



To: Public Works and Transportation Committee **Date:** October 11, 2018
From: John Irving, P.Eng. MPA **File:** 10-6060-01/2018-Vol
 Director, Engineering 01
Re: **2018 Submission to the Investing in Canada Infrastructure Program Green
 Infrastructure – Environmental Quality Sub-Stream:
 Hamilton Area Sanitary Sewer and Pump Station**

Staff Recommendation

1. That the submission to the Investing in Canada Infrastructure Program Green Infrastructure – Environmental Quality Sub-Stream requesting funding for up to 73.33% of the \$1,700,000 cost for the Hamilton Area Sanitary Sewer and Pump Station project be endorsed;
2. That the Chief Administrative Officer and the General Manager of Engineering and Public Works be authorized to enter into funding agreements with the Government of Canada and/or the Province of BC for the above mentioned project should it be approved for funding by the Government of Canada; and
3. That, should the above mentioned project be approved for funding by the Government of Canada, the Consolidated 5 Year Financial Plan (2019-2023) be updated accordingly.



John Irving, P.Eng. MPA
 Director, Engineering
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REPORT CONCURRENCE		
ROUTED TO: Finance Department Sewerage & Drainage	CONCURRENCE <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	CONCURRENCE OF GENERAL MANAGER 
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: CS	APPROVED BY CAO 

Staff Report

Origin

On May 31, 2018, Investing in Canada Infrastructure Program (ICIP) Green Infrastructure – Environmental Quality Sub-Stream announced a call for applications from local governments for projects that help communities address infrastructure needs, while supporting environmental quality through infrastructure projects including improvements to treatment and management of drinking water, wastewater and stormwater, as well as reductions to soil and air pollutants through solid waste diversion and remediation.

The deadline for applications was August 29, 2018. Staff submitted an application for the Hamilton Area Sanitary Sewer and Pump Station project. Council approved \$1,700,000 as part of the 2017 Capital Plan.

The purpose of this report is to seek Council's endorsement on the submission to ICIP Green Infrastructure – Environmental Quality Sub-Stream grant funding for up to 73.33% of the project cost, for a total of \$1,246,610.

This report supports Council's 2014-2018 Term Goal #5 Partnerships and Collaboration:

Continue development and utilization of collaborative approaches and partnerships with intergovernmental and other agencies to help meet the needs of the Richmond community.

This report supports Council's 2014-2018 Term Goal #6 Quality Infrastructure Networks:

Continue diligence towards the development of infrastructure networks that are safe, sustainable, and address the challenges associated with aging systems, population growth, and environmental impact.

6.1. Safe and sustainable infrastructure.

This report supports Council's 2014-2018 Term Goal #7 Strong Financial Stewardship:

Maintain the City's strong financial position through effective budget processes, the efficient and effective use of financial resources, and the prudent leveraging of economic and financial opportunities to increase current and long-term financial sustainability.

7.4. Strategic financial opportunities are optimized.

Analysis

The Hamilton Area Sanitary Sewer and Pump Station project will provide sanitary sewer service for the Willet sanitary catchments to support population growth projected through the City's Official Community Plan. The area is currently serviced by private septic systems and is not connected to the regional sanitary sewer system. Council approved \$1,700,000 as part of the 2017 Capital Plan. Staff are currently in the early design phase of this project and estimate that construction will be complete by end of 2020.

Staff submitted an application for the Hamilton Area Sanitary Sewer and Pump Station project to the Green Infrastructure – Environmental Quality Sub-Stream that is a component of the wider Investing in Canada Infrastructure Program (ICIP). The ICIP will provide funding through a mutual agreement between Canada and British Columbia for Green Infrastructure, Community, Culture and Recreation Infrastructure, Rural and Northern Communities Infrastructure, and Public Transit Infrastructure.

Canada and British Columbia governments are investing up to \$243.04 million in the initial intake of the ICIP Green Infrastructure – Environmental Quality Sub-Stream.

Staff submitted one project to ICIP Green Infrastructure – Environmental Quality Sub-Stream requesting grant funding:

Project	Total Estimated Cost	Potential Federal Contribution	Potential Provincial Contribution	Potential Total Senior Government Contribution
Hamilton Area Sanitary Sewer and Pump Station	\$1,700,000	Up to 40% of eligible costs (\$680,000)	Up to 33.33% of eligible costs (\$566,610)	Up to 73.33% of eligible costs (\$1,246,610)

Hamilton Area Sanitary Sewer and Pump Station project is in the Council approved 2017 Capital Plan.

Funding Details

The ICIP Green Infrastructure – Environmental Quality Sub-Stream operates through a 40% federal and 33.33% provincial funding model.

Should the funding request be successful, the City would be required to enter into a funding agreement with the Province of BC and/or the Government of Canada. The agreements are standard form agreements provided by senior levels of government and include an indemnity and release in favour of the Provincial and Federal Government. As with any submission for funding to external sources, funding is not guaranteed to be granted to assist with this project.

Financial Impact

The City of Richmond will be requesting up to \$1,246,610 for funding of the Hamilton Area Sanitary Sewer and Pump Station project from the ICIP Green Infrastructure – Environmental Quality Sub-Stream.

There is existing capital funding for the Hamilton Area Sanitary Sewer & Pump Station project in the Council approved 2017 Capital Plan for a total cost of \$1,700,000 funded by Sanitary Sewer Reserve and Development Cost Charges. Should the grant be successful, the funding source of the project will be adjusted to utilize the grant funding and reduce the Sanitary Sewer Reserve and Development Cost Charge funding sources accordingly.

Conclusion

Staff are seeking Council's endorsement on the submission to the Investing in Canada Infrastructure Program Green Infrastructure – Environmental Quality Sub-Stream for the Hamilton Area Sanitary Sewer and Pump Station project. Richmond is requesting up to the maximum grant amount of 73.33% funding for this project for a total of \$1,246,610.



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