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Tracey Neifer, CA
Manager of Financial Services

REPORT RE: COUNCIL December 18th, 2012
REPORT NO: FS 63 - 2012

SUBJECT: BCF Funding for Sauble Sewage System

RECOMMENDATION:

That report FS 63-2012 BCF Funding for Sauble Sewage System as presented on December 18th, 2012 be noted and filed.

BACKGROUND:

As the Sauble Water and Sewer Report Ad Hoc Committee is presenting report SWSRAHC4-2012 being the Final Report to Council, then this report is intended to provide Council with the grant and financial information for the project to date.

On November 17th, 2008 Council passed resolution R-450-2008:

THAT Council of the Corporation of the Town of South Bruce Peninsula submit the application for Intake One of the Building Canada Fund – Communities Component (Intake One BCF-CC) for the Sauble Beach Sanitary Sewer Servicing Project with an application amount of \$10,000,000.

On April 14th, 2009 Council passed By-Law 40-2009 being a By-Law to sign the Contribution Agreement for funding with the Ministry of Agriculture, Food and Rural Affairs under the Building Canada Fund – Communities Component. Schedule B of this agreement sets out the description of the project as follows:

The Town of South Bruce Peninsula proposes to construct a new sewage system for the community of Sauble Beach in Bruce County. The work includes the utilization of a Clearford-style sewer system that relies on pressure tested, polyethylene pipes; partial pre-treatment of sewage in individual septic tanks reducing the size of the required sewage treatment plant; the utilization of UV reactors for final disinfection; an on-site emergency storage lagoon and additional facilities to reduce phosphorus in the effluent to the lowest amount possible.

Schedule D sets out the financial assistance as follows:

<i>Total Eligible Costs</i>	<i>\$9,360,000</i>
<i>Federal Maximum Financial Assistance</i>	<i>\$3,120,000</i>
<i>Ontario Maximum Financial Assistance</i>	<i>\$3,120,000</i>
<i>Maximum Financial Assistance</i>	<i>\$6,240,000</i>

Subsequent to the agreement being accepted, By-Law 103-2009 was passed on October 13th, 2009 to authorize a sewage system to be known as the Sauble Beach Sewage System with total estimated project costs totaling \$10,160,000, and giving staff the authority to proceed. The increase from the eligible costs of \$9,360,000 to the total costs of \$10,160,000 is due to ineligible costs under the agreement of \$500,000 for land acquisition and \$300,000 for financing costs.

As part of the terms of the Contribution Agreement, regular claims submissions have been made in order to receive grant funding as the costs are incurred. The following claims submissions have been made to date, noting that with the establishment of the Adhoc Committee and the deferral of the project, no further eligible costs have been incurred or submitted for this project.

Claim No.	Submitted Expenses	Eligible Expenses	Provincial Funding	Federal Funding	Grant Received	Date
1	\$ 384,136.17	\$ 384,136.17	\$ 128,045.39	\$ 128,045.39	\$ 256,090.78	2-Jun-10
2	\$ 61,752.37	\$ 61,752.37	\$ 20,584.12	\$ 20,584.12	\$ 41,168.24	2-Jun-10
3	\$ 33,044.21	\$ 32,949.17	\$ 10,983.06	\$ 10,983.06	\$ 21,966.12	19-Aug-10
4	\$ 43,383.17	\$ 43,100.49	\$ 14,366.83	\$ 14,366.83	\$ 28,733.66	13-Jan-11
5	\$ 31,871.16	\$ 31,871.16	\$ 10,623.72	\$ 10,623.72	\$ 21,247.44	13-Jan-11
6	\$ 56,209.36	\$ 56,209.36	\$ 18,736.44	\$ 18,736.44	\$ 37,472.88	21-Jul-11
7	\$ 4,648.87	\$ 4,645.20	\$ 1,548.40	\$ 1,548.40	\$ 3,096.80	23-Sep-11
	<u>\$ 615,045.31</u>	<u>\$ 614,663.92</u>	<u>\$ 204,887.96</u>	<u>\$ 204,887.96</u>	<u>\$ 409,775.92</u>	

Ineligible Costs	\$ 381.39
Postage	\$ 95.04
Invoice adj	\$ 282.68
Courier	\$ 3.67
	<u>\$ 381.39</u>

As shown in the chart above, some costs are deemed to be ineligible for the project and were denied when submitted. Schedule C of the agreement sets out the eligible and ineligible costs for this project. The following costs have been incurred and are deemed to be ineligible under the agreement, and as such have not been included in the claim forms outlined above:

INTER-DEPARTMENTAL IMPACT:

The Finance Department will take the necessary action with regards to this project, once a decision of Council is known. There is no action required as a result of this report at this time.

BUDGET IMPLICATIONS:



Approval of Manager of Financial Services

This report has been prepared to provide Council with financial implications with regards to the Sauble Sewage System. Budget implications will be dependent on Council direction with regards to the Sauble Water and Sewer Report Ad Hoc Committee report SWSRAHC4-2012.

EXPECTED DATE OF COMPLETION:

Upon passing of this report, no further action is required by Council.

Respectfully Submitted,



Tracey Neifer, CPA, CA
Manager of Financial Services
Date: December 10th, 2012