



# Staff Report

## Operations

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**Report To:** Committee of the Whole Meeting  
**Meeting Date:** March 29, 2022  
**Report Number:** CSOPS.22.009  
**Title:** Tyrolean Village Watermain Replacement and Wastewater Servicing PIC 2 Follow-up  
**Prepared by:** Kevin Verkindt, Senior Infrastructure Capital Project Coordinator

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### A. Recommendations

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THAT Council receive Staff Report CSOPS.22.009, entitled "Tyrolean Village Watermain Replacement and Wastewater Servicing PIC 2 Follow-up";

AND THAT Council direct staff to split the Tyrolean Village Watermain Replacement and Wastewater Servicing Extension project into two phases of construction. Phase One consisting of Birch View Trail Watermain Replacement and Wastewater Servicing Extension and Phase Two consisting of Tyrolean Lane Watermain Replacement and Wastewater Servicing Extension;

AND THAT Council direct staff to proceed with a Request for Tender for the construction of Phase One Birch View Trail Watermain Replacement and Wastewater Servicing Extension in 2022 and Phase Two Tyrolean Lane Watermain Replacement and Wastewater Servicing Extension in 2023;

AND THAT Council direct staff to provide a further staff report outlining the tendered costs prior to awarding the construction contract for Phase One Birch View Trail Watermain Replacement and Wastewater Servicing Extension if the annual household cost of extending services is greater than 5% of the median after tax single household income as per the Town's Affordability Policy.

### B. Overview

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This report outlines the comments received from the Public Information Centre (PIC) 2 held virtually on December 2, 2021, for the Proposed Watermain Replacement and Wastewater Servicing for the Tyrolean Village area.

Furthermore, this report is provided to Council to update the status of tendering for the Tyrolean Village watermain replacement and wastewater servicing extension and to proceed with staff's recommendation to proceed to tendering Phase One Birch View Trail Watermain Replacement and Wastewater Servicing Extension construction in 2022 and Phase Two

Tyrolean Lane Watermain Replacement and Wastewater Servicing Extension construction in 2023.

## **C. Background**

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On October 21, 2019, Council approved a motion to receive a deputation from Tyrolean Village Resorts Limited requesting the installation of a gravity fed sanitary sewer line on Tyrolean Lane in order to provide municipal sewers to the chalets on Tyrolean Lane. Further, Council directed staff to include the Tyrolean Lane gravity fed sanitary sewer line in the 2020 Budget for Council consideration. The project area can be seen in the Notice of PIC 2 found in Attachment 2.

In the 2020 budget, Council approved the project for the installation of sanitary sewers and service connections to the residents on Birch View Trail and Tyrolean Lane. The proposed wastewater servicing will include the installation of sanitary sewers in the roadway and service connections to property line. The proposed services will replace the need for existing private septic systems or holding tanks.

Furthermore, there have been several watermain breaks in the Tyrolean Village area associated with the age and original pipe material used. As such, a watermain replacement project was also included in the approved 2020 budget to address these concerns. Since the proposed watermain replacements are for existing infrastructure, there will be no additional cost to the residents.

The project will include restoration only in areas disturbed by the installation of the necessary infrastructure. The road disturbed by construction will be restored to match the existing road surface.

In late November 2020, the Town awarded the contract for the engineering design and contract administration to WT Infrastructure Solutions Inc (WT). It is anticipated that the engineering design will be completed in Q1 of 2022 with construction beginning in Q2 of 2022.

As part of the project scope, Town staff identified the need for two public consultation sessions. On April 20, 2021, staff presented Staff Report CSOPS.21.029 entitled “Tyrolean Village Watermain Replacement and Wastewater Servicing Public Information Centre” for direction to proceed with PIC 1. Following direction from Council, the first PIC was hosted virtually on May 6, 2021, for residents and stakeholders to ask questions and provide comments to Town Staff.

### **PIC 1**

On June 15, 2021, the public feedback from PIC 1 was summarized in Staff Report CSOPS.21.041 “Tyrolean Village Watermain Replacement and Wastewater Servicing Public Information Centre Follow-up” and discussed at Committee of the Whole. In general, for those residents that were involved, the majority support wastewater servicing and watermain replacements along Tyrolean Lane and Birch View Trail. Several of these respondents also own multiple properties on these affected streets and shared a common concern related to the impact of the project on Short Term Accommodations (STA), service connections, and cost. The following were the primary concerns:

1. **Impact on Short Term Accommodation**

The pandemic has adversely impacted STA revenue and there are concerns that a major disruptive construction project could impact recovery. It is recommended that the STA organization be a stakeholder in the project in terms of being notified of construction progress to allow them to best manage their businesses related to construction impacts. The approach to construction will be the same as all these types of projects must mitigate the impacts on residents and minimizing impacts to residents/STA is a requirement of the construction process.

