

TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON AUGUST 22, 2016
FROM:	JOHN BRAAM, P.ENG. MANAGING DIRECTOR ENVIRONMENTAL & ENGINEERING SERVICES AND CITY ENGINEER
SUBJECT:	WATER AND EROSION CONTROL INFRASTRUCTURE (WECI) PROGRAM: 2016 PROVINCIALY APPROVED PROJECT FUNDING (SOLE SOURCED)

RECOMMENDATION

That, on the recommendation of the Managing Director Environmental & Engineering Services and City Engineer, the following action **BE TAKEN** with respect to City of London's contribution to infrastructure funded through the Ministry of Natural Resource and Forestry's Water and Erosion Control Infrastructure capital cost share program:

- a) The Upper Thames River Conservation Authority **BE AUTHORIZED** to carry out the following projects in concert with the City in the total amount of \$2,171,500.00, including contingency, excluding HST; noting the requirements of this provincial funding program are unique, in that only conservation authorities can apply, requiring 14.3.a) of the Procurement of Goods and Services Policy:
 - a. West London Dykes Phases 3 - 9 Design;
 - b. London Earth Dykes Preliminary Engineering Feasibility;
 - c. Fanshawe Dam Transformer Station and Standby Generator Replacement;
 - d. West London Dyke Phase 3 Construction;
 - e. Broughdale Dyke Environmental Assessment;
 - f. Riverview Dyke Environmental Assessment;
 - g. Interim Repairs Broughdale & Clarence-Nelson;
 - h. Fanshawe Motor Control Centre Replacement;
 - i. Fanshawe Dam Operation and Maintenance Schedule Manual; and,
 - j. Fanshawe Dam Paint Phase 4 - pre-engineering.

- b) the financing for this work **BE APPROVED** as set out in the Sources of Financing Report attached hereto as Appendix "A";

- c) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this work.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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Civic Works Committee – February 2, 2016 – West London Dyke Master Repair Plan
Municipal Class Environmental Assessment Study

Strategic Priorities and Policy Committee – January 28, 2016 – Downtown Infrastructure
Planning and Coordination

Council – March 21, 2011 – UTRCA 2010 and 2011 Levies for Remediating
Flood/Erosion Control, Dykes and Dam Structures within the City

Finance & Administration Committee – February 2, 2011 – Funding Agreement with
UTRCA for Remediating Flood Control Works within the City

2016-2019 CORPORATE STRATEGIC PLAN ALIGNMENT

The 2016-2019 Strategic Plan identifies the following objectives that relate directly to the recommendations provided by the West London Dyke Master Repair Plan EA:

- BUILDING A SUSTAINABLE CITY: 1B-Manage and improve stormwater infrastructure and services; and
- BUILDING A SUSTAINABLE CITY: 1E-Fund innovative ways to adopt to Climate Change.

BACKGROUND

Purpose:

The objective of this report is to establish a funding commitment in order to proceed with projects eligible for 50% provincial capital funding through the Ministry of Natural Resource and Forestry (MNR) Water and Erosion Control Infrastructure (WECI) program.

Context:

The WECI program is a MNR capital cost share program to provide funding for water or erosion control structures (example: dams and dykes). This funding can only be accessed by Conservation Authorities (CAs) but can be used for infrastructure owned by municipalities as long as the infrastructure is maintained by the CA. Over the last 13 years, in partnership with the UTRCA, over \$7M in funding has been used to repair and reconstruct City owned infrastructure which the UTRCA maintains through an agreement with the City drafted in 1985.

DISCUSSION

WECI Program

The WECI program is a MNR capital cost share program that provides matched funding to CAs for the major reconstruction and maintenance of flood control or erosion control structures that are either owned or maintained by CAs. Because of this requirement, the City must use Clause 14.3.a), “*statutory or market based monopoly*”, of its Procurement Policy to engage in this project. This program contributes to public safety and natural hazard prevention at the local watershed level.

The funding is provided through a prioritization process that includes existing flood and erosion control infrastructure. Projects are selected for funding by a committee made up of five CA representatives, one MNR representative, and one Conservation Ontario (CO) staff representative. An Upper Thames River Conservation Authority (UTRCA) staff is a member of this committee. The committee reviews and scores project submissions and determines the priority list of eligible projects on an annual basis.

Major projects must meet the following six criteria:

1. Submissions are made by conservation authorities.
2. The project must be for existing infrastructure. WECI funding is not for new infrastructure.
3. The Infrastructure must be conservation authority owned or maintained.
4. The works proposed must represent one of the four main classes of projects:
 - a. Dams – these can range in size from small rural mill dams to large urban flood control structures
 - b. Dykes – examples include those that protect urban core areas as well as agricultural areas such as those near the Lake Erie shoreline
 - c. Shoreline Erosion Protection – examples include erosion works along the Great Lakes shoreline and inland waterways and lakes
 - d. Flood Control Channels – these typically involve river channels in urban areas, and can also include diversion channels

5. The program is a 50/50 cost share with the local municipality or contributors and must have a resolution or legally binding agreement to demonstrate financial commitment.
6. Projects must be completed in the fiscal year, April 1 to March 15, in which they are approved and funded.

