

THE MUNICIPALITY OF LAMBTON SHORES

Report DPW 07-2022

Council Meeting Date: April 5, 2022

TO: Mayor Weber and Members of Council
FROM: Nick Verhoeven, Director of Public Works
RE: LAWSS Joint Funding Application Request

RECOMMENDATION:

THAT Report DPW 07-2022 regarding LAWSS Joint Funding Application Request be received; and

THAT a LAWSS Joint Funding Application that targets the 20-year planning horizon for all projects that does not impede the Municipality's ability to apply and secure grant funding for similar projects be supported; and

THAT the Lambton Shores portion (approximately 2%) of 1/3 of \$135 million over the next twenty years for LAWSS Capital projects be committed.

SUMMARY

At the March 15, 2022 meeting of Lambton Shores Council a presentation was made by the Lambton Area Water Supply System (LAWSS) to request support for a joint funding application by member Municipalities.

BACKGROUND

The Lambton Area Water Supply System (LAWSS) is a regional water distribution system that supplies member Municipalities within Lambton County treated drinking water. LAWSS is governed by a joint board made up of members from different Municipalities that receive water from LAWSS. LAWSS is funded by the members proportionally based on flows received from the LAWSS system.

The West Lambton Shores Water distribution system is supplied from the LAWSS system and covers Forest and the West Bosanquet subdivision areas including Lakeview Haven, Cedar Cove, Glendale, Lake Valley Grove and Indian Hills trail. The East Lambton Shores Water Distribution system is supplied from the Lake Huron Primary Water Supply System (LHPWSS) and supplies Ipperwash, Port Franks, Thedford, Arkona, Grand Bend, and eastern rural areas.

LAWSS has created a master plan to establish and prioritize projects over a 20-year period that would ensure proper infrastructure is in place to satisfy member demands on the system, to ensure the system has redundancies in place to protect against critical failures within the system, and to rehabilitate critical infrastructure. The projects have a total value of approximately \$135 million dollars. LAWSS wishes to apply for funding from upper-level governments in order to obtain funds to move these projects ahead. LAWSS is seeking support from member municipalities to support a joint funding application on the basis that the funding received covers two thirds of project costs and the funding application does not impede individual municipalities from seeking funding for their own needs. Lambton Shores commitment would be approximately 2% of the project costs not funded by a two thirds or greater grant which equates to \$900,000 over the twenty-year masterplan planning period (\$45,000/year). This would increase the water department capital cost which is funded from the Water Reserve Fund. It should be noted that the funding for the projects could come partially or entirely from money Lambton Shores already contributes to LAWSS and therefore the numbers presented above are a worst case scenario.

The identified projects range in location and the amount of benefit specifically to Lambton Shores. In a regional system not all projects are going to directly benefit all members equally. The projects have been identified through a Class Environmental Assessment master plan process which means they have been evaluated against alternatives based on a system wide approach and have taken in consideration a long-term planning outlook. Staff are supportive of the approach used by LAWSS to establish the priorities projects and believe that the direct and indirect benefits of these projects will strengthen the ability of LAWSS to provide critical drinking water supply to Lambton County member municipalities. Staff are also supportive of the request to support a joint funding application from upper tier governments for at least two thirds funding and committing Lambton Shores contribution provided that any funding applications do not impede Lambton Shores ability to obtain funding for our own needs and projects.

ALTERNATIVES TO CONSIDER

No other alternatives are presented at this time.

RECOMMENDED ACTIONS

It is recommended that the Lambton Shores support LAWSS Joint funding application and commit funding for our balance of the projects.

FINANCIAL IMPACT

The Joint funding application is based on at least two thirds funding from upper tier governments on a total projects budget of \$135 million. Lambton Shores share of LAWSS operating costs are approximately 2% based on historical flows meaning that Lambton Shores would be responsible for approximately \$900,000 over twenty years or \$45,000 a year. The funds may come partially or entirely from money Lambton Shores already

contributes to LAWSS. Any new funding provided by Lambton Shores will be added to the Water Department Capital budget and funded from the Reserve Fund annually.

This request comes in time for the costs to be included in our water rate study and financial plan that will be completed in 2022.

CONSULTATION

Janet Fergusson, Director of Financial Services
Clinton Harper, LAWSS General Manager