



Staff Report

Operations – Capital Projects Division

Report To: COW-Operations_Planning_and_Development_Services
Meeting Date: April 30, 2024
Report Number: CSOPS.24.029
Title: East Side Municipal Class EA Budget Increase Request
Prepared by: Emily Yeo, Senior Infrastructure Capital Project Coordinator

A. Recommendations

THAT Council receive Staff Report CSOPS.24.029, entitled “East Side Municipal Class EA Budget Increase Request”;

AND THAT Council approve increasing the project budget for the East Side Municipal Class EA from \$500,000 to a total budget of \$610,000, to be funded from the Water Treatment Development Charges Reserve Fund;

AND THAT Council approve increasing the contract value with J.L. Richards and Associates related to the East Side Municipal Class EA, from \$417,608.75 to \$544,214.75 to cover additional works outlined in this report and an engineering contingency of \$65,785.25.

B. Overview

This staff report requests that the budget for the East Side Municipal Class EA (MCEA) be increased by \$110,000 and the contract value with JLR for the East Side MCEA be increased by \$126,606. The East Side MCEA was initiated as a Schedule ‘B’ and ‘C’ MCEA to address water storage and water supply needs, with the understanding that the project had the potential to advance to a more complex Schedule C MCEA if required for the selected water supply alternative. Town Staff recommends going forward with Alternative 2A: Build a New Water Treatment Plant (WTP) in Craigleith with an upgrade to the Thornbury WTP, presented to Council on March 11, 2024. As Alternative 2A involves upgrading and constructing municipal water infrastructure at two separate sites, the East Side MCEA must advance to a more complex Schedule C MCEA than was budgeted for at the proposal stage.

C. Background

In 2019, the Town of The Blue Mountains (the Town) completed a Town-Wide Water Distribution System Master Plan. This study identified the need for a subsequent Schedule ‘C’ and ‘B’ MCEA to address water supply and water storage needs in the eastern pressure zones in

the Town, including the approximate settlement areas of Craigleith, Swiss Meadows, Castle Glen, and Osler Bluff.

The Town retained J.L. Richards & Associates Limited (JLR) in 2021 to complete the proposed Schedule 'C' and 'B' MCEA. The purpose of the East Side MCEA is to evaluate and select options for the Town's water supply and east-side water storage and needs and to enable the construction of municipal water infrastructure which will meet the Town's immediate, long-term, and build-out needs.

On February 27, 2024, staff presented Staff Report [CSOPS.24.015](#) entitled "East Side Municipal Class EA Public Information Centre 2" for direction to proceed with a second Public Information Centre (PIC). At that time, staff presented four (4) reasonable potential solutions to address the deficiencies in providing treated water from the Thornbury WTP to the eastern pressure zones as well as storage deficiencies in pressure Zone 4 and 5:

- Alternative 1A – Increase Thornbury WTP Capacity and Build Storage at Site 2/5;
- Alternative 1B – Increase Thornbury WTP Capacity and Build Storage at Site 9;
- Alternative 2A – New Craigleith WTP and Storage at Site 2/5;
- Alternative 3C – Increase Supply from Collingwood and Storage at Site 12.

After considering the environmental, technical, social, and economical impacts of each alternative, Town Staff concluded that **Alternative 2A – New Craigleith WTP and Storage at Site 2/5** had the highest positive impact and therefore was presented as the Preliminary Preferred Alternative. On March 11, 2024, Council endorsed this alternative and on March 20, 2024, Town Staff hosted the second PIC for residents and stakeholders to ask questions and provide feedback on the Preliminary Preferred Alternative.

The feedback received during the second PIC was centered around the location and impacts of a new WTP intake as well as the potential for sharing a water supply with the Town of Collingwood. During the second PIC, there were no comments of opposition to the Preliminary Preferred Alternative recognized by Town Staff, and therefore Phase 3 and Phase 4 for a Schedule C MCEA will proceed for Alternative 2A.

As a Schedule C MCEA for Alternative 2A includes upgrades to the existing Thornbury WTP as well as designing a new WTP and water storage in Craigleith, an increase in budget is needed for additional investigations and studies.

