



Staff Report

Operations

Report To: Committee of the Whole Meeting
Meeting Date: May 10, 2022
Report Number: CSOPS.22.030
Title: East Ridge GCC 63 Water Distributions System
Prepared by: Shawn Carey, Director of Operations

A. Recommendations

THAT Council receive Staff Report CSOPS.22.030, entitled “East Ridge GCC 63 Water Distributions System”;

AND THAT Council consider the options of ownership, operating and replacement of the private watermains within GCC 63.

AND THAT Council direct staff to proceed with Option 1 - Status Quo, or Option 2 - Town to assume ownership of the private water system as outlined in this report.

B. Overview

Grey Condominium Corporation (GCC) 63 has approached the Town about operating and assuming the private water system within GCC 63’s lands. This report outlines the history of the development of the Lora Bay servicing, as well as the request for assuming ownership, and an overview of the considerations of the Town assuming privately owned infrastructure.

C. Background

GCC 63 is located within the Lora Bay area of Thornbury, east of Lora Bay Drive. A map identifying the area can be found in Attachment 1 – Map of GCC 63 and GCC 73. GCC 63 is a common element condominium, as per the Land Register. A common element condominium is generally defined as a type of condominium corporation that has no units and manages shared common elements such as a road, water and wastewater infrastructure, streetlights, parks, etc. An owner’s common interest is attached to the parcel of land that he/she owns. Owners enjoy the common elements and jointly fund their maintenance and repair through the payment of the common expenses.

GCC 73 is a standard condominium. This type of condominium has units, such as an apartment in a high-rise building, a stand-alone townhouse or a row-house. When purchasing a unit in a

standard condominium, you become the sole owner of the unit, however not the sole owner of land. The ownership of the property is collective.

Currently, the majority of services, such as water, sewer, storm sewer and road system within the GCC 63 lands are considered private. These same services also support GCC 73 as well. The private water system through GCC 63 is fed by the Town's water system. There are approximately 41 properties within GCC 63 that take water directly from the Town's primary watermain along East Ridge and John Watt Way. There are 16 town homes within GCC 73 that are fed water from 2 locations being the Town's primary watermain and the private system off Rankin Cres. The remaining homes are serviced through 6 connection points between Rankins Cres. at John Watt Way and Hoggard Crt. (Attachment 1). After leaving GCC 63, the Town primary watermain services homes on West Ridge and Sunset Blvd. The connections allow water to flow both ways, into and exiting the common element condo. Staff monitor the free chlorine of the water on both sides of this development, as well as taking bacteriological samples on both sides. If the water were to become compromised within this development, the free chlorine on the post side would drop quickly. Although there is some risk when the Town loses control over the water as it passes through private watermains, the risk is mitigated with the robust sampling regime that is currently in place. Currently Town staff maintain all fire hydrants within the Town, including the ones located within a private system such as GCC 63. There is an agreement in place between the private system owners and the Town, including the cost recovery fee.

Lora Bay Servicing History

The table below outlines the studies and agreements that were required to service Lora Bay.

Date	Activity	Comments
2000	Master Servicing Plan, Municipal Class Environmental Assessment	Assessed the current and future municipal servicing needs across the Town.
2002	Comprehensive Environmental Study Report	The study focused on the servicing for Clarksburg, Thornbury and Camperdown areas.
2005	Development Agreement for Servicing of Lora Bay, Phase 1A	Town run project for the design and installation of services needed for the Lora Bay area. The Developer paid all costs for both the design and installation. The agreement addressed the conditions stated in the Ontario Municipal Board Minutes of Settlement from the Ontario Municipal Board Order No. 0461, dated March 2, 2005.
2004	Pre-servicing agreement for the works required on the Georgian	This agreement allowed for design and installation of the trunk mains on the easement that runs through GCC 63. These are Town owned works. The developer must

	Trail, John Watt Way and East Ridge Drive	construct in accordance with the agreement. Town to inspect all above and below ground before certificates issued.
September 2005	Subdivision Agreement	Registered Subdivision for GCC 63 as a Common Element Condominium.
October 2005	Master Plan agreement with Lora Bay Corporation.	Agreement grants approval for the separation of golf course lands, and residential lands, as well as draft plan approval for the proposed 153 residential subdivision, now known as GCC 63.

Master Servicing Plan

In June 2000, the Town completed a Master Servicing Plan under the Municipal Class Environmental Assessment process that evaluated the current and future municipal servicing requirements based on growth and development projections identified in the Draft Official Plan of the Township of Collingwood and the Official Plan of the Town of Thornbury. This Master Servicing Plan developed the appropriate policies and direction for the provision of private and/or municipal water and sewage services.

