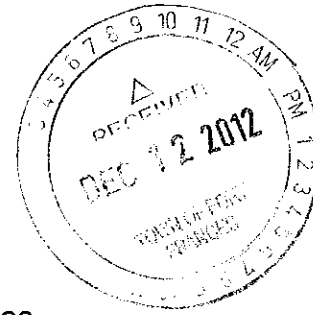


December 10, 2012

Report To: Mayor & Council

From: Doug Brown, Manager Operations & Facilities



SUBJECT: Submission of Expression of Interest for Funding for Phase 2 (2013) of Tender No. 12-OF-01- Portion of Second Street (between Mowat Avenue & Central Avenue) and Portion of Mowat Avenue (between Third Street & Second Street) under the Municipal Infrastructure Investment Initiative (MIII) Capital Program.

Back in September of 2012 the Town submitted an " Expression of Interest" form to finalize an Asset Management Plan in accordance with provincially established guidelines. The Town received \$25, 731.09 in funding to complete the Asset Management Plan by December 31, 2013. The preparation of an Asset Management Plan in accordance with Ministry of infrastructure guidelines is the first step for our Town to receive a constant funding source from both the Provincial and Federal Government to address future capital asset needs.

At this time the Ministry of Infrastructure is requesting " Expression of Interest" for critical infrastructure projects identified as top priorities through Asset Management Plans for 2013-2014. There is \$ 51,000,000 available in Ontario to complete these projects.

Through discussion with water and wastewater operators, engineering staff and I & I Study completed by KGS Group the next critical section of sanitary sewer piping due to be replaced is considered a trunk section of 450 mm diameter sanitary sewer along Second Street from Mowat Avenue to Central Avenue and Mowat Avenue from Third Street to Second Street. The project was tendered out in 2012 under Tender No. 12-OF-01 where Makkinga was the low bid. The total cost to complete this project is estimated at \$1,271, 068.46 which included a \$100,000 contingency allowance.

The project funding is based on the following;

1) 1/3 cost – Federal Gas Revenue -	\$ 424,000
2) 1/3 cost - Town's water and sewer funds -	\$ 424,000
3) 1/3 cost – Municipal Infrastructure Investment Initiative -	\$ 424,000
Total	\$1,272,000

Please find attached administration report prepared by Travis Rob outlined in detail the information, which must be contained in the "Expression of Interest" form for capital funding under the MIII capital program.

The deadline for submission is January 9, 2013 at 5:00 pm EST where the following documentation must be submitted;

- 1) 2011 Municipal Financial Information Return to the Ministry of Municipal Affairs and Housing. The Town's (FIR) was submitted on May 31, 2012 and an updated FIR was resubmitted on June 15, 2012 once the Rainy River District Social Services Board audit information was received.
- 2) Completed Expression of Interest Form to the Ontario Ministry of Agriculture, Food and Rural Affairs. See attached completed form.
- 3) A resolution of Council as outlined below.

The Operations & Facilities Executive Committee recommends the following:

- 1) That Council endorses the following resolution- that the information contained in the "Expression of Interest" form is factually accurate and the Town of Fort Frances is committed to develop an Asset Management Plan in conformance with the requirements set out in the Ministry of Infrastructure; **Building Together: Guide for Municipal Asset Management Plans** document by December 31, 2013.
- 2) That a copy of the resolution outlined in Item No. 1 accompany the "Expression of Interest" Form to be submitted to the Ontario Ministry of Agriculture, Food and Rural Affairs prior to the deadline of January 9, 2013.

Respectfully submitted,
Operations & Facilities Division

Doug Brown

Doug Brown, P. Eng.
Manager Operations & Facilities

Council approval of this report will ensure the following:

1) That Council endorses the following resolution- that the information contained in the "Expression of Interest" form is factually accurate and the Town of Fort Frances is committed to develop an Asset Management Plan in conformance with the requirements set out in the Ministry of Infrastructure; **Building Together: Guide for Municipal Asset Management Plans** document by December 31, 2013.

2) That a copy of the resolution outlined in Item No. 1 accompany the "Expression of Interest" Form to be submitted to the Ontario Ministry of Agriculture, Food and Rural Affairs prior to the deadline of January 9, 2013.

