

STAFF REPORT: Finance & IT Services

REPORT TO: Council
MEETING DATE: August 8, 2011
REPORT NO.: FIT.11.34
SUBJECT: Spence/Turner Extension of Water & Wastewater Services
PREPARED BY: Darcy Chapman, Capital Accountant
 John Caswell, Manager of Water & Wastewater Services

A. Recommendations

THAT Council receive Staff Report FIT.11.34 "Spence/Turner Extension of Water & Wastewater Services" for information purposes.

B. Background

Report EPW.08.57 providing preliminary discussions on servicing the property located at 209691 Highway. 26, (Lot 24, Plan 529), was presented to Engineering & Public Works Committee on May 13, 2008. Property owners Pamela Spence & Robert Turner discussed their letter of May 5, 2008 and requested the Committee consider a number of servicing items. A public meeting was held on August 18, 2008.

Through the appropriate reports and public meeting, Council deemed it acceptable to enter into an agreement to extend services to Lot 24, Plan 529 with the construction costs of the service extensions financed one hundred percent (100%) by the Property Owner.

By-law 2008-84 was passed on September 8, 2008 establishing estimated costs of the project, along with an estimated recoverable charge from the adjacent property at Lot 25, Plan 529. The By-law deemed that the property at Lot 25, Plan 529 had a deferred benefit since the extension fronted Lot 25. Should the property connect to the services, or be required to connect by the Town or another agency, or if their property is sold, then the By-law's Capital Charges would become due and payable. The property owner at Lot 25, Plan 529, was presented with the proposal and it was discussed fully with them.

Construction of the extension commenced on November 9, 2009 and substantial completion was awarded on January 19, 2010.

Now that the construction has been completed and all known costs determined, the original By-law must be rescinded and repealed and replaced with a new By-law imposing the actual costs for construction and engineering.

The chart below illustrates the changes required in the new By-law showing the difference between the estimated and actual costs.

ESTIMATED COSTS - By-law 2008-84			
	New Water Works	New Sewage Works	TOTAL
Construction Costs	\$ 28,500.00	\$ 33,300.00	\$ 61,800.00
Engineering Fees	<u>\$ 2,000.00</u>	<u>\$ 2,000.00</u>	<u>\$ 4,000.00</u>
Total	\$ 30,500.00	\$ 35,300.00	\$ 65,800.00

ACTUAL COSTS			
	New Water Works	New Sewage Works	TOTAL
Construction Costs	\$ 36,669.61	\$ 37,815.26	\$ 74,484.87
Engineering Fees	<u>\$ 3,538.05</u>	<u>\$ 4,774.94</u>	<u>\$ 8,312.99</u>
Total	\$ 40,207.66	\$ 42,590.20	\$ 82,797.86

Difference	\$ 9,707.66	\$ 7,290.20	\$ 16,997.86
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Also attached is the signed Agreement between the Town and the property owner of Lot 24, Plan 529, identifying the estimated Construction Costs and the terms of the construction. The agreement also identifies the amount due to the Town prior to the release of the "Request for Tender", the amount of non-recoverable costs, and the amount of recoverable costs. The property owner at Lot 24, Plan 529, was also responsible to cover any costs over the estimated construction costs which amounted to \$16,997.86. This agreement was prepared by Municipal Solicitor John Metras and reviewed by Town Staff.

Also attached is the Draft By-law imposing the final Capital Charges and final Capital Construction Costs on the property owners of Lot 24, Plan 529 & Lot 25, Plan 529. The property at Lot 25, Plan 529 will have a deferred benefit recognized in the By-law. A deferred benefit means a benefit accruing to an owner which will derived from the water or wastewater system at some future point in time. The Capital Costs imposed under this By-law will be subject to change annually for the portion of charges associated with Wastewater Treatment Plant and Collection Works and Water Treatment Plant and Distribution Works as set out in Development Charges By-law 2010-18 until such time as the owner of Lot 25, Plan 529 is required to pay. The new By-law will impose the following charges on Lot 25, Plan 529:

