



Staff Report

Operations

Report To: Committee of the Whole
Meeting Date: April 6, 2021
Report Number: CSOPS.21.028
Title: Price's Development Wastewater Servicing Extension and Storm Water Diversion Construction Tender Results and Public Information Centre
Prepared by: Michael Campbell, Construction Coordinator

A. Recommendations

THAT Council receive Staff Report CSOPS.21.028, entitled "Price's Development Wastewater Servicing Extension and Storm Water Diversion Construction Tender Results and Public Information Centre";

AND THAT Council increase the project budget by \$500,000 (24% over-budget) and direct staff to accept the tender and award the contract;

AND THAT Council increase the required funding sources as per the Financial Impact section of this report;

AND THAT Council direct staff to proceed with holding a virtual Public Information Centre (PIC).

B. Overview

This Staff Report provides Council with an update on the construction tender results and the information that will be presented at the proposed Public Information Centre (PIC) for Price's Development.

C. Background

The completion of Phase 2B of the Windfall Subdivision provided an opportunity to extend wastewater servicing into Price's Development. The servicing of the Windfall Subdivision brought a trunk sewer from Highway 26 and County Road 21 to 300m north of County Road 19. The internal servicing of the Windfall Subdivision included a sanitary sewer stub at the edge of the subdivision across County Road 19 from Martin Grove.

In addition to providing the ability to service the existing homes in Price's Development, the trunk sewer on County Road 21 and local sewer through Windfall have the capacity to service 100 residential units at the base of Blue Mountain in the Orchard development area. The Town's Official Plan includes a provision for development of a lodge and a limit of 100

residential units in the vicinity of Mountain Road and Scenic Caves Road (County Road 119). Due to a portion of the wastewater extension servicing 2 developments this common portion will be paid for by the Development Charges fund. This will result in a more equitable cost sharing between Price's residents and the future developer of the Orchard lands. See Staff Report FAF.20.178 for further details.

Drainage has been a long-standing issue in the development. The lots were created in the 1960's without the benefit of any engineering to consider how the area would drain. The Town has maintained the ditches over the years but the fundamental deficiencies with the ditch grades and lot elevations result in spring flooding and questionable function of the on-site sewage disposal systems. Some of the lots have not been sufficiently filled to prevent high water in the spring flooding into the development from the hazard lands south of the development. A PIC was conducted in 2018 where options for the improvements to the development were presented. Improvements to the internal ditch network was discussed. The cost was considered onerous by the residents.

The Town did consider another option to possibly reduce spring flooding which was to divert storm water flowing into the subdivision by plugging 2 culverts on Scenic Caves Road (County Road 119). The Town and the County will jointly share the cost of this storm diversion.

Council directed staff to advance the wastewater extension as well as the Grey Road 119 drainage diversion only.

D. Analysis

Public consultation is an integral part of any construction project. In lieu of a regular drop-in PIC, the public will be encouraged to view and/or participate in a live stream presentation of the project.

Residents will be encouraged to attend the live stream session, send questions in advance and/or ask questions during the live meeting. The Virtual PIC will be recorded and added to the Town's project website.

The Virtual PIC will be held on Wednesday, April 21, 2021. The proposed presentation material can be found as Attachment #3.

Price's Wastewater Servicing Extension

The wastewater servicing extension is broken down into 2 sections. The sewer from the Windfall Subdivision to the intersection of Martin Grove and County Road 19 and west to the intersection of Mountain Road and Claire Glen will be a trunk sewer financed by development charge. This sewer will service the Price's Development Area as well the future Orchards Area. See Attachment #1 for a map of the project.

The sewers on Claire Glen, Patricia Drive, Martin Grove and County Road 19 east of Martin Grove will be the Price's Development local sewers. The number of laterals that will be

installed cannot be confirmed at this time as a few lots have severance potential. The development has a potential to install as many as 69 sanitary laterals with severances and easements granted to service the 2 lots on Scenic Caves Road. Currently, without any severances, the Town would install only 58 laterals. The tender includes 65 sanitary laterals. This point is important because cost of the local sewers will be divided by 65 to suggest a value for the Equivalent Residential Unit (ERU). It should also be understood that the construction tender price for the local sewers includes several provisional items. Provisional items are included in a tender to lock in a price for work that may be needed to complete the project. An example of a provisional item is rock excavation. The Town has geotechnical investigations conducted and test pits dug that provide some insight into where rock may be encountered, but the actual volume of rock excavated is not known until the work is finished. By including an estimated number in the tender, competitive pricing for this work is obtained. When the final number of laterals installed, and the total cost of the work is known a final cost per ERU or cost per lot (either existing or newly created) will be known.

