

STAFF REPORT: ENGINEERING AND PUBLIC WORKS DEPARTMENT

REPORT TO: Council
MEETING DATE: November 23, 2009
REPORT NO.: EPW.09.079
SUBJECT: Amending Water Agreement between the Town of The Blue Mountains & Collingwood Utilities Services
PREPARED BY: John Caswell, Manager of Water & Wastewater Services/Asst. Director

A. Recommendations

THAT Council receive Staff Report EPW.09.079 entitled “Amending Water Agreement between the Town of The Blue Mountains and Collingwood Utilities Services,” and

THAT the Mayor and Clerk be authorized to execute the Amending Agreement for Water Purchase Agreement between The Corporation of The Town of The Blue Mountains and The Public Utilities Commission of The Town of Collingwood.

B. Background

The Town of Blue Mountains and Collus Utility Corporation (Collus) entered into an agreement to have Collus supply water to the Town with up to 8000 m³/day over a staged time period. The Town receives the benefit of reasonably priced water and also the security of supply by having a water source at each end of the distribution system.

The agreement is based on a twenty year term and commenced on January 5, 2005 with the Town receiving 1000 m³/day. The agreement provided for the Town to receive 2500 m³/day as of January 5, 2007 and 4000 m³/day as of January 5, 2009. The final increase to 8000 m³/day was to occur on January 5, 2011.

Recently Staff met with representatives from Collus to discuss the final increase in water taking from 4000 m³/day to 8000 m³/day to occur on January 5, 2011. Due in part to the recent downturn in the economy and less than anticipated growth, the Town does not require the additional 4000 m³/day of water to service the current demands. Also, Collus at this time is unable to supply the additional 4000 m³/day.

The Town and Collus have mutually agreed to extend the date at which the taking of 8000 m³/day will occur to January 5, 2015. The Town Solicitor prepared an amending agreement that was been provided to Collus for their signatures. The amending agreement has been executed by Collus and now requires the Mayor and Clerk to execute the agreement. The Amending Agreement is provided as Attachment #1.

C. The Blue Mountains' Strategic Plan

The Collingwood Water Agreement furthers the Town's Strategic Goal #2 "Addressing the Town's municipal infrastructure needs".

D. Environmental Impacts

This supply of water will also reduce the required operation of the Town water treatment plant.

E. Budget Impact

The Draft 2010 operating budget provides \$445,300 for the purchase of water from Collus. The proposed 2011 and 2012 operating budgets provide for the purchase of 4000 m³/day each year.

F. Attached

1. Amending Agreement for Water Purchase Agreement

Respectfully submitted

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Reg Russwurm
Director, Engineering and Public Works

**PART III
ADMINISTRATION**

3.1 Successors & Assigns

It is hereby agreed by and between the Parties hereto that this Agreement shall be enforceable by and against the Parties hereto, their heirs, executors, administrators, successors and assigns.

**PART IV
LIST OF SCHEDULES**

The following schedules are attached hereto and form part of this Agreement:

"SCHEDULE A" being the amendments to the Purchase Agreement.

IN WITNESS WHEREOF the parties hereto have hereunto affixed their corporate seals duly attested by the hands of their proper signing officers in that behalf.

) SIGNED, SEALED AND DELIVERED
)
)
)
)
) **THE CORPORATION OF THE TOWN
OF THE BLUE MOUNTAINS**

) _____
) Mayor - Ellen Anderson
)
) _____ c/s
) Clerk - Stephen Keast

) **THE PUBLIC UTILITIES OF THE
TOWN OF COLLINGWOOD**

) _____ c/s

) Name:
) Title:

)  _____
) Name:

) Title:
) we have authority to bind the
corporation.

SCHEDULE "A"

This schedule forms part of An Amending Agreement between The Corporation of the Town of The Blue Mountains and The Public Utilities of the Town of Collingwood

AMENDMENTS TO THE PURCHASE AGREEMENT

The Parties agree that the Purchase Agreement shall be amended by:

1. Deleting therefrom subsections c. and d. of section 3.02 and substituting in their place the following subsections c. and d.
 - c. In the fifth, sixth, seventh, eighth, ninth and tenth years of the Term, TOBM shall purchase a minimum of 4000 cubic metres of water on an average for each day;
 - d. Commencing on January 5, 2015, being the eleventh anniversary of the Commencement Date, and continuing for the balance of the Term, TOBM may purchase, if mutually agreed a minimum of 8000 cubic metres of water on an average day, provided that the Parties may by mutual agreement amend this requirement;