Capital Sewer Charge - New Sewage Works	\$21,295.10
Capital Sewer Charge - Existing Sewage Works	<u>\$4,861.00</u>
Total Capital Sewer Charge Imposed	\$26,156.10

Capital Water Charge - New Water Works	\$20,103.83
Capital Water Charge - Existing Water Works	<u>\$2,184.00</u>
Total Capital Water Charge Imposed	\$22,287.83

Capital Sewer Charge Imposed	\$26,156.10
Capital Water Charge Imposed	\$22,287.83
TOTAL OVERALL CHARGE	\$48,443.93

C. The Blue Mountains' Strategic Plan

This Report furthers Strategic Plan Goal #2 "Addressing the Town's municipal infrastructure needs".

D. Environmental Impacts

Elimination of septic systems will improve the ecosystem and groundwater quality. Residents will avoid future repairs and maintenance costs for private wells and septic systems. Upon connection to the municipal services, the well servicing this property would require decommissioning and the septic tank would either require removal or filling with concrete or gravel.

E. Financial Impact

The Water and Wastewater extension is proposed to be funded under Part XII of the *Municipal Act, 2001*, as amended and O. Reg. 581/06 Subsection 398.2, and will have a net zero budget impact.

F. Attached

1. Servicing & Cost Recovery Agreement
2. Draft 2011 By-Law to Impose Capital Sewer Charges and Capital Water Charges for the Use of the Town's Sewage System and the Supply of Water to Lot 25, Plan 529
3. Report EPW.08.57 from May 13, 2008
4. Report EPW.08.72 from July 8, 2008
5. Report FS.08.34 from August 12, 2008

Respectfully submitted,

Darcy Chapman, Capital Accountant

John Caswell, Manager of Water and Wastewater Services

For more information, please contact:

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 (519) 599-3131 Ext. 226

SERVICING AND COST RECOVERY AGREEMENT

THIS AGREEMENT made this day of , 2008.

BETWEEN:

WILLIAM ROBERT TURNER and PAMELA JEAN SPENCE
(hereinafter referred to as the "Owner")

- and -

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS
(hereinafter referred to as the "Town")

WHEREAS the Owner is the registered owner of Lot 24, Registered Plan 529, Town of The Blue Mountains (the "Lands") and has requested the Town to extend its sanitary sewer and water systems to provide these services to the Lands; and

AND WHEREAS the Owner has agreed to pay to the Town the Capital Costs of the Services on the understanding that the Town will make its reasonable efforts to collect the Recoverable Costs from the Benefiting Owner and reimburse the Owner for these costs; and

AND WHEREAS the purpose of this Agreement is to provide for the financing, design and installation of the Services and the reimbursement of the Recoverable Costs.

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the covenants hereinafter expressed and other good and valuable consideration, the Parties hereto covenant and agree one with the other as follows:

PART I

DEFINITIONS AND BASIS OF AGREEMENT

1.1 Definitions

In this Agreement, including the recitals, the following terms shall have the meanings set out below, unless otherwise redefined or where the subject matter or context requires another meaning to be ascribed:

"Agreement" means this agreement;

"Benefitting Owner" means the owner of Lot 25 Registered Plan 529, Town of The Blue Mountains, whose property fronts on and will benefit directly from the Services;

"Business Day" means any day other than Saturday, Sunday or any statutory or civic holiday in Ontario;

"Capital Charges" means the sanitary sewer system and water system capital charges set out in Schedule "A";

"Capital Costs" has the meaning ascribed to it in section 2.3;

"Director" means the person holding the title of Director of Engineering and Public Works for the Town or his designate;

"Final Capital Costs" has the meaning ascribed to it in Section 2.6;

“Government Authority” means any government authority or agency, including conservation authorities that have jurisdiction over the location, design and installation of the Services;

“Install” shall also mean do, provide, construct, reinstall or reconstruct;