2. **Service Connections**

There was interest in site specific concerns related to servicing as residents seemed to want to avoid pumping systems or understand how they connected. This information will be provided and clarified as the design advances.

3. **Cost**

There were some concerns how the cost would be recovered, and that the division of cost would be equitable based on the various land uses in the project area (high occupancy short term accommodation vs. single family dwelling). The current cost recovery is based on an Equivalent Residential Unit (ERU) basis taking POL.COR.17.02 Affordability Policy for Water and Wastewater Service Extensions (Affordability Policy) and Water Use By-Law 2008-02 Schedule "A" Basis for Equivalent Units (Schedule "A") as seen in Attachment 1 into consideration.

There were no comments of opposition to the project during the PIC #1 meeting.

## **D. Analysis**

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The comments received from residents in response to the Notice (issued November 11, 2021) and Public Information Centre #2 (December 2, 2021) were addressed at the PIC and are summarized in Attachment 3 Public Information Centre Memorandum. All attendees were required to pre-register with the Town. There were 24 attendees at the PIC.

The public feedback indicated that of those residents that responded, the majority of residents support wastewater servicing and watermain replacements along Tyrolean Lane and Birch View Trail. The following were the primary concerns:

1. **Division of ERU's**

There was interest in how ERU's would be divided amongst property owners. The approach to ERU's in the Town has been based on a case-by-case basis following past practice of using the Affordability Policy and taking Schedule "A" into consideration. Schedule "A" is a guiding document on calculating the basis for equivalent units. Schedule "A" categorizes facility types with a corresponding equivalent unit. The facility types and equivalent units that may apply to this project include:

- |  |                  |
|--|------------------|
| • Single Family Dwelling                                 | 1 ERU            |
| • Multiple Unit, Apartment, Condominium, Efficiency Unit | 1 ERU per unit   |
| • Hotel, Motel (no cooking facilities)                   | 0.5 ERU per room |

- Lodge, Hostel, Dormitory (more than 4 beds/room) 1 ERU per four beds

2. **Zoning**

There were concerns regarding zoning and property limitations. The concern from residents was the how an ERU would be assigned based on current zoning and proposed future zoning. For example, an existing family dwelling built on a property that is zoned for a tri-plex does not mean a tri-plex would be able to be built because of restricting site constraints, such as topography and conservation measures; therefore, the existing single-family dwelling will count according to a Single-Family Dwelling in Schedule "A". Furthermore, large tracts of vacant lands located on Tyrolean Lane present an unknown assignment of ERU's; thus, having an impact of affordability on the benefitting properties on Tyrolean Lane. It was communicated that the assignment of an ERU will be on a case-by-case basis and consideration for a Planning and Building application, existing zoning, future zoning, existing dwelling, site constraints and conservation measures will be taken into consideration. The Town suggested property owners contact the Town's Planning and Development Services Department for all zoning inquiries.

3. **Service Connections**

There were some site-specific concerns related to existing servicing, as residents seemed to want to understand how they are currently connected. This information on a number of existing connections for each property was clarified, along with why the current configuration of shared services is not ideal.

**Division of ERU's**

The Tyrolean Village area is complex with regards to current and future development, including, STAs, hotels / motels, tri-plex's and the potential for higher density development on vacant lands. For example, vacant lands known as municipal property 136 and 138 Tyrolean Lane are larger vacant lands currently zoned Development (D). Dividing an ERU count to 136 and 138 Tyrolean Lane has proven difficult and assigning an ERU based on past practice of using strictly the Affordability Policy and Schedule "A" will not be considered affordable for the benefitting properties within the Tyrolean Lane wastewater extension project. For example, the properties on Birch View Trail have a mix of zoning; however, a simple ERU count can be assigned to each property based on existing dwellings and an ERU applied according to Schedule "A". As a result, the costs are distributed evenly to the benefitting properties.

Therefore, staff are recommending separating the Tyrolean Village Watermain Replacement and Wastewater Extension project into two phases:

Phase One - Birch View Trail Watermain Replacement and Wastewater Servicing Extension with Council direction will proceed with tendering and construction in 2022. Phase One will include the removal and replacement of existing watermain from the intersection of Arlberg Crescent to approximately 175 m north and the installation of a combined gravity and low-pressure force main sanitary main.