D. Analysis

Progress on the East Side MCEA was temporarily delayed for several months as the Town awaited crucial information regarding the costing of Alternative 3C, which involved increasing the water supply provided from the Town of Collingwood and upgrading any infrastructure needed to convey this supply. Waiting for costing estimates for the construction of the new

Collingwood WTP also gave JLR insight on the potential cost of building a new WTP in Craigleith, which had an impact on the evaluation of the alternative supply options. During this time, JLR continued monthly project management activities (e.g. project updates, invoicing, etc.) and conducted additional consultation with the Town and the Town of Collingwood to discuss the details of Alternative 3C. This included confirming supply, costing assumptions, linear infrastructure requirements to convey the supply from Collingwood, and identifying potential cost sharing opportunities.

As the Preliminary Preferred Alternative endorsed by the Town will require the East Side MCEA to be advanced to a Schedule C MCEA encompassing the construction of a new WTP as well as upgrades to the existing Thornbury WTP, the following additional work, valued at approximately \$60,000, will need to be completed by JLR:

- Additional monthly project management tasks (e.g. bi-weekly project updates, invoicing, etc.) to accommodate the schedule delay and extended project schedule;
- Additional consultation with the Town of The Blue Mountains Council and the Town of Collingwood;
- Additional JLR effort to complete a more complex Schedule C MCEA (i.e. identification and evaluation of alternative design concepts for the existing Thornbury WTP upgrades and the new Craigleith WTP).

The original scope of the Schedule C East Side MCEA only considered designing and building a new WTP within the Town. As the Town's Preliminary Preferred Alternative (Alternative 2A) for the East Side MCEA includes upgrades to the existing Thornbury WTP, additional field studies and investigations will be required to complete the Schedule C MCEA. At the proposal stage, an allowance of \$150,000 was carried by JLR for the preparation of supporting field studies and investigations. The remaining allowance for field studies and investigations is currently \$141,115 but given current industry pricing and the need for a new intake, an additional \$58,885 is needed, bringing the allowance to \$200,000. The following studies are anticipated to be required for Alternative 2A:

- Ecological field studies for the Thornbury WTP site, Site 5 on Arrowhead Road, and the intake and intake route for the proposed WTP in Craigleith;
- Cultural heritage studies for the Thornbury WTP site and the Arrowhead BPS;
- Stage 2 archaeological assessment for the Thornbury WTP site, Site 5 on Arrowhead Road, and the intake route for the proposed WTP in Craigleith;
- Marine archaeological assessment for the new WTP intake;
- Sediment sampling for the new WTP intake;
- Water quality and characterization for the new WTP intake;
- Bathymetry study for the new WTP intake route;
- Intake protection zone study for the new WTP intake;
- Topographic survey and locates for Site 2/5 on Arrowhead Road, as well as the intake and intake route for the proposed WTP in Craigleith;
- Geotechnical and hydrogeological investigations for Site 2/5 on Arrowhead Road, as well as the intake and intake route for the proposed WTP in Craigleith.

Staff are recommending increasing the East Side MCEA contract value by \$126,606 with additional engineering contingency of \$65,785.25 and increasing the budget from \$500,000 to a total budget of \$610,000 for a Schedule C MCEA to be completed for Alternative 2A. The sum of \$65,785.25 accounts for a reasonable contingency, given that further background investigations will be necessary as we advance through Phase 3 and Phase 4.

The Town began this East Side MCEA to address deficiencies in the water supply and storage for pressure Zones 4 and 5, and if these deficiencies are not addressed, the Town will be limited to the amount of development that can be allocated to the current Thornbury WTP, water storage, and linear infrastructure capacity.

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders.

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

4. Quality of Life

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

F. Environmental Impacts

The Ontario *Environmental Assessment Act, R.S.O. 1990, c. E.18* (Act) sets out a planning and decision-making process to ensure that potential environmental effects are considered before a project is implemented. The purpose of the Act is to provide for the protection and conservation of the natural environment (R.S.O. 1990, c. E.18, s.2).

Significant alterations to municipal infrastructure require a Class Environmental Assessment. The Class Environmental Assessment takes into consideration the impacts and the solutions on the natural and cultural environment. The level of impacts in each option are weighed against other impacts such as cost. Options for mitigating natural and cultural impacts (such as historic significance) are also put forth.