The UTRCA and City of London have successfully received over \$7M in funding through this program since 2003. The largest project to date was the West London Dyke Reconstruction: Phase 1 at an overall cost of \$3.8M (\$1.9M from WECl).



Figure 1 Phase 1 of West London Dyke Replacement.

Multi-year Budget Funding

The multi-year budget includes funding for the renewal of the City of London's owned flood and erosion control infrastructure. The multi-year budget item "ES2474 UTRCA Remediating Flood Control Works within City Limits" provides the City's share of WECl eligible maintenance and reconstruction works with a total of \$6.1M over the 4-year period. This investment would result in \$12.2M in overall capital renewal works by 2020.

Project Management

UTRCA and City of London Staff have worked closely to project manage WECl related projects. These projects often are located in high profile areas (West London Dyke) or within the natural heritage system (the City's various earthen dykes). As the WECl funding program provides funding directly to Conservation Authorities, all project procurement and project management is the ultimate responsibility of the UTRCA project manager and the UTRCA Board of Directors. With this being the case, UTRCA have been diligent in collaborating with City Staff in the delivery of the various WECl projects. The City and UTRCA are currently working on a revised partnership framework and expect to report on the framework in the near future.

Financial Administration

As required by the WECl funding guidelines a resolution is made by the UTRCA Board annually to demonstrate their financial commitment and their willingness to complete the funded project within the WECl fiscal year (April 1 to March 15). All funding and related project billing is managed directly by the Conservation Authority. As the Conservation Authority is responsible for all of the funding and administrative aspects of the project the procurement for the study and construction contracts are made directly by the Conservation Authority in accordance with their established procurement policies. The municipality is subsequently billed the remaining 50% share of eligible costs.

The City of London's Procurement of Goods and Services Policy contemplates the standard process for the procurement of goods and the construction of major

infrastructure where the City is the project manager. In order to receive the benefit of the Province's WECl program the Conservation Authority is the project manager and must be subject to its board's own procurement process and policy. In order to ensure compliance with the City of London's procurement policy the following actions are suggested:

- Upon receipt of the annual approval letter from the MNRF a report will be brought forward to Committee requesting that the various projects be endorsed by committee and that the required City's share of the costs be committed. Purchase orders would be created for each of the approved projects.
- All previously funded projects with existing remaining City Share funding commitments be endorsed by Committee and that the required City's share of the costs be committed. Purchase orders would be created for each of the approved projects.

The following table summarizes the 2016 provincially approved WECl project funding.

Table 1 2016 Approved WECl Project Funding

Project	Full Project Amount	London Share
West London Dyke Phase 3 Construction	\$3,600,000	\$1,800,000
Broughdale Dyke EA	\$80,000	\$40,000
Riverview Dyke EA	\$80,000	\$40,000
Interim Repairs Broughdale & Clarence-Nelson	\$25,000	\$12,500
Fanshawe Motor Control Centre Replacement	\$225,000	\$112,500
Fanshawe Dam Operations and Maintenance Manual	\$25,000	\$12,500
Fanshawe Dam Paint Phase 4 - pre-engineering	\$10,000	\$5,000
Total	\$4,045,000	\$2,022,500

The following table summarizes the previous year's provincially approved WECl project funding commitments.

Table 2 Previously Approved WECl Commitments

Project	Committed Funding (London Share)
West London Dykes Phases 3 - 9 Design	\$42,000
London Earth Dykes Preliminary Engineering Feasibility	\$15,000
Fanshawe Dam Transformer Station and Standby Generator Replacement	\$92,000
Total	\$149,000

The total funding commitment including 2016 and previously approved WECl projects is \$2,171,500.

West London Dyke Phase 3

Phase 3 of reconstruction of the West London Dyke is scheduled to begin later this summer which will see approximately 300 m of the dyke replaced with a near vertical modular block wall, matching what has been constructed in Phases 1 and 2. A public meeting was held on June 13th providing the Blackfriars community an opportunity to view and provide comment on drawings and design concepts for this phase of construction. The UTRCA provided a two week tendering of this project beginning in the first week of August and closing on August 18th.

CONCLUSION

City Staff and UTRCA staff will continue to work closely to ensure the best technical and public outcomes for each identified WECl funded project. Both teams will continue to work together to complete the current program of approved WECl funded projects and endeavour to maximize the City of London's potential to receive future provincial funding for City owned flood and erosion control infrastructure.

This report was prepared by Chris McIntosh, P. Eng. of the Stormwater Engineering Division.

SUBMITTED BY:	REVIEWED AND CONCURRED BY:
SCOTT MATHERS, MPA, P.ENG. DIVISION MANAGER, STORMWATER	JOHN LUCAS, P. ENG. DIRECTOR, WATER AND WASTEWATER
RECOMMENDED BY:	
JOHN BRAAM, P. ENG. MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER	

July 29, 2016

Appendix "A" – Source of Financing
Appendix "B" – Locations Map