Comprehensive Environmental Study Report

In July 2002, the Town completed a Comprehensive Environmental Study Report for the evaluation of the water and wastewater servicing for the Lora Bay, Clarksburg, Thornbury and Camperdown service areas. This report identified the initial phase of the water distribution system to include a trunk watermain through the Lora Bay Development property to Sunset Boulevard, and along Sunset Boulevard to Keeper's Cove. Phase 1 would also include the grade level storage reservoir (potentially phased) and associated water booster pumping station. This reservoir is yet to be constructed. Phase 2 would include the remainder of the trunk main on Sunset Boulevard to Christie Beach Road and the 39th Side Road. Phase 1 of the sanitary servicing for Lora Bay will include the construction of a trunk sewer from Peel Street through the Trailwoods and Lora Bay Development property along Sunset Boulevard to Keepers Cove. Phase 1 will also include the construction of a pumping station and forcemain at the eastern limit of Sunset Boulevard. Phase 2 would include the extension of the sewer along Sunset Boulevard to the Christie Beach area, including a pumping station and forcemain, and the construction of sewers along Lake Drive and Cameron Street. These areas can be seen in Attachment 2 – Map of Thornbury West.

Lora Bay Phase 1A Servicing Agreement

In 2005, the Town signed a servicing agreement for Lora Bay Phase 1A servicing. This agreement was a Development Agreement, required to be entered into by the conditions imposed by the Ontario Municipal Board Minutes of Settlement from the Ontario Municipal Board Order No. 0461, dated March 2, 2005, for the approval of plans of subdivision of the

lands. This agreement states that all services in Phase 1A are municipal capital facilities. The Town was solely responsible for the design, engineering, preparation of tender documents, tendering and awarding of contracts. The work included the following:

- Contract for the installation of the Lora Bay and Thornbury Water and Sewer Servicing, awarded to Brantford Engineering and Construction Limited. Attachment 4, Title Page, Lora Bay and Thornbury Water and Sewer Servicing Phase 1(a) has a graphic that delineates the service area.
- Contract for the installation of the Water Booster Pumping Station, being Phase 1 of the Lora Bay Water Storage Works.
- Contract for the installation of the Lake Drive Sanitary Sewer Works (low pressure forcemain) and the Lake Drive Water Distribution Works.
- Contract for the replacement of the existing siphon under the Beaver River and replacement of the existing sewer between the siphon and the main sewage pumping station at Mill and Bay Streets.
- Contract for the upgrading of the main sewage pumping station at Mill and Bay Streets.

The cost of these services was the responsibility of Owners of the Development lands, however this infrastructure was to be Town owned and operated.

Pre-Servicing Agreement – Lora Bay Drive & Georgian Trail

On October 4, 2004, The Town entered into a Pre-Servicing Agreement for Lora Bay Drive and the Georgian Trail for the purpose of constructing a golf course and a residential development. The agreement is for the construction of the trunk works in the Georgian Trail and along Lora Bay Drive, as specified by the drawing numbers (303043-01 to 303043-11). This agreement is Attachment 3 – Lora Bay Dr & Georgian Trail Pre-Servicing Agreement.

Master Development Agreement

On October 17, 2005, the Town entered into a Master Development Agreement with Lora Bay Corporation. This agreement stipulated the terms and conditions for servicing the Lora Bay Lands, in accordance with the Minutes of Settlement from the Ontario Municipal Board Order No. 0461, dated March 2, 2005. The Order granted Phase 1 Draft Plan Approval for the separation of the golf course lands, from the future residential lands, and Phase 2 Residential Draft Plan Approval for the establishment of 153 residential dwelling units on a portion of the Residential Lands. The Lands will be developed in phases. Detailed Development Agreements shall be required for the development of any phase or subphase.

In Section 5.2 - Sewer and Water Works of the Master Development Agreement, it acknowledges the need for trunk services, and an easement that was provided. The trunk services are located along the Georgian Trail, then along John Watt Way and East Ridge Drive to the traffic circle.

The Town provided Lora Bay Corporation with Phase 2 Residential Draft Plan Approval for the establishment of 153 residential dwelling units. This was agreed to on September 21, 2005. This

agreement for GCC 63 provided Draft Plan Approval for the Common Elements Plan of Condominium. This agreement includes the following condition:

And Whereas the Developer has received Draft Plan Approval for a Common Elements Plan of Condominium from the County of Grey (File No. 42-CDM-2005-07) for the ownership and maintenance of the services, private roads, parking, and open space areas.

