and Economic Development Department, dated 15 March 2018 (ACS2018-PIE-IS-0005).

Rapport du Directeur, Services de l'infrastructure, Direction générale de la planification, de l'infrastructure et du développement économique, daté le 15 mars 2018 (ACS2018-PIE-IS-0005).

**Report to
Rapport au:**

**Environment and Climate Protection Committee
Comité de l'environnement et de la protection climatique
26 March 2018 / 26 mars 2018**

**and Council
et au Conseil
11 April 2018 / 11 avril 2018**

**Submitted on March 15, 2018
Soumis le 15 mars 2018**

**Submitted by
Soumis par:
Alain Gonthier,
Director / Directeur**

**Infrastructure Services / Services de l'infrastructure
Planning, Infrastructure and Economic Development Department / Direction
générale de la planification, de l'infrastructure et du développement économique**

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Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2018-PIE-IS-0005

**SUBJECT: Clean Water and Wastewater Fund – Transfer of Funds between
Approved Projects**

**OBJET: Fonds pour l'eau potable et le traitement des eaux usées – virement
de fonds d'un projet approuvé à un autre**

REPORT RECOMMENDATIONS

That the Environment and Climate Protection Committee and Council:

- 1. Receive the Clean Water and Wastewater Fund program update as provided in this report;**
- 2. Approve the capital authority adjustments provided in this report; and**
- 3. Delegate the authority to the City Treasurer to approve transfers between projects in excess of established delegated authority and that such delegation does not extend to additions or deletions to the list of projects previously approved by Council.**

RECOMMANDATIONS DU RAPPORT

Que le Comité de l'environnement et de la protection climatique et le Conseil :

- 1. prennent connaissance de la mise à jour du programme du Fonds pour l'eau potable et le traitement des eaux usées, fournie dans le présent rapport;**
- 2. approuvent les ajustements de dépenses d'immobilisations autorisées, décrits dans le présent rapport;**
- 3. délèguent à la trésorière municipale le pouvoir d'approuver des transferts entre projets de fonds excédant les pouvoirs délégués établis, sans toutefois que cette délégation ne s'applique aux ajouts ou aux suppressions sur la liste des projets déjà approuvés par le Conseil.**

BACKGROUND

The City of Ottawa received over \$69 million in funding as part of the Clean Water and Wastewater fund (CWWF). This funding was part of a short term Canada-wide program for investment of \$2 billion to support rehabilitation of both water treatment and distribution infrastructure and existing wastewater and storm water treatment systems; collection and conveyance infrastructure; and initiatives that improve asset management, system optimization, and planning for future upgrades to water and wastewater systems.

The federal government will contribute up to 50 per cent of the funding for eligible project costs through CWWF. As part of the CWWF program, the Government of Ontario is also contributing up to 25 per cent of the funding on some eligible project costs on projects. The Government of Ontario is responsible for identifying municipal projects and oversees the transfer of CWWF funds to eligible municipalities pursuant to transfer payment agreements.

In October 2016, Council approved the proposed projects for submission ([ACS2016-PIE-GEN-0001](#)). The project listing is attached in Document 1.

Council originally approved a draft list of 40 CWWF projects and Infrastructure Ontario approved 39, removing the Design of Low impact Stormwater Retrofit on Navaho Drive. Established delegated authority requires Council approval for changes to approved capital authority of over \$92 million or 10 per cent of the value of the project.

Following Council's approval, the City applied for CWWF funding through the province in October 2016. The City received approval for CWWF funding for these projects from the province in July 21, 2017, listed in Document 2.

Over the course of 2017, staff advanced projects to meet the CWWF program delivery timelines as well as refining cost estimates.

This report provides an update on the City's CWWF projects, is seeking approval to transfer funds as documented and recommends the capital authority adjustments be granted to the City Treasurer to approve funding transfers between CWWF projects in excess of established delegated authority in order to manage the CWWF program as a whole. This approval is necessary to capitalize on the federal and provincial funding.

This delegation of authority does not include adding or deleting projects identified in the approved CWWF project listing but will allow transfer of funds within the approved \$92.365 million funding envelope.

DISCUSSION

The recommendations in this report are necessary to ensure the City can fully capitalize on the federal and provincial funding approved as part of the CWWF program.

In 2016, staff identified projects to meet the eligibility and aggressive completion timelines identified under the CWWF Program. The projects were generally in the concept stage and not advanced in scope definition or budget definition in comparison to fully programmed City projects. As projects proceed from design to procurement and completion, the cost estimates are continually refined.

Design or construction work has been initiated on the CWWF projects and some projects have already been completed, details including a status update can be found in Document 3.

On January 4, 2018, the Federal Government announced the claims period for eligible expenses for the CWWF program have been extended to March 31, 2020. Staff are working with the province to better understand the extension details and how this new deadline could provide an extension for the City to complete the approved projects.

CWWF Project Changes:

- LED Lighting Upgrades at Approximately 33 Wastewater Pumping Stations Across the City (OTT-003).