2012SeptemberMIIIexpressionofinterest

RECOMMENDED

DEC 10 2012

DIV. MNG.

EXECUTIVE COMM.

December 10, 2012

Report To: Doug Brown, Manager of Operations and Facilities

From: Travis Rob, Facilities/Sustainability Coordinator

SUBJECT: Submission of Expression of Interest for Funding under the Municipal Infrastructure Improvement Initiative Capital Program

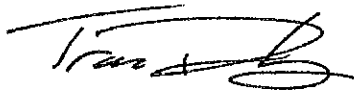
On August 16, 2012 The Ministry of Infrastructure launched an Asset Management Funding Program to help municipalities with costs incurred to undertake the development of a comprehensive Asset Management Plan. The second phase of this program, called the Municipal Infrastructure Improvement Initiative (MIII) Capital Program, was released on November 16, 2012. The MIII Capital Program will see the province provide up to \$51 million for municipalities to address necessary road, bridge, water and wastewater projects in 2013-14 and 2014-15. The projects that are eligible for this funding must be detailed as top priorities through a comprehensive asset management plan; administration is proposing to apply for funding for the reconstruction of Second Street between Mowat Avenue and Central Avenue and Mowat Avenue between Second Street and Third Street.

As the development of a comprehensive asset management plan is ongoing, the Town is required to submit an expression of interest by January 9, 2013 to the Ministry of Infrastructure to be eligible for the first round of MIII funds. To complete this expression of interest form a resolution from council is required declaring that the information contained on the Expression of Interest form, attached to this report, is factually accurate and that the Town of Fort Frances is committed to develop an asset management plan in conformance with the requirements set out in the Ministry of Infrastructure; **Building Together: Guide for Municipal Asset Management Plans** document by December 31, 2013.

The deadline for the submission of the expression of interest is January 9, 2013 at 5:00pm EST where the following documentation must be provided:

1. 2011 Municipal Financial Return to the Ministry of Municipal Affairs and Housing. The Town's (FIR) was submitted on May 31, 2012 and an updated FIR was submitted on June 15, 2012 once the Rainy River District Social Services Board audit information was received.
2. The completed expression of interest form to the Ontario Ministry of Agriculture, Food and Rural Affairs. See attached completed form.
3. A council resolution as outlined above.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Travis Rob', with a stylized flourish at the end.

Travis Rob, EIT
Facilities/Sustainability Coordinator

Municipal Infrastructure Investment Initiative Capital Program – Expression of Interest

On August 16, 2012, the Province of Ontario launched the Municipal Infrastructure Investment Initiative (MIII) as part of the Municipal Infrastructure Strategy. Through the MIII Capital Program, up to \$51 million will be made available to address necessary road, bridge, water and wastewater projects identified as top priorities through comprehensive asset management plans. Funding will be targeted to municipalities and Local Services Boards (LSBs) that are unable to pay for proposed projects without provincial assistance.

Ontario municipalities and LSBs that own roads and/or bridges and/or water systems and/or wastewater systems are eligible. In addition, municipalities that have not done so already must submit their 2011 Financial Information Return to the Ministry of Municipal Affairs and Housing by January 9, 2013.

The MIII Capital Program includes both a pre-screening and an application process. To begin, municipalities and LSBs may submit this Expression of Interest form for pre-screening. Completed expression of interest forms must be submitted by 5 p.m. EST on January 9, 2013. Municipalities and Local Services Boards that pass the pre-screening process will be given the opportunity to submit a detailed application.

For more information, see the **Municipal Infrastructure Investment Initiative Capital Program manual** and **Building Together: Guide for Municipal Asset Management Plans**.

If submitting this form by email, please save the completed form to your desktop and send as an attachment to miii@ontario.ca

If submitting by mail please print the completed form and send to:

Municipal Infrastructure Investment Initiative Secretariat
c/o Rural Programs Branch
Ontario Ministry of Agriculture, Food and Rural Affairs
1 Stone Road West, 4th Floor
Guelph ON N1G 4Y2

<http://www.ontario.ca/municipalinfrastructure>

Please fill in all fields on this form that apply to your municipality or LSB.