Phase Two - Tyrolean Lane Watermain Replacement and Wastewater Servicing Extension with Council direction will proceed with tendering and construction in 2023. Phase Two will include the removal and replacement of existing watermain on Tyrolean Lane, Kandahar Lane and Arlberg Crescent. This work will also include the installation of a gravity sanitary main from Tyrolean Lane with the removal and replacement of the existing sanitary on Kandahar Lane and Arlberg Crescent.

With Council direction the Tyrolean Village Watermain Replacement and Wastewater Servicing Extension project will be separated into two phases. The benefits for two phases of construction include the tendering and construction of Phase One in 2022, Phase One will consist of a fair and equitable allocation of ERUs and will allow “shovel ready” developments on Birch View Trail to proceed once the sanitary main is commissioned. Also, postponing Phase Two into 2023 will allow staff and the owners of the large vacant lands located at municipal 136 and 138 Tyrolean Lane a chance to open dialogue for cost allocations to ensure Phase Two remains fair and equitable for all benefitting properties.

The total approved 2020 budget was \$3,970,700. It is estimated that Phase One Birch View Trail construction will cost an estimated \$1,250,000 and Phase Two Tyrolean Lane construction \$3,600,000; therefore, a budget amendment will be required for supplementary construction from Phase One to Phase Two. The 2020 budget has been impacted predominately from civil design, regulatory and material implications.

Examples of budget implications include the following:

**A. Excess Fill Regulation**

A budget allowance will be required for the removal and disposal of excess soils to the requirements of the new excess soils legislation O. Reg. 409/06 which came into full effect as of January 1, 2022. The full financial impact of this new provincial requirement was not anticipated or known at the time the original budget was developed. The regulated community is continuing to seek additional clarity about the new requirements from the Ministry of the Environment, Conservation and Parks. In the interim, staff are working on procedures and planning for the reuse of the soil from Town projects to help reduce capital costs, but it will not be in place for the 2022 construction season.

**B. Additional watermain replacement on Arlberg Crescent**

During initial budget estimates the existing watermain on Arlberg Crescent from Kandahar Lane to Birch View Trail was not included. The existing watermain on Arlberg Crescent is Grey PVC and is obsolete.

**C. Existing sanitary design on Kandahar Lane and Arlberg Crescent**

A design and constraint deficiency of the existing sanitary main on Kandahar Lane and Arlberg Crescent was identified in the early stages of engineering design. The deficiency included extending and increasing the size of the existing sanitary main resulting in the removal and replacement of approximately 250 m of existing sanitary main on Kandahar Lane and an additional 100 m of sanitary main on Arlberg Crescent.

**D. Material cost**

The COVID-19 Pandemic has resulted in substantial cost increase of materials and supply chain delays. This ultimately, has resulted in substantial material costs.

**E. Replacement of existing culverts**

The project area of Tyrolean Village is a rural cross section which consists of open ditches. There have been several identified cross culverts that are flagged to be replaced due to conflicts with the proposed new watermain and sanitary main installation.

**Next Steps**

Following Council's direction, the benefitting property owners will be informed of the proposed ERU count and approximate costs to the benefitting properties through various forms of communication methods including but not limited to:

- Town website;
- Direct mail;
- Door to door;
- Social media; and
- Ad Hoc.

With the direction of Council and in accordance with the Town of The Blue Mountain's Purchasing Policy and Procedures, staff will proceed with advertising and tendering a Request for Tender (RFT) for construction for Birch View Trail only.

It is anticipated that the bidding opportunity will be issued for a four-week posting period beginning in April 2022 with a closing date at the end of April 2022.

Upon tender closing, the staff and WT will review the tenders for accuracy and completeness. Once all tenders are reviewed, staff and WT will provide final recommendation for award of the tender.

Staff will follow-up with the benefitting property owners with an updated proposed final tendered construction cost. At that point, staff will provide recommendations for award of tender including a full analysis of submitted bids to mitigate the risk of unbalanced tenders.

The total approved 2020 budget was \$3,970,700. As the project will be split into two phases it is anticipated that staff will not need to amend the existing budget for Phase One Birch View Trail Watermain Replacement and Wastewater Servicing Extension; however, it is anticipated that Phase Two Tyrolean Lane Watermain Replacement and Wastewater Servicing Extension will need an amended budget due to project scope changes, excess soil regulation, COVID-19 Pandemic, supply chain constraints and financial inflation. Therefore, it is anticipated that staff will need to amend the existing budget with a supplementary Staff Report prior to the start of construction for Phase Two.

## **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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Improperly maintained and failing septic systems may contribute to higher soil, groundwater and surface water pollution.

## **G. Financial Impacts**

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The expected budget for Phase One Birch View Trail Watermain Replacement and Wastewater Servicing Extension is \$1,250,000 with \$425,000 being for watermain replacement and \$825,000 for the sanitary extension. The watermain replacement cost will be funded through the Water Asset Replacement Reserve Fund and the sanitary extension will be funded by the homeowners.

