



GREAT LAKES AND ST. LAWRENCE
CITIES INITIATIVE
L'ALLIANCE DES VILLES
DES GRANDS LACS ET DU SAINT-LAURENT

Great Lakes and St. Lawrence Cities Initiative Presents:

Funding your Water Projects in the Post-COVID Economy

Water Infrastructure Funding

Aging pipes. Flood protection. Climate change resilience. Economic recovery. Water supply shortages.

Cities in the Great Lakes and St. Lawrence Region face many of these challenges and more. Addressing these challenges is not only technically challenging but also fiscally challenging.

That's why having a funding strategy is so important to funding critical water infrastructure in your community.



Nerys Parry, North America Funding Program, Canada East Lead, Stantec



David Goldwater, Vice President and Director of Policy, Regulatory and Legislative Affairs for North America, Stantec



Today's Agenda – Water Infrastructure Funding

- **The Infrastructure Investment Gap**
- **United States policy and funding**
 - Infrastructure Investment Jobs Act (IIJA) or Bipartisan Infrastructure Law (BIL)
 - What funding may be on the horizon?
- **Canada policy and funding**
 - Key funding trends we are seeing
 - December 14th Economic Update

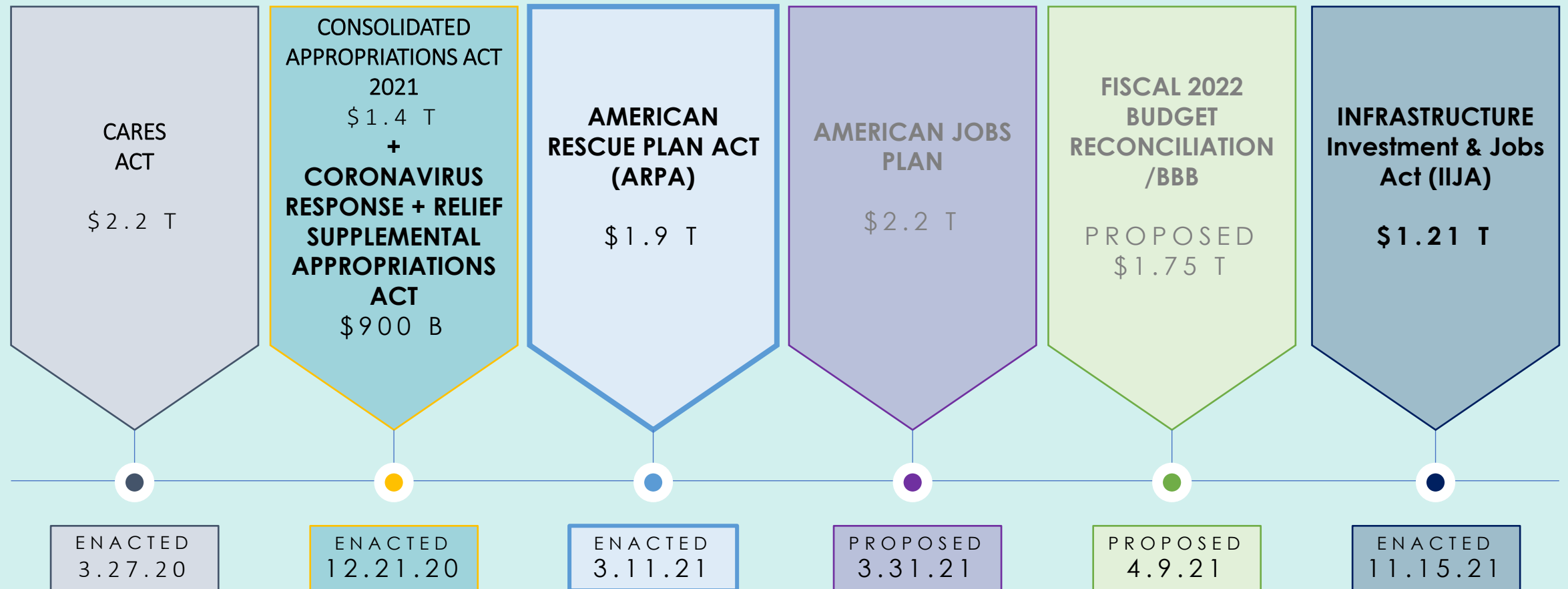


The Infrastructure Investment Gap (in Billions)