Section 1 – Municipality/LSB Contact Information

Municipality/LSB Name*

The Corporation of the Town of Fort Frances

Authorized Contact

Last Name Brown	First Name Doug	Middle Initial D C
Position O & Manager, P Eng.	Telephone Number (807)274-9893	Email Address dbrown@fort-frances.com

*Note if this is a joint project, please include all municipalities and LSBs that are part of the project, but only the contact information for the lead municipality/LSB.

Mailing Address

Unit Number	Street Number 320	Street Name Portage Avenue	PO Box n.a.
City/Town Fort Frances	Province Ontario	Postal Code P9A 3P9	

Section 2 – Project Information

Project Name

Second Street Reconstruction

Project Type (road, bridge, water or wastewater)

Road, Water and Wastewater

Project Financial Information

Total Project Cost \$1,272,000.00	Amount of Provincial Funding Request \$424,000.00
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Section 2 – Project Information (Cont'd)

List the sources of financing for the project other than the provincial funding requested.

Funding Source	Amount
Federal Gas Tax	\$424,000.00

Project Location			
Unit Number	Street Number	Street Name	PO Box
		Second Street and Mowat Avenue	
City/Town	Province		Postal Code
Fort Frances	Ontario		
Latitude	Longitude		
48.611839	-93.399072		

Section 3 – Asset Management Planning

Please describe your municipality's or LSB's progress to date toward completing a comprehensive asset management plan according to the key elements outlined in **Building Together: Guide for Municipal Asset Management Plans**. Where possible, please provide supporting documentation.

State of local infrastructure

The Town has no condition ratings for the following assets; storm sewer system, social housing, the sidewalk network, facilities and other associated HVAC equipment, street lighting and the water distribution system. The CCTV inspection data for the sanitary sewer collection system is very out-dated and additional CCTV inspection work should be completed under this program. For example the Town has approximately 51.3 kms of storm sewer piping and 1708 catchbasin or manholes where no condition rating of these assets has been completed. There are no policies in place in regards to data verification and condition assessment that sets out when and how asset information or data will be verified and when and how assets will be assessed to determine their condition. Funding from this program will be utilized to complete some outstanding condition rating of some assets and develop policies in regards to data verification.

Expected levels of service

The Town has done minimal work over the past 9 years establishing policies and/or standards for desired level of services for its main assets. However, some progress has been made as a result of regulatory requirements. For example the Town has operated and maintained its water system in accordance with Ontario regulation 170/03 and is in the process of implementing a quality management system for the Town's water system. Trending is taking place in regards to water leaks within the water distribution system and customer water quality complaints are recorded. On an annual basis staff and management of the water system at all levels within the organization of the Town of Fort Frances review and evaluate where infrastructure maintenance, rehabilitation and renewal needs should be incorporated to improve service delivery for the up coming years and trending is a useful tool incorporated into the decision making process.

Back in October of 2009, the Town adopted minimum maintenance standards for its municipal highways in accordance Ontario regulation 239/02 where the routine road patrol, snow accumulation and icy roadways standards are adhered to. Another example where the Town reviewed desired level of service data on a higher level on a monthly basis is the comparison of potable water manufactured at the Water Treatment Plant (WTP) to the amount of wastewater discharged at the sewage treatment plant (STP). As a result of this comparison the Town has realized that a significant amount of groundwater and surface water is being treated at the STP for no reason and that some investigation work was required to determine where this (I & I) loading is coming from. As a result the KGS group was retained to undertake an Infiltration and Inflow (I&I) Investigation of the sanitary sewer collection system starting in the fall of 2008 with completion in the spring of 2012.

With the recent adoption of O. Reg. 397/11, Energy Management and Demand Management Plans under the Green Energy Act, the Town will begin monitoring and trending energy use in its facilities by July 2013. The second portion of this legislation is to develop an Energy Conservation and Demand Management Plan for a five-year term that will

outline the capital and maintenance needs required to identify and maintain the desired level of service in our municipal facilities.

The Town participates in completing municipal performance measurement data submissions on an annual basis, however has done very little in the way of reviewing and evaluating performance measuring data from other municipalities of similar size due to other pressing operating and maintenance challenges such as creating an inventory database of all its tangible capital assets. Funding resources will be utilized to review how other municipalities of similar size are incorporating desired levels of service parameters for its main assets and what type of monitoring program is in place to review such performance measurement data. Funding from this program will also be utilized to establish policies and/or standards for desired levels of service for its main assets and to develop a program to review performance measurement parameters from similar size municipalities.