Additionally, the statement concerning Assumption of Work included in both the Master Development Agreement and the Subdivision Agreement specifically states:

Assumption of Works

The Town shall not be obligated to assume the responsibility for and/or take over any Works except those within the road allowances, or within any Block or Easement to conveyed to the Town for assumption purposes as identified under Schedule G, or as may be otherwise specified under Section 54, and until such time as the Town Final Certificate has been issued by the Town Engineer for all such works to be assumed. All other Works shall be retained by the Developer or by the owner of the lands on which the Works are located and shall be maintained in accordance with the approved plans, in perpetuity. Assumption of such other Works from the Developer by subsequent lot or unit owners, or by others as provided under Section 56, shall also be subject to the issuance of the Town Final Certificate.

In Schedule “G” of the Subdivision Agreement, a list of Easements, Dedication and Reserves to be Granted to the Town or to Others can be found.

- 1. Easement for Municipal water and Sanitary Trunk Services over Parts 1 to 4 and 12 to 16 identified on the Draft Reference Prepared by Zubek, Emo, Patten and Thomsen Ltd.*

This is referring to an easement along the Georgian Trail, to John Watt Way, and East Ridge Drive. It has been identified in the Drawings 304014 Parts 1 to 4 and 12 to 16. These drawings can be seen in Attachment 4 – Lora Bay Residential Condominium Development Phase 2 As Built Drawings.

The Subdivision Agreement in its entirety can be found in Attachment 5 – Subdivision Agreement for the Lora Bay Residential Condominium Phase 2.

The trunk water and sanitary mains that travel along the Georgian Trail, along John Watt Way and East Ridge Drive are owned, operated, and maintained by the Town. The mains are located within the easement identified in the Subdivision Agreement, Schedule G. The Town’s responsibility for these trunks extends to the limits of the easement.

As per the Subdivision Agreement, the internal water and wastewater systems located on McMullen Court, Hoggard Court, Stuart Court, Stevens Court, Hammond Court, Holdship Court and Rankin’s Crescent are private systems owned by GCC 63. It is the responsibility of GCC 63 to operate, maintain and replace at the end of life.

Interaction with GCC 63

Town staff have been in discussions with GCC 63 since 2009. In the fall of 2019, the President of the Condominium Board re-initiated the ownership discussion with the Town. This is a significant request, as the Town would be inheriting a water main that is already 18 years old (installed in 2005). However, during the initial discussions, the water system was only four (4) years old. The Town has not included these water mains in the Town’s Asset Management Plan, as the Town does not own them, and is currently not responsible for operating the system, the necessary repairs or replacement at end of life. A condominium corporation, such as GCC 63 is required to establish and maintain adequate reserve funds for the repair and replacement of services when it reaches the end of its useful life, as per the *Condominium Act, 1998*.

The table below outlines the timeline for some of the correspondence concerning the ownership of the private water system associated with GCC 63.

Date of Correspondence	Parties	Comments
January 2009	Rob Anderson – GCC 63 Reg Russwurm – TBM	Discussions concerning the amount in the reserve fund as of November 2008. GCC-63 have agreed to the Town accepting the Town’s proposal to assume the domestic water line. Based on the email in Attachment 11 - Rob Anderson Reg Russwurm Communications Jan 2009, the Town had not prepared an agreement. The email can be found in Attachment 11. To date - no agreement has been drafted and there has been no council approval for the Town to take ownership of the private water mains.
July 2009	Rob Anderson – GCC-63 Reg Russwurm – TBM Meg Boyd - TBM	Correspondence regarding the payment of services for maintaining private hydrants. Comments from Reg Russwurm – the agreement for ownership has not been prepared, and Council have not agreed to the ownership of the system, as a report has not gone to Council. 2009 Reserve Fund Study prepared by Enerplan for GCC 63 states the Town owns the water mains however at this time there

		was no Council endorsed agreement to proceed.
March 23, 2011	GCC 63 Board meeting	Notes in minutes that the Town has agreed to take ownership of private watermains. Agreement stalled with some questions on checking shut off valves (part of the development was not yet completed). As staff and other GCC members changed over time this fell through the cracks.
November 2019	Nathan Westendorp - TBM Brian Worsley - TBM Bob Welling - GCC 63	GCC 63 approaches the town to take ownership of the private watermains. In a meeting with town staff agreed that the town should complete the takeover of the watermains. GCC 63 has presented this need as a safety issue. John Metrus, Town legal counsel, requested GCC 63 hire a lawyer to help work on the legal document and that this would begin in January 2020.
March 2020	Bob Welling – GCC 63 Nathan Westendorp - TBM	GCC 63 requesting Town take ownership of private watermains. Bob indicated that Town staff (Nathan Westendorp, Brian Worsley and John Metras) had agreed to the Town preparing draft agreement by end of January/early February 2020. The full email can be found in Attachment 12 – Bob Welling Nathan Westendorp Communications May 2020. To date: no Council approval or agreement has been drafted.
May 2020	Bob Welling – GCC 63 Shawn Carey – TBM Allison Kershaw - TBM	GCC 63 requesting Town to assume water and possibly the sewer system. The email was focused on the development of an agreement by the Town’s lawyer, and that GCC 63 had hired a lawyer to review a draft when it became available.
September 2020	Allison Kershaw – TBM Al Petersen - MECF	Confirmation that GCC 63 was a Non-Municipal Year-Round Residential Drinking Water system, as per O.Reg 170/03, under the <i>Safe Drinking Water Act (SDWA)</i> and that the system needed to be registered as