“Non-Recoverable Costs” means that part of the Final Capital Costs of the Services to be paid by the Owner without any reimbursement from the Town or any other persons, an estimate of which is set out in Schedule “A”;

“Notice” means any written notice, demand, request, direction or instructions given and received in accordance with the provisions of Section 4.2;

“Owner’s Contribution” means financing to be provided by the Owner to the Town pursuant to Section 3.3 for one hundred percent (100%) of the Capital Costs of the Services as estimated by the Town as set out in Schedule “A”;

“Parties” mean the Owner and the Town;

“Recoverable Costs” means that part of the Final Capital Costs of the Services to be paid by the Benefitting Owner, an estimate of which is set out in Schedule “A”;

“Services” means the sanitary sewer and watermain works described in Schedule “A” which are to be designed and installed by the Town in accordance with this Agreement;

“Treasurer” means the person holding the title of Director of Financial Services (Treasurer) for the Town or his designate;

All other capitalized terms shall have the meanings ascribed to them in this Agreement.

1.2 Interpretation of Agreement

- (a) The part numbers and headings, subheadings and section, subsection, clause and paragraph numbers are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (b) Unless the context otherwise requires, in this Agreement words importing the singular include the plural and vice versa and words importing a gender include all genders.
- (c) Every provision of this Agreement by which the Owner is obligated in any way shall be deemed to include the words "at the expense of the Owner" unless the context otherwise requires.
- (d) References herein to any statute or any provision thereof include such statute or provision thereof as amended, revised, re-enacted and/or consolidated from time to time and any successor statute thereto.
- (e) All obligations herein contained, although not expressed to be covenants, shall be deemed to be covenants.
- (f) Whenever a statement or provision in this Agreement is followed by words denoting inclusion or example and then a list of or reference to specific items, such list or reference shall not be read so as to limit the generality of that statement or provision, even if words such as "without limiting the generality of the foregoing" do not precede such list or reference.
- (g) The Parties agree that all covenants and conditions contained in this Agreement shall be severable, and that should any covenant or condition in this Agreement be declared invalid or unenforceable by a court of competent jurisdiction, the remaining covenants and conditions and the remainder of the Agreement shall remain valid and not terminate thereby.

- (h) All references to parts, sections, clauses, paragraphs and schedules unless otherwise specified are references to parts, sections, clauses, paragraphs and schedules of this Agreement.

1.3 Administration of Agreement

This Agreement shall be administered on behalf of the Town by the Treasurer, unless another Town official is otherwise specifically referred to in this Agreement. Where under the terms of this Agreement, decisions, approvals, Notices and certificates are to be made or given, such decisions, approvals, Notices and certificates shall be made or given by the Treasurer or other official in their sole and absolute discretion, acting reasonably.

1.4 Joint Authors

Each Party acknowledges and agrees that it has participated in the drafting of this Agreement and that no portion of this Agreement shall be interpreted less favorably to either Party because that Party or its legal counsel was primarily responsible for the drafting of that portion.

1.5 Recitals

The Parties agree that the recitals herein are true and accurate and form part of this Agreement.

1.6 Scope of Agreement

This Agreement shall define the obligations and duties of the Owner and the Town with respect to financing, design and installation of the Services and the recovery of the Recoverable Costs from the Benefitting Owner.

PART II

PROVISION OF THE SERVICES

2.1 Installation of the Services by the Town

Subject to receiving the Owner's Contribution and the Capital Charges, the Town agrees to design and install the Services in accordance with the following provisions:

- (a) The Town shall be solely responsible for the design, engineering, preparation of tender documents, tender and awarding of contracts and installation (including construction management, supervision, inspection and testing) of and for the Services.
- (b) The Town agrees to proceed in a timely manner to design, apply for and obtain all necessary approvals from all Government Authorities including the Ministry of Transportation (Ontario) and the Ministry of the Environment and install the Services.
- (c) The Town agrees to tender for the Services and commence the installation of the Services subsequent to the award of tender.