INFRASTRUCTURE SYSTEM	TOTAL NEEDS	FUNDED	FUNDING GAP
Surface Transportation	\$2,834	\$1,619	\$1,215
<i>Drinking Water / Wastewater / Stormwater</i>	\$1,045	\$611	\$434
Electricity	\$637	\$440	\$197
Airports	\$237	\$126	\$111
Inland Waterways & Marine Ports	\$42	\$17	\$25
<i>Dams</i>	\$93.6	\$12.5	\$81
Hazardous & Solid Waste	\$21	\$14.4	\$7
Levees	\$80	\$10.1	\$70
Public Parks & Recreation	\$77.5	\$9.5	\$68
Schools	\$870	\$490	\$380
TOTALS	\$5,937	\$3,350	\$2,588

Source: ASCE's Failure to Act 2021 Study

US: Federal Stimulus Funding – Enacted and Proposed



Infrastructure Investment Jobs Act (IIJA) or Bipartisan Infrastructure Law (BIL)

- **Deteriorating infrastructure**
- **Failure to provide new technologies**
- **Inadequacies exacerbated by COVID-19**
- **Vulnerable and underserved populations**



Infrastructure Investment Jobs Act (IIJA) or Bipartisan Infrastructure Law (BIL)

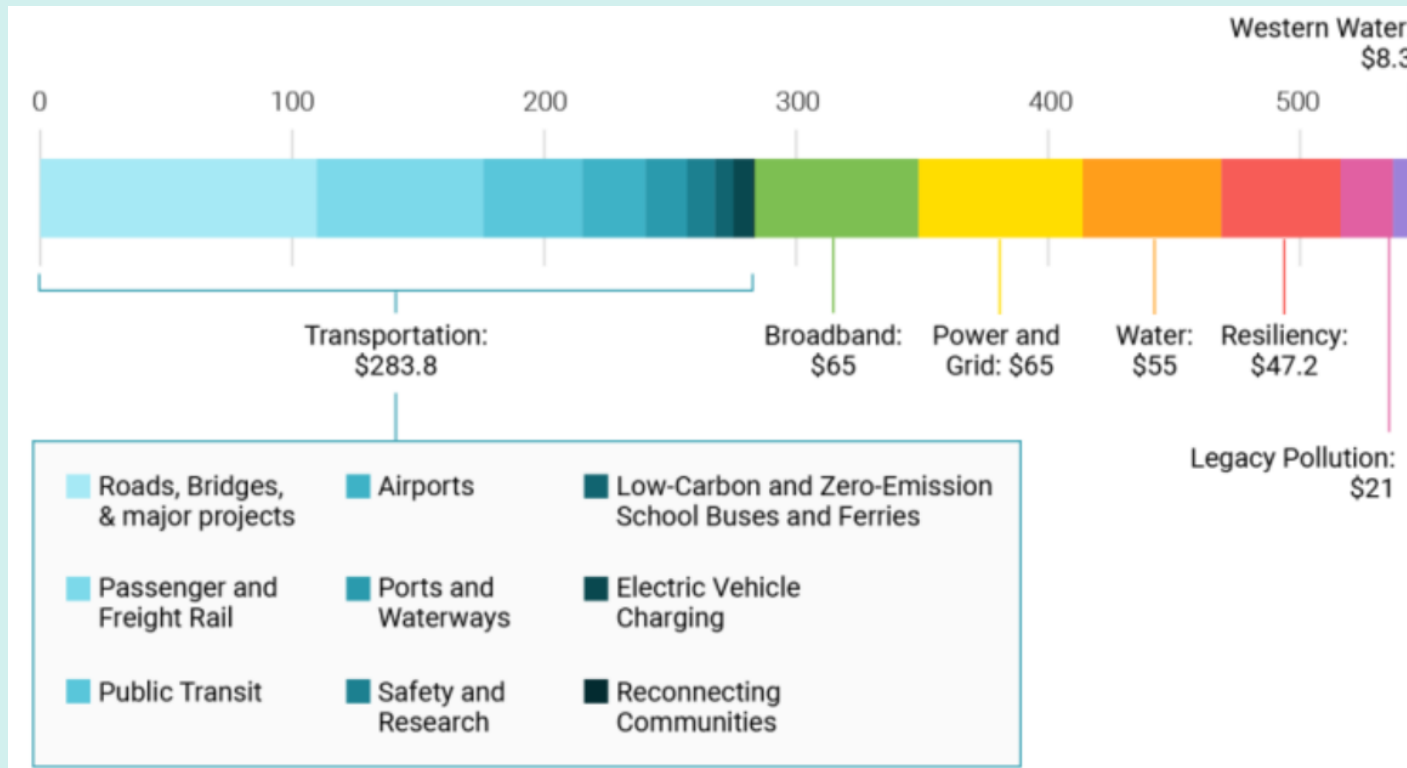
Investment in Water

- \$20+ billion for safe drinking water.
- \$15 billion in dedicated funding to replace lead pipes.
- \$12+ billion to ensure clean water for communities.
- \$1.8 billion to protect regional waters.
- \$135 million for additional water improvements

Objectives

- Target resources to disadvantaged communities
- Make rapid progress on lead free water for all
- Tackle forever chemicals

Topline Above-baseline Spending in IIJA



- **\$550 billion in new IIJA spending** will expedite and enable many projects of our key US markets
- While much funding will be distributed through formula allocations, much is available through competitive, discretionary funding programs
- All funding will be subject to federal rules and regulations