		<p>a drinking water system with MECP.</p> <p>GCC 63 had never been required by MECP, since commissioning of the private water system, to register under O.Reg 170/03.</p>
November 2020	<p>Shawn Carey -TBM</p> <p>Bob Welling – GCC 63</p>	<p>Director Carey outlined the responsibilities of GCC 63 Drinking water system regarding the requirements of O. Reg 170/03. This letter also included the Guide for Owners and Operators of Non-Municipal Year-Round Residential Drinking Water Systems. The letter also states that staff are not in a position to assume responsibility or liability for this system through a Section 5 agreement. Letter was based on the interpretation and application of O. Reg. 170/03 provided by MECP in November 2020. Bob Welling objected to this decision and requested a review of this decision.</p>
August 31, 2021	<p>Shawn Carey – TBM</p> <p>Bob Welling – GCC 63</p> <p>John Martin – Environmental Lawyer</p>	<p>In the meeting Shawn Carey was asked to confirm if the primary watermain running through GCC 63 was owned by the Town. GCC 63 suggested that if it was not owned by the Town then it would be considered plumbing under the SDWA. Shawn was also asked to provide subdivision agreement for GCC 63 and Certificate of Approval from MECP.</p>
October 28, 2021	<p>Bob Welling GCC 63 to</p> <p>Shawn Carey - TBM</p>	<p>A letter was sent from GCC 63 to Shawn Carey that based on our review that the system was plumbing under the SDWA, responsibility of the Town and to remove the water testing requirements.</p>
February 15, 2022	<p>Matthew Shannon -MECP</p> <p>Allison Kershaw - TBM</p>	<p>Letter to GCC 63 from the Town confirming that the GCC 63 water system does not fall under regulation 170/03 of the SDWA and is deemed plumbing.</p>
February 18, 2022	<p>Shawn Everitt, CAO – TBM</p> <p>Bob Welling – GCC 63</p>	<p>An email outlining GCC 63 unique situation and requesting the Town based on commitments from 2009 to assume</p>

		ownership of the GCC 63 water system and consider the sewage and stormwater systems. Additionally, the remaining assets can be discussed on how to manage them moving forward.
March 22 2022	Shawn Everitt, CAO – TBM Shawn Carey, TBM Bob Welling, GCC 63	Reviewed draft Staff Report and discussed timelines. Bob noted in the meeting: <ol style="list-style-type: none"> 1. Water safety is the priority; 2. All GCC 63 residence pay the full cost of operating fresh and water systems; 3. The town agreed to this 2009; 4. This is a unique situation to other condominiums.

The discussions between GCC 63 and The Town date back to the summer of 2009. The Director of Operations at that time had indicated that a Report to Council and an agreement from Council to assume the watermains was required. That report had not been prepared. Please see Attachment 6 – Email communications between Operations Department and GCC 63. The Town did not assume the watermains in 2009. There does not appear to be a Staff Report prior to this Report submitted to Council. The discussions in 2009 required that GCC 63 in conjunction with the Town assess the infrastructure, ensure all was operational, including all isolation valves. All deficiencies were to be addressed prior to assumption, if agreed to by Council. To the best of staff’s knowledge, the assessment was not completed.

The President of GCC 63 approached the Town again in fall of 2019 to complete the commitment for 2009 to assume the watermains. Town Staff initiated consultation with Ministry of Environment Conservation and Parks (MECP) to assess the status of the system. Initially, on September 1, 2020, Staff and GCC 63 were advised by MECP that the system met the requirements of a Non-Municipal Year-Round Residential System (NMYRRS). This is a classified system as determined by Ontario Regulation 170/03, under the *Safe Drinking Water Act, 2002*. A system meeting these requirements is required to be registered with MECP and obtain the services of a licensed Water Distribution Operator to operate and maintain the system. GCC 63 has not registered the system and were not meeting the requirements of the Regulation. MECP’s requirements for a private system can be found in Attachment 7 – 2020 Communications with MECP Regarding Status of System.

