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Communication
COUNCIL: <u>Jan 24/17</u>
FAA Rpt. No. <u>1</u> Item <u>1</u>

DATE: January 23, 2017

TO: Mayor and Members of Council

FROM: Dean Ferraro, Director of Financial Services/Deputy City Treasurer
Lloyd Noronha, Director of Financial Planning and Development Finance and Deputy City Treasurer

RE: Finance, Administration and Audit Committee -
Report 1, Item 1

Purpose

To provide Council with additional information on funding sources for the Water, Wastewater and Stormwater capital programs.

Background

The Water, Wastewater and Stormwater capital programs are funded from a variety of sources.

The table below summarizes the funding sources of the capital plan.

Table: Funding Sources of Capital

	Citywide Development Charges	Infrastructure Reserves	Gas Tax	Debenture Finance	Other (Subdivider Contributions, Grants and Shared Costs)	Capital from Taxation	Total
Open projects	24,680,208	17,028,702	2,545,004	1,128,096	920,918		46,302,928
2017	9,495,225	9,870,105		1,133,200		34,900	20,533,430
Grand Total	34,175,433	26,898,807	2,545,004	2,261,296	920,918	34,900	66,836,358

The total capital plan for water, wastewater and stormwater equates to \$66.8 million, with funding allocated as follows:

- 51% Citywide Development Charges for the design and construction of growth related infrastructure
- 40% Water, Wastewater and Stormwater Reserves for the replacement of existing infrastructure
- 4% from Gas Tax for Stormwater Management Pond rehabilitation
- 3% Debenture Finance for VMC Stormwater projects (Edgeley Pond and Black Creek)
- 2% Capital from Taxation, Subdivider Contributions, Grants and Shared Costs for other infrastructure projects



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Staff continually investigate and explore alternate funding sources for capital programs.

These alternate funding sources usually are in the form of grants funded by the Federal and Provincial governments. One such opportunity is the Clean Water Wastewater Fund (CWWF).

In September of 2016 the City received a notification from the Ministry of Infrastructure that the City is eligible to receive a maximum federal allocation of \$13,903,829 and a maximum provincial allocation of \$6,951,915, totaling \$20,855,744. Staff completed the required application and are waiting to receive confirmation of funding for the projects that have been proposed.

If successful, funds received from the CWWF will reduce the draw on reserves.

The CWWF focuses investments on meeting immediate priorities for clean water and wastewater to support a cleaner and healthier environment for communities. These include:

- the rehabilitation and optimization of water, wastewater and stormwater related infrastructure;
- improvement of asset management approaches including studies and pilot projects;
- planning for future upgrades to wastewater treatment and collection infrastructure to meet applicable regulatory requirements; and
- new construction projects, including the construction of naturalized systems for management and treatment of wastewater and storm water may also be considered if they can be completed within the program timeframe.

At the Finance, Administrative and Audit Committee on January 24, 2017, Council added a resolution as follows:

"That staff be requested to prepare a resolution to be forwarded to the Province of Ontario requesting relief and assistance from the high cost of providing Water and Wastewater services for Regional and Local Municipalities across the Province"

At this time, other than the CWWF funds noted above staff are not aware of any other federal or provincial programs currently available. Staff believe it would be appropriate to await the outcome of the CWWF grant funding approval, before sending a communication requesting further relief.

Once the Ministry of Infrastructure notifies the City of the amount of CWWF funds approved, staff will report back to Council. Subsequently, staff will draft a communication to the Province once we have the benefit of the approved CWWF grant information and any further direction Council may provide at that point in time.



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Respectfully submitted,

Dean Ferraro, CPA, CA
Director of Financial Services/Deputy City Treasurer

Lloyd Noronha, CPA, CMA
Director of Financial Planning and Development Finance and Deputy Treasurer