Source: Brookings "America has an infrastructure bill. What happens next?" November 9, 2021

IIJA Resiliency Funding

BUILDING RESILIENT INFRASTRUCTURE AND COMMUNITIES (BRIC) - \$1B in additional funding (annual funding calculated according to disaster-related appropriations)

POST-CONSUMER MATERIALS MANAGEMENT GRANTS - \$275M

COST-EFFECTIVE CODES IMPLEMENTATION FOR EFFICIENCY AND RESILIENCY - \$225M

BUILDING, TRAINING AND ASSESSMENT CENTERS - \$10M (for institutions of higher education)

CYBER RESPONSE AND RECOVERY - \$100M

NRCS WATERSHED PROGRAMS - \$618M

PHMSA MODERNIZATION - \$1B

REDUCTION OF TRUCK EMISSIONS AT PORTS - \$400M

WESTERN WATER INFRASTRUCTURE

Small water storage and groundwater storage projects - **\$100M**

Large-scale water recycling and reuse projects - **\$450M**

Multi-benefit projects to improve watershed health - **\$100M**



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What funding may be on the horizon?

- **Build Back Better \$1.75 T**
- **Climate and Resilience Infrastructure Package**
- **National Defense Authorization Act FY2022 – Passed 12-15-2021, Sent to President's Desk for Signature**
- **WRDA**
 - **USACE-only**
- **FY 2022 Appropriations**

The Infrastructure Investment Gap (in Canada)

Canada Infrastructure Report Card 2019

Wastewater:

- 55-65% good to very good condition
- Many assets >50 years old

Potable water:

- 70% in good to very good conditions
- 30-40% built in last 20 years

Stormwater:

- 40-60% in good or very good condition (of what is known)
- Most built in last 20 years

FCM estimates >\$50B to renew municipally owned water and wastewater infrastructure in poor or very poor condition.