On November 30, 2020, Shawn Carey, Director of Operations provided Bob Welling with a letter, outlining the responsibilities of the owner of the Non-Municipal Year- Round Residential Drinking Water System, as the per the Regulation. Additionally, the letter stated that staff were not in a position to assume responsibility or liability of this through a Section 5 Agreement, under the *Safe Drinking Water Act, 2002*. This letter can be found in Attachment 10. Bob requested a review of this decision. GCC 63 sought expert advice to review this decision.

D. Analysis

In August 2020, GCC 63, with the assistance of a retired environmental lawyer, reviewed the MECP position and determined that it is only valid if the town does not own the primary watermain through GCC 63. GCC 63 requested the town review this decision. On February 15, 2022, MECP reversed their position, and now state that the watermains within GCC 63 are considered to be plumbing as defined under the Building Code and therefore GCC 63 is not subject to the requirements of O. Reg 170/03. In further discussion with MECP, the additional connected standard condominium, GCC 73, that is fed through GCC 63 does not change their position. Please see Attachment 8 Email from MECP with Updated Position.

Overview of GCC 63 Position

Staff have worked openly with GCC 63 since 2020 to find a path forward including draft review of this Staff Report. The following is GCC 63’s position on the following aspects of both the history on this matter and other factors which they would like the Town to follow through on and take ownership of the private drinking water system:

GCC 63 Position	Town Staff Response
<p><u>Agreement in Principle</u></p> <p>In 2009 through 2012, the Town agreed to take over ownership of the system. Since 2009, the GCC 63 reserve fund study shows the system is owned by the Town. In the fall of 2019 and the spring of 2020 there was discussion and agreement to pursue this solution.</p>	<p>The record of correspondence during this time between Town staff and GCC 63 states the intent to assume ownership for the private system subject to: Council approval; assessment of shut-off valves; and, finalizing an agreement with GCC 63. As referenced above, none of these items have been completed to date.</p>
<p><u>GCC 63 Owners Pay Double the Cost</u></p> <p>The residents of GCC 63 and 74 pay the full fixed costs on their water and are also responsible for maintaining the private water distribution system.</p>	<p>The fixed water charge is transferred to the Asset Replacement Reserve Fund and used to fund all capital works required on the Town-owned portions of the water system. This also includes the works required to ensure safe drinking water is provided to private systems that are connected to the Town’s publicly owned water distribution system.</p> <p>As per the Subdivision Agreement, the internal water and wastewater systems located on McMullen Court, Hoggard Court, Stuart Court, Stevens Court, Hammond Court, Holdship Court and</p>

	<p>Rankin’s Crescent are private systems owned by GCC 63. It is the responsibility of GCC 63 to operate, maintain and replace at the end of life.</p>
<p><u>Safety</u></p> <p>In the meeting of the fall of 2019 system safety was the primary concern to have the Town take ownership of the private system. With a number of connection points (41 properties associated with GCC 63 and 16 townhomes associated with GCC 73) and the watermain responsible for downstream homes there is increased risk. Who is responsible for maintaining the system at the various touch points (who does an owner call)? How do you isolate the system if there is failure (GCC 63 has limited expertise)? <i>The Safe Drinking Water Act</i> notes that the town retains responsibility for the safety of the water (what is best for both the town and GCC 63).</p>	<p>The connections allow water to flow both ways, into and exiting the common element condo. Staff monitor the free chlorine of the water on both sides of this development, as well as taking bacteriological samples on both sides. If the water was to become compromised within this development, the free chlorine on the post side would drop quickly. Although there is some risk when the Town loses control over the water as it passes through private watermains, the risk is mitigated with the robust sampling regime that is currently in place.</p> <p>Town staff have and would use existing valves (touch points with the private system) to isolate the private system if needed (e.g. in the case of a watermain break on the private side). The property owner would call the condo corporation and/or the property management company and they should have someone retained for repairs, etc.</p> <p>In the case of a watermain break within the private system, Town water staff have been isolating the system and contractors make the repairs. This has occurred recently with GCC 63 and other condo corporations. Town staff sample in the immediate area to ensure the water is safe.</p> <p>The Town has a Backflow Prevention and Cross Connection Control Program that works to minimize the potential for contamination of the Town’s drinking water supply. All properties connected to the Town’s municipal water system are required to participate and is enforced by the Backflow Prevention and Cross Connection</p>