G. Financial Impacts

An additional \$126,606 is proposed to be added to the East Side MCEA contract value, increasing the value of the contract from \$417,608.75 to \$544,214.75. An additional \$65,785.25 is also proposed to be added to the East Side MCEA budget, increasing the total project budget from \$500,000 to \$610,000. This increase in budget is to be funded from the Water Treatment Development Charges Reserve Fund.

Proposed Task	Fee
Additional Monthly Project Management Tasks	\$9,855
Additional Consultation Activities	\$8,010
Additional JLR Effort to Complete Complex Schedule C MCEA	\$36,090
Additional Allowance for Field Studies	\$58,885
JLR 10% Contingency	\$11,284
Miscellaneous Disbursements	\$2,482
Total Contract Value Increase	\$126,606
Additional Contingency	\$65,785.25

With the requirement of additional studies, investigations, and design needed to complete a Schedule C MCEA for Alternative 2A, Town Staff recommend including an additional contingency of \$65,785.25 to bring the East Side MCEA total budget to \$610,000.

H. In Consultation With

Allison Kershaw, Manager of Water & Wastewater

Sam Dinsmore, Acting Director of Finance/Treasurer

Serena Wilgress, Manager of Purchasing & Risk Management

I. Public Engagement

The topic of this Staff Report has been the subject of two Public Information Centres; PIC 1 which took place on March 24, 2022, and PIC 2 which took place on March 20, 2024. Those who provided comments at either Public Information Centre, including anyone who has asked to receive notice regarding this matter, has been provided notice of this Staff Report. Any

comments regarding this report should be submitted to Emily Yeo, Senior Infrastructure Capital Project Coordinator icpc@thebluemountains.ca.

PIC 1 was held in accordance with the following schedule:

- March 3, 2022 Notice of Study Commencement and Notice of PIC 1 advertised in Collingwood Connection;
- March 3, 2022 Notice of Study of Commencement and Notice of PIC 1 mailed to Stakeholders;
- March 17, 2022 Notice of Study of Commencement and Notice of PIC 1 advertised in Collingwood Connection;
- March 1, 2022 Committee of the Whole – Initial Staff Report [CSOPS.22.018](#) with recommendation to proceed to public consultation;
- March 14, 2022 Council – Recommendations from March 1, 2022 Committee of the Whole confirmed;
- March 24, 2022 Virtual PIC 1 held;
- June 27, 2022, Committee of the Whole – Staff Report [CSOPS.22.051](#) East Side Water Supply and Storage Class MCEA PIC 1 Follow-up.

PIC 2 was held in accordance with the following schedule:

- February 27, 2024, Committee of the Whole – Initial Staff Report [CSOPS.24.015](#) East Side Municipal Class EA Public Information Centre 2 with recommendation to proceed to public consultation;
- February 28, 2024, Public Information Centre 2 Notice posted;
- March 11, 2024, Council – recommendation from Committee of the Whole considered by Council;
- Wednesday, March 20, 2024, PIC 2 held virtually from 5:00 pm to 7:00 pm.;
- April 30, 2024, Committee of the Whole – Staff Report CSOPS.24.026 East Side Municipal Class EA Public Information Centre 2 Follow-up with recommendation to adopt Alternative 2A as the Preferred Alternative for the East Side MCEA.

Any comments regarding this report should be submitted to Emily Yeo, Senior Infrastructure Capital Project Coordinator icpc@thebluemountains.ca.

J. Attached

None

Respectfully submitted,

Emily Yeo
Senior Infrastructure Capital Project Coordinator

Pruthvi Desai
Manager of Capital Projects

Jeffery Fletcher
Acting Director of Operations

For more information, please contact:
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519-599-3131 extension 304

Report Approval Details

Document Title:	CSOPS.24.029 East Side Municipal Class EA Budget Increase Request.docx
Attachments:	
Final Approval Date:	Apr 18, 2024

This report and all of its attachments were approved and signed as outlined below:

No Signature found

Pruthvi Desai - Apr 17, 2024 - 4:05 PM

Jeff Fletcher - Apr 18, 2024 - 2:18 PM