

COUNCIL MEETING
INFRASTRUCTURE SERVICE

REPORT ENG-2024-26
September 10, 2024

SUBJECT: Reallocation of 2024 Capital Funding for Advanced Metering Infrastructure

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RECOMMENDATION:

THAT THE COUNCIL OF THE CITY OF WELLAND accepts for information the successful award from the Province of Ontario of \$1.72M from the Building Faster Fund; and further

THAT Council approve the reallocation of the \$874,300 rate support portion of funding from the 2024 First Street Infrastructure Renewals project (Phase 1) to progress Advanced Metering Infrastructure and that the remaining balance is transferred to the capital surplus reserve fund as outlined in the report.

RELATIONSHIP TO STRATEGIC PLAN

This recommendation is aligned to Council's strategic priority of ensuring "**Environmental Stewardship**" to protect the ecosystems through a responsible approach to minimize the impact on the environment through supportive decision-making, professional processes, incentives, policies, and operational practices.

EXECUTIVE SUMMARY:

The City of Welland received \$1.72 million from Ontario's Building Faster Fund (BFF) for exceeding its 2023 housing target by 276%. The city submitted an investment plan, focusing on the First Street infrastructure renewal project, which includes developing six affordable townhomes and a supportive living residence. The Ministry approved the plan on August 13, 2024.

Phase 1 of the First Street project had previously received funding, and the BFF grant allows the city to reallocate this funding to a new project without affecting ratepayers. Staff propose reallocating the \$874,300 of previously approved rate supported funding to install Advanced Metering Infrastructure (AMI) for water meters, enhancing efficiency and service delivery. The AMI system will enable automated water usage data collection, increased billing frequency, and improved detection of issues like leaks. The cost for the required 8-15 towers ranges from \$30,000 to \$50,000 each. The remaining funds will go to the capital reserve for future projects.

BACKGROUND:

The City of Welland was awarded \$1.72 million dollars from the Province of Ontario through the Building Faster Fund (BFF) for exceeding our 2023 housing target by 276%. As a condition of the funding, the City of Welland was required to submit an investment plan for use of the BFF funding, including intended outcomes such as how the funding will contribute to increasing housing supply, housing development and/or address issues of housing affordability. Projects were required to focus on activities planned for the coming year/immediate funding cycle and should be tender-ready.

The project selected and submitted to the Ministry of Municipal Affairs and Housing for approval was the First Street full linear infrastructure renewals (see attached BFF Investment Plan). In addition to being tender-ready this project satisfies the Ministry's housing criteria given that two Habitat for Humanity properties within the limits are proposed to be developed into six (6) affordable street townhomes and a supportive living residence. The Ministry approved the City's BFF Investment Plan on August 13, 2024 (attached).

DISCUSSION:

The First Street project consists of two blocks, King Street to Plymouth Road (Phase 2) and Plymouth Road to Dover Road (Phase1). Phase 1 previously received construction funding during the 2024 budget deliberations. The BFF grant provides an opportunity to reallocate the previously approved funding to a new project without any impact to Welland ratepayers. Staff recommend that the rate supported funding previously approved for Phase 1 of the First Street project be redirected to progressing the City's move to a smart water network through the installation of Advanced Metering Infrastructure (AMI) or fixed in place gateway collectors (towers) that will receive residential water meter data.

Recall that once all residential water meters have been upgraded to RF technology, the goal is to increase meter read frequency. This can be achieved through the installation of gateway collectors (towers) in strategic locations throughout the city. The number of towers needed to read the majority of residential RF meters will be determined through a propagation study. It is anticipated that between 8-15 collectors will be required. The cost of each tower will depend on the difficulty of the installation but may range between \$30,000-\$50,000 each.

In addition to aligning with the City's strategic objectives around embracing new technologies to improve efficiencies and service delivery, the following benefits are expected to be achieved through the implementation of AMI:

- Fast and frequent automated collection of water usage data without human error.
- Increased billing frequency for residents with significant reduction in estimated bills.
- Daily data provides better oversight of water network and increases response time to meter read anomalies including, leaks, backflow or no-flow and potential meter tampering.

- Future opportunity to implement customer portal so that customers can monitor their own water consumption and catch leaks before an expensive bill.

Staff will provide future AMI updates to members of Council once the propagation study is complete.

FINANCIAL:

The 2024 capital funding approved for Phase 1 of the First Street Infrastructure Renewals is summarized as follows:

Asset	2024 Capital Funding	Funding Source
910 Water	\$348,700	Capital contribution from Operating
330 Wastewater	\$525,600	Capital contribution from Operating
320 Roads	\$310,300	Debenture (Unissued)
327 Storm	\$39,000	Capital contribution from Operating
316 Sidewalks	\$39,900	Capital contribution from Operating
TOTAL:	\$1,263,500	

In accordance with the approved Investment Plan, \$1.2M of the City of Welland’s 2024 BFF monies will replace the funding above. Staff propose the reallocation of the previously approved rate supported funding to progress AMI technology. Given that the project will be funded by the BFF grant, the Debenture amount of \$310,300 is no longer required and that the remaining balance of \$78,900 will be transferred to the Capital Surplus Reserve fund.

The total previously approved rate supported funding available to be redirected to AMI is, \$874,300. Conservatively, 15 towers at a cost of \$50,000 each would be \$750,000.

CONCLUSION:

The Ministry of Municipal Affairs and Housing approved the City’s BFF Investment Plan, specifically the First Street Infrastructure Renewals project given that the project is tender-ready and supports the development of six (6) affordable street townhomes and a supportive living residence.

Staff propose reallocating the rate supported portion of the funding that was previously approved in 2024 for Phase 1 of the First Street project to progress Advanced Metering Infrastructure that will provide fast and frequent automated data collection and enhance the accuracy and efficiency of water usage monitoring.

ATTACHMENT:

Appendix 1 – City of Welland – BFF Investment Plan

Appendix 2 – 2024 BFF IP Approval Letter - Welland