	<p>Control By-law 2013-31. GCC 63 and other private systems have the same backflow preventors installed in the residences so there is no added risk in that respect compared to the Town owned water distribution system.</p>
<p><u>Unique Servicing Situation</u></p> <p>With a number of connection points (41 properties associated with GCC 63 and 16 townhomes associated with GCC 73) the water distribution system is unique with the Town’s primary watermain having 6 connection points along with 34 homes and 16 town homes (28% of units) directly attached. This is a unique configuration from a traditional condominium where you have a service pipe and may or may not be looped back into the primary watermain.</p>	<p>All condo servicing situations have unique characteristics. For example, GCC 67, Georgian Bay Estates, has a mix of a small private distribution system running off the Town’s watermain which runs through the condo lands under an easement to the Town. There are a few lateral connections off the Town watermain directly feeding water to individual properties within the condo area. Other condo servicing scenarios have a private system connected to the Town system that provides water to the entire private condo system and then loops back in at a different location (GCC 62 and 69 Woodlands By Sierra and GCC 45 Historic Snowbridge).</p>
<p><u>Assumption of Additional Servicing</u></p> <p>In February 2022, GCC 63 wrote to the Town outlining their unique servicing situation and requested the Town based on commitments from 2009 to assume ownership of the GCC 63 water system and consider assuming ownership of the sewage and stormwater systems. The same concerns for the drinking water can be raised with the sewage system. GCC 63 would like the town to consider ownership of this and the storm sewer system.</p>	<p>Town staff have not undertaken a detail review or assessment (e.g. asset replacement value, condition assessment, maintenance records, etc.) as it relates to GCC 63’s private storm and sanitary sewer.</p>

In consideration that the watermains within GCC 63 are no longer considered a drinking water system as defined under the SDWA, there are two (2) options for the Town to proceed as outlined below:

Options for Council consideration of the water system:

1. Status Quo

The Town does not assume the system. GCC 63 is not required to register it or obtain the services of a licensed water operator. GCC 63 are still responsible to repair breaks and replace at end of life. GCC 63 is responsible for ensuring there are adequate reserves to repair and replace.

2. The Town assumes ownership of the private water system.

To move ahead with this option, the Town would require easements for the water mains (as the roads within GCC 63 are privately owned) that are adequately sized to be able to work safely on the infrastructure. Additionally, the Town would then be responsible for the replacement of the system at end of life. A deficiency inspection would need to be completed, and all issues addressed. The system’s replacement value would then be added to the Town’s Asset Management Plan. The Town would be assuming infrastructure with approximately two-thirds of its expected life remaining.

Evaluation of the options, from an operational viewpoint:

Option	Pros - TBM	Pros – GCC 63
Status Quo – GCC 63 continues to own the water system	<ul style="list-style-type: none"> - No cost to Town to operate and replace at end of life - Town is not responsible to repair breaks. - Town will continue to maintain hydrants and faults. - Adheres to the conditions of the Subdivision Agreement. 	<ul style="list-style-type: none"> - The Condo will have full control of the system not owned by the Town.
	Cons – TBM	Cons – GCC 63
	<ul style="list-style-type: none"> - Town has concerns of water reentering into our system at multiple points, especially if there’s a break. - Potential for undetected water loss is significant. - Town has no input into the replacement of mains at end of life as this is deemed plumbing (minimum 100 year life span). 	<ul style="list-style-type: none"> - Condo bares full burden of costs for operating and replacing of the pieces not owned by the Town. - Condos will continue to pay for hydrant maintenance. - Town charges residents in GCC 63 full water rate and GCC 63 will need to charge an additional cost to residents for reserves.

	<ul style="list-style-type: none"> - Town has concerns of adequacy of maintenance on Town drinking water system. - Town may not be aware of cross connections within private system; however, the Town does have a By-law prohibiting cross connections. 	<ul style="list-style-type: none"> - Confusion when there is a service failure has been raised by GCC 63 but this will be addressed with all condos through direct outreach outlining what the roles and responsibilities are and what actions the Town would take. - GCC 63 will be responsible to repair any breaks on their lands except to the primary water line and its connection points. - Contrary to 2009 Staff correspondence stating that the Town intends to assume ownership, subject to Council approval.
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Option	Pros - TBM	Pros – GCC 63
Town assumes, owns, and operates system	<ul style="list-style-type: none"> - Town has full control of water throughout the area. Care and control never leaves the Town. - Entire system is just one system. - No extra sampling required. - Staff can maintain this watermain with no additional staffing or vehicles. - Aligns with 2009 Staff correspondence stating that the Town intends to assume ownership, subject to Council approval. 	<ul style="list-style-type: none"> - GCC 63 no longer has financial obligation to replace watermain at end of life. - Currently GCC 63 is paying for hydrant maintenance, this would come to an end.
	Cons - TBM	Cons – GCC 63
	<ul style="list-style-type: none"> - Town has concerns that the curbstops may be too close to homes to work on system safely, potential to damage foundations. This should be reviewed prior to assumption to ensure adequate separation. 	<ul style="list-style-type: none"> - Town will require a deficiency inspection and all deficiencies addressed. - Town will require the reserves as the mains are 17 years old. - GCC 63 will need to provide easements and boundaries to where the Town will be responsible for the system.

