



CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
Hamilton Water Division

TO:	Chair and Members Public Works Committee
COMMITTEE DATE:	February 14, 2022
SUBJECT/REPORT NO:	Provincial Funding to Improve Wastewater and Stormwater in Ontario (PW22010) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Cassandra Kristalyn (905) 546-2424 Ext. 3791
SUBMITTED BY:	Nick Winters Director, Hamilton Water (Acting) Public Works Department
SIGNATURE:	

RECOMMENDATIONS

- (a) That the By-law to Authorize the Signing of a Municipal funding agreement for the transfer of the Improving Wastewater and Stormwater Discharges in Lake Ontario Funding Program Funds between the Ministry of Environment, Conservation and Parks and the City of Hamilton, attached as Appendix “A” to Report PW22010, be passed;
- (b) That the By-law to Authorize the Signing of a Municipal funding agreement for the transfer of the Improving, Monitoring and Public Reporting of Sewage Overflows and Bypasses Funding Program Funds between the Ministry of Environment, Conservation, and Parks and the City of Hamilton attached as Appendix “B” to Report PW22010, be passed;
- (c) That certified copies of the approved by-laws authorizing the signing of the Municipal funding agreements be forwarded to the Ministry of Environment, Conservation, and Parks; and,
- (d) That should the City of Hamilton’s submission under the Ministry of Environment, Conservation, and Parks’ funding programs be approved, that staff be directed to report back to the Public Works Committee with a list of the approved projects and a financing strategy for any project costs that are not eligible under the programs.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

EXECUTIVE SUMMARY

On January 27, 2022, the Province of Ontario (Province) announced two (2) new project-based funding programs to assist municipalities to build, upgrade and rehabilitate wastewater and stormwater infrastructure. These funding programs are the Improving Wastewater and Stormwater Discharges in Lake Ontario Funding Program, and the Improving Monitoring and Public reporting of Sewage Overflows and Bypasses Funding Program. The City of Hamilton (City) was advised that its total combined funding allocation is \$1,819,614.

To receive the allocated funding, municipalities are required to enter into funding agreements with the Province. Municipalities need to enact a by-law authorizing it to sign a funding agreement with the Province by March 31, 2022.

Staff will report back to the Public Works Committee at a future date with the list of projects approved by the Ministry of Environment, Conservation, and Parks (MECP), as well as, a financing strategy for any project costs that are considered ineligible under the funding agreements.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The City will be required to fund project expenditures that exceed the City's total eligible allocation of \$1,819,614 under the two funding programs. The City will also be responsible to fund any project expenses that are deemed ineligible.

Staffing: Staffing costs will be incurred through in-kind municipal resources required to complete some projects, such as municipal staff time for administrative work, project management, in-house design work, in-house modeling, and construction inspection.

Legal: The attached by-laws (Appendices "A" and "B" to Report PW22010) authorizing the signing of required funding agreements, along with a signed copy of the funding agreements, is required to be submitted to the Province to receive the grant funding.

HISTORICAL BACKGROUND

On January 27, 2022, the Province of Ontario announced two (2) new project-based funding programs to assist municipalities to build, upgrade and rehabilitate wastewater and stormwater infrastructure. City staff have attended webinars hosted by the Ministry

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of the Environment, Conservation and Parks (MECP) to obtain information on the two (2) funding programs including eligibility, funding details, eligible projects, and eligible/ineligible costs. The City was advised that its total combined allocation under the two funding programs is \$1,819,614. These programs include:

The Improving Wastewater and Stormwater Discharges in Lake Ontario Funding Program:

- A \$15M initiative which is intended to be used to make improvements to municipal wastewater and stormwater systems through projects that would lower phosphorus discharges from municipal wastewater and stormwater, reduce the likelihood of sewage overflows and bypasses, and improve the quality of stormwater discharges.
- The City was advised that the total funding under this program is \$933,678 over two (2) years.

The Improving Monitoring and Public Reporting of Sewage Overflows and Bypasses Funding Program:

- A \$10M initiative which is intended to be used to help municipalities implement and/or make improvements to the municipal monitoring/modelling and public reporting or sewage overflows and bypasses.
- The City was advised that the total funding under this program is \$885,936 over two (2) years.

To receive the allocated funding municipalities are required to enter into funding agreements with the Province. Municipalities need to enact a by-law authorizing it to sign a funding agreement with the Province by March 31, 2022.

The funding is not intended to cover the full cost of implementing overall improvements to Lake Ontario water quality, but rather to contribute to local improvements. In-kind municipal resources may be required to complete some projects (e.g. municipal staff time). In acquiring equipment, services or other eligible items, municipalities must do so through a procurement process that promotes the best value for money.

As part of the agreements, the City will be required to create workplans that set out how the funds for each funding program will be used to make improvements to the wastewater and stormwater infrastructure and will be used to make improvements to sewage overflow and bypass monitoring/modelling and public reporting infrastructure. The workplans for both funding programs are due back to the MECP by June 30, 2022.

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Should the City's submission under the MECP funding programs be approved, staff will report back to the Public Works Committee with a list of approved projects and a recommended financing strategy for any costs in excess of the \$1,819,614 allocation.

Detailed overviews of the two (2) funding programs are presented in Appendix "C" to Report PW22010.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Not applicable.

RELEVANT CONSULTATION

The following groups have been consulted and are supportive of the recommendations:

Corporate Services – Financial Planning, Administration and Policy Division was consulted during the preparation of this report.

Corporate Services – Legal Services Division was consulted during the preparation of this report.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The City has been allocated \$1,819,614 in grant funding under the two funding programs and is required to enter into funding agreements with the Province by March 31, 2022. The City must submit project workplans for Ministry of the Environment, Conservation and Parks (MECP) approval by June 30, 2022.

Approval of recommendations (a) through (c) are necessary for the City to be able to execute the MECP funding agreements.

Staff will report back to the Public Works Committee at a future date with the list of projects approved by the MECP, as well as, a financing strategy for any project costs that are considered ineligible under the funding agreements.

ALTERNATIVES FOR CONSIDERATION

Not applicable

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Healthy and Safe Communities

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

Clean and Green

Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.

Built Environment and Infrastructure

Hamilton is supported by state-of-the-art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report PW22010 - Bylaw to Authorize the Signing of a Municipal funding agreement for the Transfer of the Improving Wastewater and Stormwater Discharges in Lake Ontario Funding Program Funds between the Ministry of Environment, Conservation and Parks and the City of Hamilton

Appendix “B” to Report PW22010 - Bylaw to Authorize the Signing of a Municipal funding agreement for the Transfer of the Improving, Monitoring and Public Reporting of Sewage Overflows and Bypasses Funding Program Funds Between the Ministry of Environment, Conservation, and Parks and the City of Hamilton

Appendix “C” to Report PW22010 - Detailed Overviews of the Improving Wastewater and Stormwater Discharges in Lake Ontario, and the Improving, Monitoring and Public Reporting of Sewage Overflows and Bypasses Funding Programs