The tender for the Sanitary Service Extension is quite complicated as the work has evolved since the project budget was developed and approved by Council. Additional items have been added through the final design that were not originally anticipated. This work includes:

- Pre-condition survey.
- Replacement of culverts.
- Relocation of a hydrant.
- Installation of water services where properties are severed (owner funded).
- Additional sanitary services where properties are severed.
- Remove and replace deleterious material.
- Insulation.
- Project signs.
- Rock excavation.
- Work advancing more than a year later than expected.

The approved budget for the sanitary extension for construction and a 10% contingency is \$1,522,100.

The tender results for the sanitary extension for construction with a 10% contingency is \$1,755,000. The Town saw a cost savings in the engineering of this project, those savings will be reallocated to construction and offset some of the required increase to the budget.

Staff Recommend the budget for the Wastewater Servicing Extension be increased by \$207,000.

The final count on the number of sanitary services that will be installed is not known at this point. Based on 65 services the cost per service is \$21,857.42. In addition, the cost per service for the existing wastewater infrastructure is \$4,769.00 for a total of \$26,626.42. which is below the affordability threshold, see Financial Impact section of this report. In addition to the capital

charge, property owners will also be levied the capital cost to connect to the existing wastewater system.

Price's Storm Diversion (Town Portion)

The Storm Diversion will be more expensive than earlier estimates. One item that was not considered was the existing ditch between the Scenic Caves and Blue Mountain Roads intersection and the Claire Glen and County Road 19 intersection. Blue Mountain Resorts have a Site Plan Agreement to improve the drainage system in the area around the Orchard Parking Lots including this section of ditch. The work has not been completed and the Town's Consultants recommend the ditch improvements be undertaken. The Consultant's concern is that their modeling shows the ditch will surcharge during a 100-year storm. The cost for ditch improvements are approximately \$48,500 including construction contingency and engineering. Staff are exploring options to recoup this expense for items that were to be completed under a previous Site Plan Agreement. In addition to the ditch improvements there is approximately \$30,000 in provisional items for removal and replacement of deleterious material.

The approved budget for the Town's portion of the Storm Diversion was \$137,000 including contingency and engineering.

The tender results for the Town's portion of the Storm Diversion is \$290,000 including engineering and contingency.

Staff recommend the budget for the Town's portion of the Storm Diversion be increased by \$193,000 to \$330,000.

Price's Storm Diversion (County Portion)

The County's portion of the Storm Diversion is the replacement of a 900mm culvert across County Road 19 at Claire Glen. Following discussions with the County the pipe length was increased by 50% to accommodate the future widening of County Road 19 and the culvert will be upgraded to a concrete box culvert. The County's portion of the work includes approximately \$22,000 in provisional items for removal and replacement of deleterious material and to supply and place guide rails.

The approved budget for the County's portion of the Storm Diversion was \$125,000 including engineering and contingency.

The tender results for the County's portion of the Storm Diversion is approximately \$221,000 including engineering and contingency.

The County has approved an increase in their budget of \$100,000 to a total of \$225,000.

Summary

Staff are recommending that the budget for the Price's Development Wastewater Servicing Extension and Storm Water Diversion be increased by \$500,000.

E. Strategic Priorities

1. Communications 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 proposed infrastructure upgrades will provide environmental benefits through improvements to existing drainage and extension of wastewater servicing to replace existing septic systems. Short term construction impacts are anticipated and will be addressed through standard mitigation measures (e.g. replanting program, sediment control, temporary servicing provisions, etc.).

G. Financial Impacts

Price's Wastewater Extension

The following chart outlines the variance between the budget and the actuals for the wastewater extension portion of the tender:

| Item | Budget | Actual | Variance \$ | Variance % |
|---|-------------|-------------|-------------|------------|
| Miscellaneous (including carrying cost) | \$0 | \$4,480 | (\$4,480) | N/A |
| Consulting | \$74,500 | \$75,811 | (\$1,311) | (2%) |
| Engineering | \$207,500 | \$174,770 | \$32,730 | 16% |
| Construction | \$1,522,600 | \$1,755,000 | (\$232,400) | (15%) |
| Total | \$1,804,000 | \$2,010,061 | (\$206,061) | (11%) |

| Funding Source | | | | |
|--|-------------|-------------|-------------|-------|
| Property Owners | \$1,119,600 | \$1,421,000 | (\$301,400) | (27%) |
| Development Charges | \$685,000 | \$527,000 | \$158,000 | 23% |
| Water Asset Replacement Reserve Fund | \$0 | \$38,000 | (\$38,000) | N/A |
| Infrastructure and Public Works Asset Replacement Reserve Fund | \$0 | \$24,061 | \$0 | N/A |
| Total | \$1,804,000 | \$2,010,061 | (\$206,061) | (11%) |

