CITY OF VICTORIA

Committee of the Whole Report
For the Meeting of February 13, 2020

To:	Committee of the Whole	**Date:**	February 11, 2020
From:	Fraser Work, Director of Engineering and Public Works		
Subject:	Investing in Canada Infrastructure Program - Grant Funding Application		

RECOMMENDATION

That Council:

1. Direct staff to submit a grant application for $7.5 million in funding for Sewer Projects to Reduce Inflow and Infiltration through the Investing in Canada Infrastructure Program – Green Infrastructure – Environmental Quality Sub-Stream.

2. If the grant application is approved, authorize the City entering into a shared cost agreement with the Province of British Columbia, generally as described in this report, on the terms acceptable to the Director of Finance and the Director of Engineering and Public Works and in the form acceptable to the City Solicitor.

EXECUTIVE SUMMARY

The purpose of this report is to provide Council with information on the Investing in Canada Infrastructure Program (ICIP) Green Infrastructure – Environmental Quality Sub-Stream and seek Council direction to submit an application by the deadline of February 26, 2020 for $7.5 million in grant funding for sewer projects to reduce inflow and infiltration.

Canada and British Columbia governments are investing up to $150 million in the second intake of the (ICIP) Green Infrastructure – Environmental Quality Sub-Stream, to fund infrastructure projects that will support quality and management improvements for drinking water, wastewater and stormwater, as well as reductions to soil and air pollutants through solid waste diversion and remediation. Funding is available up to 73.33% of eligible project costs (40% Canada, 33.33% British Columbia). With the maximum cost-share percentages the municipal contribution is 26.67%.

Should the funding request be successful, the City would be required to enter into a shared cost agreement with the Province of British Columbia. The agreement is a standard form agreement provided by senior levels of government and include indemnity and release in favour of the Provincial and Federal government.

The City's application will seek funding for $7.5 million for sewer projects to reduce inflow and infiltration. The City has two types of sewer systems: stormwater and sanitary sewers. The stormwater system convey rainwater, ground water and runoff from roofs, roads and parking lots

to creeks, harbours and the ocean. Sanitary sewers convey wastewater from residential and commercial buildings to the CRD's regional sewer system. Inflow and infiltration (I&I), is a term that describes rainwater and groundwater that improperly enters the sanitary sewer system. Inflow refers to rainwater that enters the sewer through incorrect plumbing connections and infiltration refers to groundwater that seeps into the sewer through cracks, tree/plant root intrusion and faulty joints. The amount of I&I varies in the system, however I&I tends to increase as the sewer infrastructure ages. While some I&I is unavoidable, much can be eliminated through private and public infrastructure renewal. Excessive amounts of I&I can lead to flooding, sanitary sewer overflows and water quality issues in the receiving environment, resulting in beach closures due to public health hazards. As well, high I&I flows increase the costs and required resources associated with sewage treatment and reduce capacity in the City's mains. Anticipated increases to the intensity and duration of precipitation events due to climate change will exacerbate the impacts of I&I if mitigation is not undertaken.

The City, CRD and other core area municipalities have committed to reducing I&I rates to meet sustainability goals and commitments defined in the Core Area Liquid Waste Management Plan (CALWMP) of reducing wet weather flows below four times the average dry weather flow at Clover Point and the McLoughlin Point wastewater treatment plant by 2030. The CALWMP outlines wastewater management strategies for the City and CRD core area municipalities under the Environmental Management Act.

Specific actions to address I&I including potential increases due to climate change have been identified in significant analysis over the past 25 years with priority actions to be addressed under this project including the replacement or rehabilitation of approximately 2,500 metres of sewer main, 61 manholes and 600 service connection pipes at an estimated cost of $10.23 million.

If the application is successful, the grant allocation will accelerate implementation of I&I reduction projects.

2019-2022 Strategic Plan

This project contributes to Objective Six – Climate Leadership and Environmental Stewardship and aligns with, and helps to achieve the following actions:

13. Begin to plan for mitigating the inflow and infiltration issues on private property
21. Promote rain gardens and improve water quality entering waterways
25. Work with partners to clean up the harbour and steward waterways

The project also aligns with actions in the City of Victoria's Climate Adaptation Plan (CAP), including:

- Seek funding, investment, and partnership opportunities to enhance the speed and quality of adaptation initiatives.
- Study the interdependencies between infrastructure systems to minimize cascading effects.

Impacts to Financial Plan

The 2020 Draft Financial Plan outlines proposed expenditures for I&I from 2020-2039. If the application is successful, the grant allocation will accelerate implementation of I&I reduction projects. Over the five-year project term, the City's total contribution would be $2.73 million, 26.7% of total costs. The current Financial Plan budgets approximately $1.2 million annually on I&I reduction projects which is sufficient to cover the City's annual contribution to this project. The

federal government would fund $4.09 million, and the Province of British Columbia would fund $3.41 million, for a total grant contribution of 73.33% of estimated project costs.

Official Community Plan Consistency Statement

The following OCP goals and objectives are supported by the recommendations in this report. From Section 11. Infrastructure:

11 (A) Victoria's well-maintained infrastructure and facilities meet the needs of residents and business utilizing best management practices.

11 (C) Efficient and effective liquid waste management protects human health and the natural environment and makes use of resource potential.

11 (e) Wastewater is managed to safeguard public health and to protect the marine environment.

CONCLUSIONS

Staff are seeking direction to submit a grant application for $7.5 million in funding for Sewer Projects to Reduce Inflow and Infiltration through the ICIP Green Infrastructure – Environmental Quality Sub-Stream. If the application is successful, the City's share of the project costs, estimated at $2.73 million will be funded from the Sanitary Sewer Utilities Capital Budget over the five-year project term which will help to accelerate the City's I&I reduction efforts.

Respectfully submitted,

Jas Paul, Assistant Director
Engineering

Fraser Work, Director
Engineering and Public Works

Report accepted and recommended by the City Manager:

Date: Feb 11, 2020