Each residential equivalent unit will be looking at a cost of \$31,935 ( $\$825,000/31 \text{ units} = \$26,613 + \text{Existing Capital cost } \$5,322$ ) for the sanitary extension. Using a 25-year payment plan at 3% interest rate would give an annual payment of \$1,834 which sits at 5.43% on the Affordability scale.

When the annual amount is between 5 and 10% additional analysis is required with the following items to be considered:

- Local Support of the project
- Health and safety, environmental or other factors that may impact the necessity of the works

- Funding support from the Town

The servicing of Birch View Trail was approved by Council at the request of some of the local citizens and with the annual costs being less than half a percentage over the 5% affordability mark staff are recommending that the project move forward based on local support.

## **H. In Consultation With**

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Shawn Carey, Director of Operations

Shawn Postma, Senior Policy Planner

Trevor Houghton, Manager of Community Planning

Allison Kershaw, Manager of Water and Wastewater

Sam Dinsmore, Deputy Treasurer/Manager of Budgets and Accounting

Jason Petznick, Communications Coordinator

Shawn Everitt, Chief Administrative Officer

## **I. Public Engagement**

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The topic of this Staff Report was subject to a Public Engagement Plan and included two Public Information Centres in accordance with the following schedule:

- Monday, February 24, 2020 Notice of Public Meeting to residents in Tyrolean Village to review and comment on 2020 Draft Budget;
- Monday, March 9, 2020 Public Meeting for 2020 Draft Budget;
- Monday, December 14, 2020 Notice to Residents of project initiation;
- Tuesday, April 6, 2021 Notice of PIC 1 mail out to Tyrolean Village residents;
- Thursday, April 8, 2021 Notice of PIC 1 advertised in the Collingwood Connection;
- Thursday, April 15, 2021 project signage installed;
- Thursday, April 22, 2021 PIC 1 advertised in the Collingwood Connection;
- Tuesday, April 20, 2021 Committee of the Whole – Initial staff report CSOPS.21.029 Tyrolean Village Watermain Replacement and Wastewater Servicing Public Information Centre;
- Monday, May 3, 2021 Council – recommendation from Committee of the Whole considered by Council;
- Thursday, May 6, 2021 PIC 1 held;
- Tuesday, June 15, 2021 Committee of the Whole – Staff Report CSOPS.21.041 Tyrolean Village Watermain Replacement and Wastewater Servicing PIC 1



Follow-up;

- Thursday, November 11, 2021 Notice of PIC 2 advertised in the Collingwood Connection;
- Tuesday, November 11, 2021 Notice of PIC 2 mail out to Tyrolean Village residents;
- Tuesday, November 16, 2021 Committee of the Whole – Staff Report  
CSOPS.21.083 Tyrolean Village Watermain Replacement and Wastewater  
Servicing Public Information Centre 2 with recommendation to proceed to public  
consultation;
- Monday, November 29, 2021 Council – recommendation from Committee of the  
Whole considered by Council;
- Thursday, November 25, 2021 Notice of PIC 2 advertised in the Collingwood Connection;
- Thursday, December 2, 2021 PIC 2 held.

Any comments regarding this report should be submitted to Kevin Verkindt, Senior  
Infrastructure Capital Project Coordinator [icpc@thebluemountains.ca](mailto:icpc@thebluemountains.ca).

## **J. Attached**

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1. CSOPS.22.009 Attachment 1 Water Use By-law 2008-02 Schedule “A” Basis for Equivalent Units
2. CSOPS.22.009 Attachment 2 Notice of PIC 2
3. CSOPS.22.009 Attachment 3 Public Information Centre 2 Follow-up Memorandum

Respectfully submitted,

Kevin Verkindt  
Senior Infrastructure Capital Project Coordinator

Shawn Carey  
Director of Operations

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

Document Title:	CSOPS.22.009 Tyrolean Village Watermain Replacement and Wastewater Servicing PIC 2 Follow-up.docx
Attachments:	<ul style="list-style-type: none"><li>- CSOPS.22.009 Attachment 1 Water Use By-Law 2008-02 Schedule A Basis for Equivalent Units.pdf</li><li>- CSOPS.22.009 Attachment 2 Notice of PIC 2.pdf</li><li>- CSOPS.22.009 Attachment 3 Public Information Centre 2 Follow-up Memorandum.pdf</li></ul>
Final Approval Date:	Mar 11, 2022

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

**Shawn Carey - Mar 11, 2022 - 12:50 PM**