Using the \$1,421,000 to be recovered from the 65 potential property owners an annual cost can be calculated and compared against the Town's Affordability Policy. Factoring in the Direct Capital Cost and the equivalent unit existing wastewater infrastructure cost each property owner will be billed \$26,600. This amount is \$4,600 higher than previous estimates due to the construction contract coming in over-budget. Using a 25-year payment term with an interest rate of 2.80% (Town's current borrowing cost) this will require a \$1,495 annual repayment which is under the 5% Affordability Policy and therefore deemed affordable.

It should be noted that these figures are subject to change based on final costs (the above includes both provisional items and contingency), borrowing rate of the day and the payment terms. The \$1,495 is calculated for illustration purposes only.

The Development Charges can only be used to fund the works outside of the subdivision that service more than just Price's Subdivision. This portion of the project has come in under-budget however that funding can not be re-allocate to offset the cost to be billed back to the property owners.

Price's Storm Diversion

A similar chart comparing budget to actuals has been created for the storm diversion portion of this tender.

| Item | Budget | Actual | Variance \$ | Variance % |
|---------------|-----------|-----------|-------------|------------|
| Miscellaneous | \$0 | \$534 | (\$534) | N/A |
| Engineering | \$31,000 | \$90,420 | (\$59,420) | (192%) |
| Construction | \$231,000 | \$462,700 | (\$231,700) | (100%) |
| Total | \$262,000 | \$553,654 | (\$291,654) | (111%) |

| Funding Source | | | | |
|--|-----------|-----------|-------------|--------|
| Grey County | \$125,000 | \$225,000 | (\$100,000) | (80%) |
| Infrastructure and Public Works Asset Replacement Reserve Fund | \$137,000 | \$328,654 | (\$191,654) | (140%) |
| Total | \$262,000 | \$553,654 | (\$291,654) | (111%) |

A portion of the drainage works will be funded by the County and the rest will be funded through the Town's Infrastructure and Public Works Asset Replacement Reserve Fund.

H. In Consultation With

Shawn Carey, Director of Operations

Allan Gibbons, Communications Coordinator

Allison Kershaw, Manager of Water and Wastewater Services

Jim McCannell, Manager of Roads and Drainage

Sam Dinsmore, Deputy Treasurer/Manager of Accounting and Budgets

I. Public Engagement

The topic of this Staff Report will be the subject of a PIC in accordance with the following schedule:

- March 19, 2021: Notice of Virtual PIC #1 mailed to residents in project area;
- March 25, 2021: Notice of Virtual PIC #1 advertised in Collingwood Connection;
- April 6, 2021 Committee of the Whole – Initial staff report (CSOPS.21.028 Price's Development Wastewater Servicing Extension and Storm Water Diversion Construction Tender and Public Information Centre) with report on tender and recommendation to proceed to public information centre;
- April 8, 2021 Notice of Virtual PIC #1 advertised in Collingwood Connection;
- April 19, 2021 Council – Recommendations from April 6 Committee of the Whole confirmed; and,
- April 21, 2021 – Virtual PIC to be held.

Comments regarding this report should be submitted to Michael Campbell, cc@thebluemountains.ca.

J. Attached

1. Project Map
2. Notice of PIC
3. PIC Presentation

Respectfully submitted,

Michael Campbell, C.E.T.
Construction Coordinator

Shawn Carey
Director of Operations

For more information, please contact:
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Report Approval Details

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| Document Title: | Price's Wastewater Servicing Extension and Storm Water Diversion Construction Tender Results and PIC.docx |
| Attachments: | <ul style="list-style-type: none">- Att 1 Project Map.pdf- Att 2 Notice of PIC.pdf- Att 3 PIC Presentation.pdf |
| Final Approval Date: | Mar 26, 2021 |

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

Shawn Carey - Mar 25, 2021 - 8:54 AM

Shawn Everitt - Mar 26, 2021 - 8:53 AM