This project was identified to upgrade to all fixtures at the Wastewater Pumping Stations to allow for new energy efficient lighting. These changes will reduce the energy consumption at the facility, leading to reductions in operational costs. Project account 908740 has \$900,000 of approved funds with \$450,000 from the Federal Government and \$225,000 each from the Province and the City.

This project requires less funding than originally anticipated and will be coordinated with future works to avoid redundancy. There has been \$700,000 of funding has been identified to transfer to other projects.

- Robert O. Pickard Environmental Centre Thickening and Dewatering Building Heating, Ventilation and Air Conditioning Upgrade Project (OTT-005).

This project includes rehabilitation of a key part of the wastewater treatment process. It includes the design and construction of upgrades to the heating, ventilation and air conditioning system including a new stand alone odour control unit and upgrades to the truck loading equipment.

Project account 908742 has \$18 million of approved funding to complete the work with \$9 million from the Federal Government and \$4.5 million each from the Province and the City.

A request has been made to CWWF to increase funding by \$1.85 million by re-purposing funds that are available from other projects.

- Design for Inlet Control Devices for the Flood Protection Program - City Wide; (Storm water linear assets, appurtenances) (OTT-010).

The project will complete a design to mitigate the risk of basement flooding by retrofitting public stormwater assets. Project account 908729 has approved CWWF funding of \$225,000 with \$112,500 from the Federal Government and \$56,250 each from the Province and the City. The project design work is largely completed, under budget. There is \$175,000 of eligible cost for project OTT-010 available to be re-purposed amongst the remaining CWWF program projects as necessary.

- Village of Carp Water Quality Treatment Facility Upgrades Including New Building and granular activated carbon contactors (OTT- 015).

The original project scope was for the design and construction of granular activated carbon contactors (GAC) at the Carp Village Communal Well System to resolve taste and odour issues in the source water before chlorination. Through the design, additional work was identified to improve the electrical system within the existing building and to undertake soil remediation within the location of the new building.

Project account 906662 has \$3.1 million of funding approved from CWWF with \$1.55 million from the Federal Government and \$775,000 each from the Province and the City.

A request has been made to CWWF to increase funding by \$2.03 million by re-purposing funds that are available from other projects.

- Assessment and Program Development for Buried Sewer and Water Infrastructure for Building/Facilities Sites and Parks across the City (OTT-022).

The City's buildings, facilities and park sites include buried infrastructure that requires complete inventory updates, condition and performance assessments to develop a risk

based inspection and rehabilitation/renewal plan. This project will update the inventory of pipes and appurtenances that lie within the property boundaries of city-owned facilities, yards, garages, parks and buildings. Project account 908722 has approved funding \$1.35 million with \$675,000 from the Federal Government and \$337.5 million each from the Province and the City.

Based on revised project information, there is \$250,000 of eligible cost for project OTT-022 available to be re-purposed amongst the remaining CWWF program projects.

- Preliminary and Detailed Design for the Convent Glen North Storm Sewer (OTT-023).

The Convent Glen Storm Trunk identified for rehabilitation work extends from the north side of Highway 174 in the Orleans neighborhood discharging into the Ottawa River. Work has been successfully completed under budget and with an expanded scope Project account 908618 has an approved funding of \$1.575 million from CWWF with \$787,500 from the Federal Government and \$393,750 each from the Province and the City.

As a result, there is \$575,000 of eligible cost for project OTT-023 available to be re-purposed amongst the remaining CWWF program projects.

- Preliminary Design of Queensway Terrace North Stormwater Trunk Rehabilitation (OTT-027).

This project will complete the design for future rehabilitation of Corrugated Steel Pipe (CSP) arch pipe. The outcome of this project will clearly identify the future construction requirements. Project account 908580 has an approved budget of \$720,000 with \$360,000 from the Federal Government and \$180,000 from both the Province and the City.

There is \$200,000 of eligible cost for project OTT-027 available to be re-purposed amongst the remaining CWWF program projects.

- Construction of the New Carp Stormwater Management and Snow Disposal Facility on West Brook Drive (OTT- 029).

Construction of the new stormwater pond and snow disposal facility on West Brook Drive. To address the capacity shortfall, this project will generate capacity. Project account 908735 has approved funding \$10.95 million with \$5.475 million from the Federal Government and \$2.7375 million from each the Province and the City.

There is \$3.5 million of eligible cost for project OTT-029 available to be re-purposed amongst the remaining CWWF program projects.

- Culvert Renewal Program at Various Locations across the City – Replacement of 121 culverts (small and medium inclusive) to improve drainage flow and protect roadway structures across the City (OTT- 031).

The City has a significant inventory of drainage culverts ranging from small diameter roadway culverts to larger span drainage structures.

This project consists of the replacement of 59 small culverts and 15 medium culverts. There are 47 additional culverts identified for construction in 2018 and 2019. Project account 908723 has an approved funding \$7.398 million with \$3.699 million from the Federal Government and \$1.8495 million from each the Province and the City.

A request has been made to CWWF to increase funding for project OTT-31 by \$5 million by re-purposing funds that are available from other projects.

