

**CANADA-ONTARIO MUNICIPAL RURAL INFRASTRUCTURE FUND (COMRIF)
PROGRAM INFORMATION AND APPLICATION**

Recommendation

The City Manager and the Commissioner of Finance & Corporate Services, the Commissioner of Engineering & Public Works and the Director of Reserves & Investments recommend:

1. THAT the information contained in this report with respect to the COMRIF program be received,
2. THAT staff be authorized to submit an application to the COMRIF program for Watermain Replacements – Various Locations for an amount up to \$9,516,000 requesting 2/3 funding from the Governments of Canada and Ontario in the combined amount of \$6,344,000 for a net cost to the City of \$3,172,000,
3. THAT the City's 1/3 portion of the funding in the amount of \$3,172,000 be approved as part of the 2005 budget deliberations process. Funding is available in the Water Reserve and is currently included in the 2005 Proposed Capital Budget for some specific locations. Additional locations will be added as identified by staff through the application process,
4. THAT for the purposes of the COMRIF application, Council endorse Watermain Replacements – Various Locations as the Municipality's highest priority and,
5. THAT the appropriate staff be authorized to sign the application and the Mayor and Clerk be authorized to execute the necessary agreements.

Purpose

The purpose of this report is to provide Council with information pertaining to the Canada-Ontario Municipal Rural Infrastructure Fund (COMRIF) program and seek Council authorization to submit an application to COMRIF to meet the January 10th, 2005 deadline.

Background & Analysis

On November 15, 2004, the \$900 million COMRIF program was launched creating a major investment in municipal and rural infrastructure. The Governments of Canada and Ontario and the Association of Municipalities of Ontario (AMO) are working together to improve and renew public infrastructure across the province through this investment. Through contributions of up to \$298 million each from the Federal and Provincial governments, this fund will stimulate up to \$900 million in capital investments (with municipal investments) over the next five years. COMRIF targets the infrastructure needs of small urban and rural communities with a population of less than 250,000 people.

COMRIF'S objective is "to ensure citizens in Ontario's small urban and rural municipalities enjoy a quality of life that's second to none, through sustainable infrastructure investments which:

- Enhance and renew Ontario's aging public infrastructure
- Improve the quality of the environment
- Protect the health and safety of citizens
- Support long-term economic growth
- Build strong, sustainable communities by giving municipalities the tools they need"

The program will focus on local needs through infrastructure improvements to provide cleaner water, better sewage systems, improved waste management processes, safer local roads and bridges as well as other health and safety priorities. "Green" infrastructure is the top priority with 55 per cent of funding for projects involving water quality, sustainable communities, climate change, and innovation.

An analysis of the infrastructure projects included in the Proposed 2005 Capital Budget and potential future projects was performed and a number of projects were identified that may be eligible for application under this funding program. These projects include:

- Watermain Replacements
- Stormwater Management
- Municipal Structures (Bridges and Culverts)
- Operation Green Bin (3-stream recycling)
- Local Roads and Bridges (reconstruction, resurfacing and upgrading)
- Municipal Building Retrofits
- Recreational & Cultural Facilities
- Fields/Parks/Playgrounds
- Fitness Trails/Bike Paths and Lances

The first application deadline is January 10th, 2005 and is comprised of four requirements:

- (1) application form and business case
- (2) appropriate technical schedules where required
- (3) any other relevant information to support the application (eg. Market studies)
- (4) a municipal council resolution endorsing the project as the municipality's highest priority

Due to the short time frame between the announcement and the application deadline and the detailed business case and technical requirements due with the application, the City is in a position to submit an application for the Watermain Replacements – Various Locations project. Also required at the time of application is Council's endorsement that this project is currently the Municipality's highest priority.

The following watermain replacement projects are included in the 2005 Proposed Capital Budget:

Campbell Avenue - Watermain Replacement	\$ 155,000
Doney Crescent Reconstruction & Watermain Replacement	165,000
Pine Grove Road Reconstruction & Watermain Replacement	113,000
Watermain Replacement - Langstaff & Connie Crescent	60,000
Woodbridge Avenue Resurfacing & Watermain Replacement	490,000
Watermain Replacements - Various Locations (Southview Drive, Hillside Avenue, Baldwin Avenue, Keeleview Court, Jardin Drive)	<u>2,189,000</u>
Total Value of Watermain Replacements	<u>\$ 3,172,000</u>

The application will be submitted as one project entitled "Watermain Replacements – Various Locations" and will include the locations identified in the 2005 Proposed Capital Budget in the amount of \$3,172,000 as well as additional locations identified through the application process up to an amount of \$6,344,000 for a total application amount of up to \$9,516,000.

The Sustainable Water and Sewage Systems Act, 2002 (Ontario) is legislation that provides for the implementation of full cost recovery for municipal water and wastewater services in Ontario. In order for this project to qualify, "The Applicant must be moving or have moved to full cost recovery for its water and wastewater systems unless the Project cannot be supported by increases in water rates because further rate increases would be unaffordable due to the community's economic circumstances or income levels." As Vaughan is moving towards full cost recovery, the full \$9.5 million cost would normally be recovered from ratepayers. However, by endorsing this project as the Municipality's current highest priority and upon approval of the application, ratepayers will benefit through up to a \$6.3 million cost recovery reduction (the 2/3 Federal/Provincial share) in the replacement of these watermains.

Relationship to Vaughan Vision 2007

COMRIF and this report are consistent with the Vaughan Vision Statement "promotes a safe, livable and sustainable environment" and through the enhancement of non-tax revenues by evaluating and increasing grants and subsidies available from external agencies.

Conclusion

The launch of the COMRIF program provides Vaughan with the opportunity to seek alternative funding for much needed infrastructure repair and replacement programs. By providing authorization to submit an application for Watermain Replacements – Various Locations, and if approved, a funding savings of up to \$6.3 million will be realized. This savings in turn results in up to a \$6.3 million cost recovery savings to ratepayers. In order to meet all application criteria, Council must endorse this project as the Municipality's highest priority at this time.

As other application intake dates become available, Staff will bring forward additional projects for Council approval for submission. With the anticipation of additional application dates in the Spring of 2005 and 2006, Staff have started the process of preparing for these deadlines. An information report will also be provided to Council once we receive a reply for this application.

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Respectfully submitted,

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