Source: ASCE's Failure to Act 2021 Study

Canadian Funding Trends



Short Funding Windows



Increased Competition



**Private Sector
Engagement**



Mandate Bundling

Top Mandates



Environmental and Sustainability Goals



Economic Recovery



Innovation



Social Equity, Accessibility, & Inclusion



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Canada's Budget 2021

- \$100 billion in new spending over 3 years, including:
 - \$28 billion in infrastructure investments
- One-time doubling of the Canada Community-Building Fund (formerly Gas Tax Fund)
- \$180 billion 12-year Investing in Canada Plan announced in 2016 (\$71 billion spent as of March 2021)
- Historic increase in Indigenous investment
- **New Water Agency to be developed**
 - Canada-Ontario Agreement on The Great Lakes
- **National Infrastructure Assessment**



Canada Water Funding

- **Great Lakes Protection Initiative**
 - **Disaster Mitigation and Adaptation Fund (DMAF)**
 - **Nature Smart Climate Solutions Fund (NSCSF)**
 - **National Trade Corridor Fund**
 - Research and Knowledge Initiative (RKI)
 - FCM's Green Municipal Fund
 - Natural Infrastructure Fund
 - Investing in Canada Infrastructure Program (ICIP)
 - Ontario Drinking Water Source Protection Program
- Funding 2022-2023



Great Lakes Protection Initiative

Addresses Great Lakes water quality and ecosystem health, focusing on 8 priority areas:

- Working with others to protect Great Lakes
- Restoring Great Lakes Areas of Concern (AOCs)
- Preventing toxic and nuisance algae
- Assessing and enhancing the resilience of Great Lakes coastal wetlands
- Evaluating and identifying at risk nearshore waters
- Reducing releases of harmful chemicals
- Engaging Indigenous Peoples in addressing Great Lakes issues
- Increasing public engagement through citizen science

Call for proposals to implement actions identified in AOC's RAP's out now. **Deadline January 31, 2022.**



Disaster Mitigation and Adaptation Fund (DMAF)

Changes to DMAF:

- Additional \$1.375 billion in Budget 2021 to support projects such as wildfire mitigation activities, rehabilitation of storm water systems, and **restoration of wetlands and shorelines**.
- \$670 million for new, small-scale projects between \$1 million and \$20 million in total eligible costs.
- The remaining funding envelope is allocated to large-scale projects above \$20 million in total eligible costs.
- Minimum of \$138 million of the total funding envelope is being dedicated to Indigenous recipients.
- Next submission for both large and small project streams **July 22, 2022**

Nature Smart Climate Solutions Fund (NSCSF)

Nature Smart Climate Solutions Fund :Nature-based solutions are actions to conserve, sustainably manage, and restore ecosystems. These actions will help to:

- store and capture carbon
- mitigate the impacts of climate change
- build resilience and improve water quality, and
- provide critical habitat for Canada's wildlife

A separate call has been issued for First Nations as part of this program

Announced in Budget 2021 \$4B/10YRS - Due January 17, 2022

- \$3.2B for 2 Billion Trees Commitment (NRCan)
- \$631 M/10YRS Nature Smart Solutions (ECCC) – **Due January 25, 2022**
- \$187 M/10YRS farm-based solutions (AgCan)



National Trade Corridor Fund (NTCF)

Continuous call now closed

New call issued for projects increasing the fluidity of supply routes

Two main investment themes:

- **Strengthening Canada's connections to global markets**
- **Building internal trade corridors**

Deadline: EOI due March 31, 2022



Tips for Canadian Project Funding

- **Align project outcomes to top federal agendas**
 - Innovation
 - Equity, Diversity and Inclusion
 - ESG
- **Consider different funding and collaborative models (supercluster initiatives, public private partnerships, Indigenous partnerships)**
- **Be prepared to compete fast**





Questions?

