



# Staff Report

## Operations

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**Report To:** COW - Operations, Planning and Building Services  
**Meeting Date:** November 18, 2025  
**Report Number:** OPS.25.033  
**Title:** East Ridge GCC 63 Water Distribution System Deputation  
**Prepared by:** Alan Pacheco, Director of Operations

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### A. Recommendations

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THAT Council receive Staff Report OPS.25.033, entitled "East Ridge GCC 63 Water Distribution System Deputation (GCC 63)";

AND THAT Council directs staff to extend GCC 63 annual contributions from 17 to 30 years and that GCC 63 provide the Town with the outstanding survey outlined in the agreement by December 31, 2025.

### B. Overview

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On April 29, 2025, the Town received a deputation from Bob Welling, President of Grey Condominium Corporation (GCC) 63, requesting that Council reconsider the requirement for GCC 63 to contribute \$637,000 to the Water Asset Replacement Reserve Fund. Mr. Welling noted that GCC 63 is the only condominium within the Lora Bay development obligated to pay into this reserve.

This report outlines the terms and conditions of the agreement between the Town and GCC 63 and details the financial obligations of the condominium corporation in relation to the Town's assumption of its private water distribution system.

### C. Background

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In September 2005, a Subdivision Agreement was registered for GCC 63, formally recognizing it as a Common Element Condominium. In October 2005, the Town entered into a Master Plan Agreement with Lora Bay Corporation, which approved the separation of golf course and residential lands, and granted draft plan approval for the 153-unit residential development now known as GCC 63.

Town staff have brought forward two reports to Council regarding this matter. The first staff report, [CSOPS.22.030 East Ridge GCC 63 Water Distributions System](#) outlined the history of the development of the Lora Bay servicing, and an overview for the considerations of the Town assuming privately owned infrastructure. A follow up staff report [CSOPS.22.061 East Ridge GCC](#)

[63 Water Distribution System Follow-up](#) resulted in Council's endorsement of a By-law to assume the GCC 63 private water distribution system as a public work, to come into force upon the execution of an agreement and the fulfillment of the conditions including a payment of \$637,000.

Currently, the agreement has been signed by both parties with the two payments for 2024 and the first installment for 2025 having been paid. However, the second payment scheduled for July 31, 2025, remains outstanding.

In addition, there remains one outstanding document, the completion of a survey outlining the easement required by the Land Registry before the Town can assume the water distribution system. The Town's legal counsel has been working with GCC 63's legal counsel to address this matter.

Here are the conditions of payment of the agreement for reference:

*"a) GCC 63 shall make contribution to the Town's Water Asset Replacement Fund by way of payment(s) to the Town in the amount of \$637,000, according to the following schedule:*

- i) the full amount is to be paid in full within 17 years upon enactment of the Assumption By-law;*
- ii) GCC 63 shall make a payment to the Town on January 31 and July 31 of each year, in the amount of \$18,735.29;*
- iii) GCC 63 is to furnish the Town with GCC 63's annual financial summary statement, each year."*

As part of the agreement, GCC 63 would no longer be required to pay for the \$1152 annual hydrant maintenance and flushing fees.

## **D. Analysis**

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Through a detailed review of the reports, emails and agreements, the Town has been transparent throughout this process. The two previous staff reports provide a detailed account of the Lora Bay development, including the history of the development and servicing agreements, and they include all relevant correspondence with GCC 63 dating back to 2009.

In addition, those reports indicate that Mr. Bob Welling, in his role as President of GCC 63, was consulted and referenced in earlier staff reports, which reflects the Town's efforts to keep the lines of communication open and include GCC 63 in the process.

It's also important to note that the Servicing Agreement that formally registered GCC 63 as a Common Element Condominium was enacted in September 2005. Since that time, there have been changes in municipal staffing, and it would not have been possible for staff at that time to anticipate future amendments to by-laws or changes in legislation. The decisions were made based on the information available at that time.

Staff acknowledge that GCC 63 was the only condominium corporation in Lora Bay

required to contribute to a reserve fund for its water system. However, it is important to recognize that the other condominium developments in the area were approved and registered at a later date, under different servicing and policy conditions. These timelines contributed to the variation in how the agreements were structured.

GCC 63, although more complex than other private water systems within the Town, it is not the only private water system within the Town of The Blue Mountains. If a decision is made to assume the infrastructure without payment to the Town's asset replacement reserve, there may be other condominium corporations looking for the same consideration.

**Recommendation:**

**Extending Payment Schedule From 17 to 30 Years**

In recognition of the current economic climate and the financial pressures facing many property owners, Council may wish to consider extending the payment schedule for GCC 63 from the originally proposed 17 years to 30 years. This extended amortization period would reduce the annual financial burden on the condominium corporation, providing meaningful relief while still ensuring the Town is reimbursed for the value of the asset over time.

To reaffirm the Town's position and ensure closure on the matter, staff recommend that the final outstanding item, the completion of the required easement survey, be resolved no later than December 31, 2025. Should this not be completed by that date, the Town will proceed with undertaking the necessary survey and will invoice GCC 63 for the associated costs.

Importantly, this approach would allow the Town to support GCC 63 without shifting the cost or responsibility onto the broader base of water system users across the municipality. By extending the timeline rather than reducing the overall amount, the Town can maintain fiscal responsibility while showing flexibility and responsiveness to the circumstances of this community.

**E. Strategic Priorities**

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**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

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

#### G. Financial Impacts

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Option	Town Impact	GCC 63 Impact	Broader Risk
Extend biannual GCC 63 contributions to the Town from 17 years to 30 Years	Reserve funded but over longer horizon; delay in cost recovery	Lower bi-annual payments from \$18,735.29 to \$9,679.90	Precedent of flexibility

Provincial guidance (D-5-2) permits municipalities to take on communal or private water systems through agreements but it does not make assumption automatic. Some municipalities, treat condo-internal mains as private infrastructure not maintained by the Town while others, will assume them in limited circumstances if conditions like easements, standards and access are met. So, assumption is possible, but it is not consistently applied and is typically conditional.

In this case, Council agreed in 2022 that ownership would be transferred to the Town on the condition that the Condominium Corporation provide compensation. That payment has not yet been fully received.

What has been raised is issues of equity with other Condo Corps. First, other condominium developments in the Town have had their watermains assumed without payment, which is unusual compared to other Ontario municipalities. Second, the Town’s water rate structure is built on the full inventory of assumed assets, meaning those other condo mains were included in the rate base from the outset, and their residents have been paying into asset management accordingly. By contrast, this Condominium Corporation has been paying municipal water rates, but their watermain was not included in the rate base.

#### H. In Consultation With

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Adam Smith, Chief Administrative Officer

Monica Quinlan, Director of Corporate and IT Services / Treasurer

Will Thompson, Legal Counsel.

## **I. Public Engagement**

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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 Alan Pacheco, Director of Operations [directorops@thebluemountains.ca](mailto:directorops@thebluemountains.ca).

## **J. Attached**

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None.

Respectfully submitted,

Alan Pacheco  
Director of Operations

For more information, please contact:  
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**Report Approval Details**

Document Title:	OPS.25.033 East Ridge GCC 63 Water Distribution System Deputation.docx
Attachments:	
Final Approval Date:	Nov 3, 2025

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

**Alan Pacheco - Nov 3, 2025 - 3:50 PM**