- Construction of the Cody-J.Mance-Levis-Cyr-Kendall-Savard Integrated Road-Water-Sewer Renewal Project (OTT- 033).

This project funds the replacement of sanitary sewers on Cody-J.Mance-Levis-Cyr-Kendall-Savard. The existing storm sewers are in good condition and will only be replaced if required to accommodate sanitary and watermain construction. The watermains throughout the project limits require replacement due to age, condition and the presence of lead services. Full road reconstruction, including curbs and sidewalk rehabilitation, will be included with this project where required.

Project account 907784 has approved funding \$8.23 million with \$4.115 million from the Federal Government and \$2.0575 million from each the Province and the City.

There is \$2.43 million of eligible cost for project OTT-033 available to be re-purposed amongst the remaining CWWF program projects.

- Design of Avenues N-O-P-Q-R-S-T-U in Ward 18, Integrated Road-Water-Sewer Renewal Project (OTT- 036).

This project will design the sanitary sewers and watermains within Avenue N, O, P, Q, R, S, T and U.

Project account 908138 has approved funding \$1.125 million with \$562,500 Federal Government and \$281,250 from each the Province and the City.

There is \$600,000 of eligible cost for project OTT-036 available to be re-purposed amongst the remaining CWWF program projects.

- Construction of Maplehurst Avenue Watermain Renewal Project (OTT- 037).

A project to replace a localized section of the watermain at the intersection of Maplehurst Avenue and Carling Avenue is nearing completion.

Project account 907792 has an approved funding of \$1.03 million with \$515,000 from the Federal Government and \$257,500 from each the Province and the City.

There is \$250,000 of eligible cost for project OTT-037 available to be re-purposed amongst the remaining CWWF program projects.

- Construction of Helena Street (Clarendon - Mayfair) Watermain Renewal Project (OTT- 039).

The project involved the replacement of aged watermains on Helena Street. The work was successfully completed under budget.

Project account 908180 has an approved funding of \$1.55 million with \$775,000 from the Federal Government and \$387,500 from each the Province and the City.

There is \$200,000 of eligible cost for project OTT-039 available to be re-purposed amongst the remaining CWWF program projects.

Staff will continue to implement projects under the CWWF program to meet the delivery guidelines. It should be noted that in December of 2017, the Province identified that Infrastructure Canada had set a deadline of January 31, 2018 to accept:

- (1) New projects to replace cancelled projects or to use funds from modified or completed projects;
- (2) Requests for funding increases regarding scope increases to use funds from modified or cancelled projects, or unused funds from completed projects.

The province requested submission of these types of changes by January 31, 2018. The changes subject to the recommendations of this report were provided to the province for consideration within their January 31, 2018 timeline.

RURAL IMPLICATIONS

The City's CWWF projects are dispersed across all areas of the City regardless of their urban, suburban or rural environment.

CONSULTATION

In 2016, Council approved the program project selection criteria and proposed projects for submission to the province. Staff have responded to questions from Members of Council regarding eligibility requirements. Committee meetings are open to the public.

Public consultation has occurred through policy development, which guides some of the projects listed in the submission and public engagement is taking place as part of the individual projects.

COMMENTS BY THE WARD COUNCILLORS

This is a city-wide report.

LEGAL IMPLICATIONS

There are no legal impediments to approving the recommendations in this report.

RISK MANAGEMENT IMPLICATIONS

Risk management implications have not changed since the initial committee and Council report in October of 2016. The recommendations of this report provide measures necessary to ensure the approved \$92,365,000 in federal/provincial and City funding can be taken advantage to its fullest.

ASSET MANAGEMENT IMPLICATIONS

The recommendations of this report are consistent with the City's [Comprehensive Asset Management \(CAM\) program](#) objectives. The implementation of the CAM program results in timely decisions that minimize lifecycle costs and ensure the long-term affordability of assets.

The CWWF provides for a customer-focused, forward looking, and systematic approach to managing city assets that support service delivery.

FINANCIAL IMPLICATIONS

Financial implications are as outlined in the report.

ACCESSIBILITY IMPACTS

There are no accessibility impacts associated with this report.

TERM OF COUNCIL PRIORITIES

The funding of these projects through the CWWF contributes to the Sustainable Environmental Services Term of Council Priority, which focuses on sustainable environmental services that balance protection of our natural resources and support the planned growth of the city with the duty to ensure fiscal sustainability and meet legislative requirements in the delivery of municipal services.

SUPPORTING DOCUMENTATION

(Previously distributed to all members of Council and held on file with the City Clerk.)

Document 1 2016 project list approved for CWWF application

Document 2 CWWF Approval Notice

Document 3 CWWF Project Status Update as of March 6, 2018

Document 4 CWWF Capital Authority Adjustments

DISPOSITION

Upon receiving Council and Federal approval, Corporate Services, Finance, will undertake the budget adjustments identified in this report. Infrastructure Services, Asset Management, will update all associated project tracking, program tracking and web presence materials necessary to reflect approved project and budget changes.