Asset management strategy

The Town has adopted several operational principles or maintenance activities in order to ensure some assets are maintained and operated at a higher standard over the past 9 years. For example in regards to the water distribution system, 20% of the isolation valves are exercised on an annual basis. This will ensure all isolation valves are exercised on a 5-year cycle. Also the Town has been utilizing water mains of PVC materials when replacing old ductile iron or cast iron water mains as the life expectancy is greater than the previously used steel or cast iron piping.

Additional work is required to ensure additional best practices or maintenance strategies are incorporated into the existing maintenance and operational activities to try to increase the life expectancy of some assets. The geographic distance, in Northwestern Ontario, between communities make it difficult to group tender large scale infrastructure reconstruction or rehabilitation projects in order to obtain better pricing, but the Town is open and willing to participate in such a practice.

As outlined above in section 2 (Current Asset Management Practices) there is no finalized master asset management plan in place which outlines the maintenance, renewal, rehabilitation and expansion strategies for each tangible asset. Additional work is required to develop such a master asset management plan with the appropriate strategies.

Financing strategy

Back in 2010, BMA Management Consulting completed an Asset Management Financial Plan where the Town forecasted for only 6 years of capital needs. The new requirement would have the Town prepare a financial plan for its assets forecasting for a 10 year period where ideally the plan should cover the entire lifecycle of assets. Additional work will be required to develop a 10 year term financial plan starting from 2013 as the base year.

Please explain in detail your community's workplan for completing a comprehensive asset management plan according to the key elements outlined in **Building Together: Guide for Municipal Asset Management Plans**.

State of local infrastructure

Through the winter months the records, condition assessments, and studies will be evaluated to develop a state of our local infrastructure. During this time, any areas of weakness or missing data in our asset records will be documented and those areas will be assessed further and verified to complete our understanding of the asset condition in the spring. Once a thorough understanding of the asset condition is known this information will be added to the document.

Expected levels of service

The Town is working with all staff and departments to develop a guideline for expected levels of service of our infrastructure. Each asset type will be assessed individually to best define the expected level of service based on the operating conditions of that asset type. Once the expected levels of service have been determined this information will be used to refine the state of local infrastructure.

Asset management strategy

With the state of the local infrastructure and the expected levels of service defined, the past maintenance history, past studies and past inspections will be analyzed to develop a long term asset management strategy. This strategy will define, on an annual basis, the assets that should be targeted for replacement, or repair to keep their performance within the defined levels of service.

Financing strategy

The Town completed, in 2010, an Asset Management Financial Plan. This document will be reviewed and updated

where required and form the basis of the financial strategy. The Town will use current costing data and inflate it out over the duration of the asset management strategy to develop costing for renewal projects through the asset management plan duration.

Section 4 – Problem Description

The problem description should clearly describe the public health and/or safety problem arising from the current situation and the impact of the problem on the municipality or LSB (e.g., number of people affected).

The area of Second Street and Mowat Avenue contains the sanitary sewer main which collects the sanitary waste from most of the households in the east end of Town. This pipe is 450mm in diameter, made of clay, severely deteriorated, deeply buried, and 67 years old, further to this this main travels under one of the Town's main east/west collector roads with high traffic volumes. Given the high traffic flows, the impacts of a closure and the risk to motorists do to a sink hole caused by a breakage on this roadway would be immense. Further to this if there was a break causing a back log of sewage in the system, a large portion of the Town's population are at risk from basements flooding with sewage. In this area the water main is 150mm diameter ductile iron water main installed in 1913. This water main is approaching 100 years old, this far exceeds the projected useful life of ductile iron pipe. The possible health affect that could be seen from a pathogen entering the water system through a break in an aged water main could be very widespread and catastrophic.

Section 5 – Project Description

The project description should outline the scope of the project.

This project will include the removal of the old asphalt surface, road base, curb and gutter, sidewalk, water main, sanitary sewer main and storm sewer mains. The water main will be replaced with new PVC water main, including control valves, and service lines to property line. The Sanitary Sewer main will be replaced with new PVC main including new manholes, new sewer services to property line and a closed circuit television inspection of the completed main to check for deficiencies. The old storm sewer main and catch basin leads will be replaced with new HDPE and PVC storm sewer including replacing manholes and catch basins. Finally the existing concrete curb and gutter, sidewalk, road base and asphalt surface will be replaced.