	<ul style="list-style-type: none">- The Town has concerns that there isn't adequate separation of services, making it very difficult for the Town to undertake repairs, and/or replacement. Drawings currently available to water department do not contain other utility locations. There are no consolidated drawings indicating the location of services and utilities relative to each other.- It is suspected that the buried hydro-electric are within 0.5 meter of watermains.- When the mains were installed, the Town did not have Engineering Standards. The MECP Guidelines were not updated until 2008, therefore potentially not up to current standards.- Town carries the cost of watermain replacement at end of life, however the reserves collected by GCC 63 should be transferred to Town.- Impacts related to the Town's Asset Management Plan (details provided in Section G – Financial Impacts).- This sets a precedent for other condominium developments to download their responsibilities to the Town. The Town would be inheriting a significant risk, as installation poor in some instances.	
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The water system through GCC 63 is fed by the Town at (6) six locations. Town water does have the ability to flow into and through GCC 63, and back into the Town's system. Town staff monitor the free chlorine residual both prior and post GCC 63. If any type of contamination was

taking place within GCC 63, the free chlorine residual would drop significantly. Staff collect weekly bacteriological samples of the Town's Drinking Water System, both prior and post GCC 63. Having this system remain to be their own system does not have a significant risk on the rest of the system, as a number of checks and balances are in place to protect the rest of the Town's water system.

On February 18, 2022, Shawn Everitt, CAO for the Town of The Blue Mountains received a letter from the President of GCC 63, Bob Welling. The letter can be found in Attachment 9 – February 18, 2022, Letter from GCC 63. The letter is requesting that the Town honour the discussions with the Director of Operations in 2009 to transfer ownership of the water system to the Town, and also consider assuming ownership of the sanitary and stormwater systems. One main concern that was brought to Staff's attention relates to the 34 detached homes and 16 town homes which are connected directly to the Town owned trunk main. Questions were raised as to who is responsible for addressing leaking saddles or turning off curbstops. As, this is the Town's trunk main, and in an easement in favour of the Town, it is the Town's responsibility for all work within the easement and on the trunk mains, both water and sewer. The easement is extended to the property line of the detached homes and the town homes. Town staff will be shutting off curbstops at property line. Additionally, the letter also raised the concern that GCC 63 does not have the expertise to maintain the safety of the system and prevent impacts downstream. Often, in this type of situation, as with other condo corporations, Town water staff have been involved in the planning for a repair, and present when the repairs to take place, however the condo corporation hired a contractor to make the repairs. Town Staff do provide significant oversight.

GCC 63, although more complex than other private water systems within the Town, especially considering the Town's trunk main runs through the condominium corporation, and some property owners are feed directly from the trunk main, it is not the only private water system within the Town of The Blue Mountains. If a decision is made to assume the infrastructure, there may be other condominium corporations looking for the same consideration:

- GCC 64 Alpine Springs Court
- GCC 69 Woodlands by Sierra
- GCC 62 Woodlands by Sierra
- GCC 94 Craigleith Ski Club Cabins
- GCC 71 Orchard at Craigleith
- GCC 67 Georgian Bay Estates
- GVLC 103 Cottages Lora Bay
- GCC 80 Keepers Cove Phase 1
- GVC 111 Cottages at Lora Bay
- GCC 08 Apple Jack
- GCC 09 Apple Jack
- GCC 15 Apple Jack
- GCC 30 Apple Jack
- GCC 35 Apple Jack
- GCC 52 Apple Jack.

Engineering Design & Operational/Maintenance Considerations

From a Town Staff perspective, working on some of these systems could be very challenging for the following reasons:

- Traditional condominium roads are much narrower than Town owned roads (GCC 63 is 50 ft vs 66 ft). The utility corridor can be very congested.
- Buildings are close to the utilities, leading to the potential of foundation damage during excavation.
- Narrow roadways cause significant challenges for material storage during reconstruction.
- Not all condominium developments water system are constructed to the same level of scrutiny as a Town owned system. Substandard mains can be very difficult to limit the area of repair required.
- The road bases may not meet Town standards, this will may lead to issues during reconstruction (if the Town assumes the road).

