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# HALDIMAND COUNTY

## Report ECW-08-2021 Budget Revision – Highway 6 Corridor Servicing Study For Consideration by Committee of the Whole on September 14, 2021

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### OBJECTIVE:

To obtain approval for a budget amendment in the capital funding for the Highway 6 Corridor Servicing Study.

### RECOMMENDATIONS:

1. THAT Report ECW-08-2021 Budget Revision – Highway 6 Corridor Servicing Study be received;
2. AND THAT the Revised Budget as outlined in Report ECW-09-2021 be approved;
3. AND THAT it is the intention of the Corporation of Haldimand County to recover, in accordance with the *Development Charges Act*, the growth related costs associated with the Highway 6 Corridor Servicing Study from future developments, which occur within Haldimand County as a whole.

**Respectfully submitted:** Tyson Haedrich, M. Eng., P. Eng., General Manager of Engineering & Capital Works

**Approved:** Craig Manley, MCIP, RPP, Chief Administrative Officer

### EXECUTIVE SUMMARY:

The Highway 6 Corridor Servicing Study requires a budget revision to increase total funding for the project. This funding increase is related to the requirement to extend the current Environmental Assessment for the Nanticoke Wastewater Treatment Plant (WWTP) which is due to expire in January 2022. The option of the Nanticoke WWTP is a critical component of the Highway 6 Corridor Servicing Study as the study is based on the assumption that in the future both an expanded water treatment and a new wastewater treatment plant could be located in Nanticoke.

The proposed budget amendment impacts only the capital reserve fund balances noted within the report and therefore have no impact on the proposed rates included in the 2021 Rate Supported Operating Budget and Capital Forecast.

### BACKGROUND:

The Highway 6 Corridor Servicing Study was initiated in 2012 to review the feasibility of providing water and wastewater servicing along the Caledonia to Nanticoke corridor. One of the primary goals of the study was to determine the long term feasibility of ultimately providing water to Caledonia/Cayuga and also treating wastewater from Caledonia, Hagersville and Jarvis at one centralized wastewater treatment plant in Nanticoke.

This study has been ongoing and the draft reports have been updated as development has proceeded and other information has been received. The major changes over the years include the following:

- Significant increased development in Caledonia
- Significant increased development in Hagersville

- Increased development in Jarvis
- Collaboration on water supply to Six Nations

The County also has identified a 2021 project to complete a Master Servicing Plan (MSP) for the Lake Erie Industrial Park (LEIP). During a review of the current status of the Highway 6 Corridor Servicing Study as part of the background for the LEIP Master Servicing Plan it was identified that the Nanticoke Wastewater Treatment Plant (WWTP) Environmental Assessment (EA) was due to expire in January 2022. Environmental Assessments are typically valid for ten years and require an amendment to extend the term for another ten years.

Section 3.03 of Procurement Policy 2013-02 provides the parameters for relocating budget funds for capital projects to address budget deficits. If the scope of work changes, a report to Council is required to authorize the proposed amendments.

## ANALYSIS:

The Nanticoke Wastewater Treatment Plant (WWTP) Environmental Assessment (EA) is due to expire in January 2022 and will require an amendment to extend the EA term for another ten years.

The County has identified the extension of the Environmental Assessment as a critical project for the following reasons:

- The current Environmental Assessment expires in January 2022 and the amendment is expected to take three months to complete.
- The Nanticoke WWTP provides a feasible secondary servicing option for Caledonia WWTP.
- The Nanticoke WWTP provides a feasible servicing option for Hagersville WWTP which will ultimately be limited in capacity by the receiving stream (Sandusk Creek).
- The required consultation for the Caledonia WWTP Environmental Assessment is anticipated to be very challenging to resolve in a manner acceptable to the Ministry of Environment Conservation and Parks (MECP).
- The MECP has indicated that the Highway 6 Corridor Servicing Study and the Nanticoke WWTP Environmental Assessment will have to be combined as the projects are co-dependent.

As the Nanticoke WWTP is a critical component of the Highway 6 Corridor Servicing Study staff are proposing that the budget for the current study be updated to include the amendment to the Environmental Assessment. The current consultant for the Highway 6 Corridor Study (WSP) has significant background knowledge of the Nanticoke WWTP EA, demonstrated capability with associated studies and has indicated that while the timeline is tight will be able to meet the deadline for filing the amendment to extend the Environmental Assessment.

## FINANCIAL/LEGAL IMPLICATIONS:

The previous Tax Supported Capital budget included \$200,000 related to this project. For the above noted reasons, staff propose a revision to the budget as follows:

	Current Budget	Additional Funds Required	Proposed Revised Budget
<b>Capital Expenditures:</b>			
Project Expenditures	\$200,000	\$126,000	\$326,000
<b>Total Capital Expenditures:</b>	<b>\$200,000</b>	<b>\$126,000</b>	<b>\$326,000</b>
<b>Financing:</b>			

CRRF-Sewer	\$100,000	\$27,000	\$127,000
DCRF-Sewer	\$0	\$99,000	\$99,000
CRRF-Water	\$56,000	\$0	\$56,000
DCRF-Water	\$44,000	\$0	\$44,000
<b>Total Financing:</b>	<b>\$200,000</b>	<b>\$126,000</b>	<b>\$326,000</b>

As this project contains a growth component, a portion of the funding is to be recovered from Development Charges. It is anticipated that the growth related costs will be funded from future development which occurs within Haldimand County as a whole. The remaining funding for this change in scope is to be funded from Capital Replacement Reserve Fund – Sewer. There are currently sufficient funds within this reserve fund to accommodate this increased cost.

A funding amendment is also required to the existing wastewater component to reflect the growth related portion of the current project. The revised budget outlined above reflects the change in funding to the existing project.

As these changes impact only the capital reserve funds noted above, there will be no impact on the end rate charged to users as a result of these changes.

### STAKEHOLDER IMPACTS:

Not applicable.

### REPORT IMPACTS:

Agreement: No

By-law: No

Budget Amendment: Yes

Policy: No

### ATTACHMENTS:

1. None