Section 6 – Project Rationale

Please describe how the project would reduce or eliminate the public health and/or safety problem.

With new sewer and water infrastructure along this corridor the Town will complete the renewal of the last problematic section of this main collector sanitary sewer main. By utilizing new pipe materials and connection details this new sanitary and water main should provide many years of safe and problem free service to the residents of the Town of Fort Frances.

Section 7 – Project Readiness

Describe your workplan to complete the project by Dec. 31, 2014, including obtaining any necessary approvals (e.g., Environmental Assessment).

The Town of Fort Frances has already completed the tendering process for this work, however at this time there has not been a contractor awarded to this work. Once all financial approvals and commitments are complete the award of this contract can be completed and the work can begin in early spring or summer of 2013. All of this work is scheduled to be completed by the end of September 2013 with final inspections to take place shortly after this time.

Section 8 – Alternative Options Considered

Please describe other options considered to address the problem.

The Town is fairly limited with the possible solutions to this problem. The sanitary main could be relined however this does not address the aged water main. The Town could delay this project while securing the funding through rates to complete this work, however if there was a major break in the main, all accrued funds could be used up to cover the cost of the repair. This section of sanitary main was last closed circuit television (CCTV) inspected in 1997 and the Town has considered reinspecting the main to evaluate the change in condition and reassess its criticality. Currently the Town is developing a tender for CCTV inspection work in 2013 and if this reconstruction project gets delayed, this section of main will be inspected at that time.

Section 9 – Funding Need

Explain why your municipality or LSB requires the amount of provincial funding requested above and why it cannot implement the project on its own.

On November 20, 2012 the local paper mill, Resolute Forest Products, announced an indefinite partial closure of its operations in Fort Frances. This announcement will cost 239 local employees their jobs and a reduction in the local tax assessment which directly impacts the Town of Fort Frances Capital and Operational budgets. Beyond the reduction in tax revenue expected by this announcement, the mill is a major consumer of water which will be a direct but unknown reduction in water revenue. On top of the financial unsurety from the November announcement the mill has appealed its property tax assessment for the past three tax years which could see the Town owing Resolute a substantial payment in back taxes. Given the economic challenges the Town is currently facing, all capital expenses are being further scrutinized and the criticality is being questioned before any funds are allocated to a project.

Section 10 – Declaration

Each Expression of Interest must be accompanied by a declaration. For municipalities, the declaration can be made by a resolution or letter from municipal council. For LSBs, the declaration must be made by resolution from the LSB board.

I certify that:

- the information in the Expression of Interest is factually accurate; and
- the municipality or LSB has a comprehensive asset management plan that includes all of the information and analysis described in **Building Together: Guide for Municipal Asset Management Plans** in place; or
- the municipality or LSB is committed to developing a comprehensive asset management plan that includes all of the information and analysis described in **Building Together: Guide for Municipal Asset Management Plans** by December 31, 2013.

I have the authority to bind the municipality/LSB.

Full Name (Last name, first name)	Position	Date (yyyy/mm/dd)
Mayor Roy Avis and Clerk Glenn Treftlin	Mayor and Clerk	

If submitting an electronic copy of the resolution or by-law, please attach this document to the email submitted.

Section 11 – Submission

Expressions of Interest must be received by 5 p.m. EST on January 9, 2013.

Questions? Call 1 888 588-4111 or send an email to miii@ontario.ca.

Mailing address:

Municipal Infrastructure Investment Initiative Secretariat
c/o Rural Programs Branch
Ontario Ministry of Agriculture, Food and Rural Affairs
1 Stone Rd West, 4th Floor
Guelph ON N1G 4Y2

Section 12 – Documents Submitted With This Expression of Interest

Please outline any files or documents (e.g., asset management plan) you will be submitting along with this Expression of Interest.

If you are submitting this form by email, write a description of the file's contents to the left and indicate the file name or hyperlink to the right.

Attach all documents to the same email as this form.

If you are submitting this form by mail, simply write a description of each document you are submitting along with this Expression of Interest, in the left-hand column.

Description of File or Document Attached	File Name or Hyperlink