All private water systems with fire hydrants have an agreement with the Town for Town Staff to provide all the hydrant flushing and servicing. This is a service that is paid for by the condominium corporations.

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

Ensuring the Town's Drinking Water System is secure to protect health of the users.

G. Financial Impacts

There are no up-front costs associated with the assumption of the water assets currently under the responsibility of GCC 63 however there are significant long-term financial impacts on the water system users within the Town. As per the Town's most recent Asset Management Plan, the Town's current watermains have a replacement cost of \$68.7M. GCC 63 water assets have a current year replacement cost of \$3.2M.

These assets represent about 5% of the Town's total water replacement cost which is funded from the Water Asset Replacement Reserve Fund. Each year the Town makes a transfer to this reserve fund, \$1,551,340 for 2022, which is collected from the users of the system through the Fixed Charge. For 2022 the fixed charge was \$17.43 per month per user. If the Town were to assume the water assets for GCC 63 this monthly fixed charge would need to increase by 5% to fully fund these new assets. This calculation is based on the asset cost not the number of homes it is serving.

Considering the other condominium corporations in the Town and looking at the water assets under their responsibility, the Town could be looking at assuming additional water assets with a current year replacement cost of \$5M. Factoring the other condominium corporations in the Town would need an increase of 12% to the monthly fixed charge to fully fund these additional assets.

H. In Consultation With

Bob Welling, President GCC 63

Allison Kershaw, Manager of Water & Wastewater Services

Shawn Everitt, CAO

Will Thomson, Director of Legal Services

Nathan Westendorp, Director of Planning & Development

Sam Dinsmore, Deputy Treasurer/Manager of Accounting and Budgets

Scott Hill, Water Supervisor

Meg Boyd, Water & Wastewater Compliance and Efficiency Coordinator.

I. Public Engagement

The topic of this Staff Report has not been the subject of a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. However, any comments regarding this report should be submitted to Shawn Carey, Director of Operations directorops@thebluemountains.ca

J. Attached

1. Attachment 1 – Map of GCC 63 & GCC 73
2. Attachment 2 – Map of Thornbury West
3. Attachment 3 – Lora Bay Drive & Georgian Trail Pre-Servicing Agreement
4. Attachment 4 – Lora Bay Residential Condominium Development Phase 2 As Built Drawings
5. Attachment 5 – Subdivision Agreement for Lora Bay Residential Condominium Phase 2
6. Attachment 6 – Email Communications between Operations Department and GCC 63
7. Attachment 7 – Communications with MECP Regarding Status of system
8. Attachment 8 – Email from MECP with Updated Position
9. Attachment 9 – Letter to Shawn Everitt, CAO, from Bob Welling, GCC 63, February 18, 2022
10. Attachment 10 – Letter to Bob Welling, GCC 63, from Shawn Carey, November 30, 2020
11. Attachment 11 – Rob Anderson Reg Russwurm Communications Jan 2009
12. Attachment 12 – Bob Welling Nathan Westendorp Communications May 2020

Respectfully submitted,

Shawn Carey
Director Operations

For more information, please contact:
Shawn Carey, Director of Operations
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519-599-3131 extension 260

Report Approval Details

Document Title:	CSOPS.22.030 East Ridge GCC63 Water Distributions System.docx
Attachments:	<ul style="list-style-type: none">- Attachment 1 Map of GCC 63 and GCC 73.pdf- Attachment 2 Map of Thornbury West.pdf- Attachment 3 Lora Bay Dr and Georgian Trail Pre Servicing Agreement.pdf- Attachment 4 Lora Bay Residential Condominium Development Phase 2 As Built Drawings.pdf- Attachment 5 Subdivision Agreement for the Lora Bay Residential Condominium Phase 2_Redacted.pdf- Attachment 6 Email Communications between Operations Department and GCC63_Redacted.pdf- Attachment 7 Communications with MECP Regarding Status of System_Redacted.pdf- Attachment 8 Email from MECP with Updated Position.msg_Redacted.pdf- Attachment 9 Letter to Shawn Everitt, CAO, from Bob Welling, GCC 63, February 18, 2022_Redacted.pdf- Attachment 10 Letter to Bob Welling, GCC 63, from Shawn Carey, November 30, 2020_Redacted.pdf- Attachment 11 Rob Anderson Reg Russwurm communications Jan 2009_Redacted.pdf- Attachment 12 Bob Welling Nathan Westendorp Communications May 2020_Redacted.pdf
Final Approval Date:	Apr 29, 2022

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

Shawn Carey - Apr 29, 2022 - 1:25 PM