2.2 Owner's Financing of the Capital Cost of the Services

Subject to the reimbursement provisions set out in Part III and Schedule "A", the Owner covenants and agrees to provide financing to the Town for one hundred percent (100%) of the Capital Costs of the Services, and accordingly the Owner shall provide the Owner's Contribution, as estimated by the Town and the Capital Charges to the Town prior to the Town issuing a tender for the installation of the Services.

The Parties agree that prior to the Town awarding the contract for the installation of the Services, the Owner's Contribution as provided to the Town shall be increased or decreased by an amount to be determined by the Town to reflect the difference in costs between the pre-tender estimated costs of installing the Services and the low bid tender for the installation of the Services which the Town is prepared to accept. The Owner acknowledges and agrees that the Town will not award the contract for the installation of the Services until the full amount of the Owner's Contribution as provided by this section has been provided to the Town.

The Parties agree that save and except for the Town's obligations respecting the payment of the Capital Costs of the Services from the Owner's Contribution, the Town shall not be required to pay any portion of the Capital Costs of the Services.

2.3 Capital Costs

The "Capital Costs" are all of the actual costs (or the estimated costs as the subject matter or context requires) incurred or to be incurred by the Town of designing and installing the Services and shall include the following components:

- (a) design costs;
- (b) the cost of providing the land component, if any, for the Services;
- (c) any approval, permit or certificate costs including processing or administrative fee(s) charged by the Town, Ministry of the Environment, Ministry of Transportation (Ontario) or any other necessary Government Authority;
- (d) tendering costs;
- (e) the final contract prices, including all approved change orders, for installing the Services all as verified by the Director;
- (f) engineering fees and costs, including construction management, contract administration, supervision, inspection and testing fees and costs;
- (g) all costs and expenses with respect to claims made under the Construction Lien Act or other actions respecting the design and installation of the Services;
- (h) the Town's staff costs of preparing this Agreement together with the Town's legal costs, project management costs and the costs of consultants and studies required to prepare this Agreement;
- (i) all financing costs incurred by the Town with respect to the design and installation of the Services up to the date of the Final Statement;
- (j) GST payable by the Town in respect of all of the above for which the Town is liable and not entitled to a rebate; and
- (k) any other reasonable costs, as determined by the Director of designing and installing the Services.

2.4 Use of the Owner's Contribution

- (a) The Owner's Contribution shall be used or drawn upon by the Town solely to pay all of the Capital Costs of the Services and any other Capital Costs referred to in section 2.3 as these costs are incurred by the Town. The Town shall provide the Owner with copies of all certified progress certificates, payment certificates or invoices in support of such draws.
- (b) If at any time or times prior to completion of the installation of the Services it is determined by the Town that the balance of the Owner's Contribution is not sufficient to pay in full the Capital Costs of the Services based on actual costs incurred by the Town, including approved change orders, to such time and an updated estimate of the Capital Costs remaining to be incurred, all as certified by

the Director, the Town shall give Notice to the Owner of the additional Capital Costs. The Owner shall within fifteen (15) Business Days of receipt of such Notice provide an additional Owner's Contribution to the Town in the amount of such additional Capital Costs, which shall be added to the existing Owner's Contribution.

- (c) If, within the fifteen (15) Business Day period set out in subsection 2.4(b), the additional Owner's Contribution has not been provided by the Owner, then the Owner agrees that the Town may withhold all approvals with respect to the connection of the Services to any buildings or structures on Lands and, if connected, shut off the supply of water to the Lands until the Owner has provided the required additional Owner's Contribution.

2.5 The Final Statement

The Town shall, within sixty (60) Business Days after the construction contract for the installation of the Services is deemed to be completed within the meaning of subsection 2(3) of the Construction Lien Act and after all hold back periods pursuant to the Construction Lien Act have expired, prepare and deliver to the Owner a detailed statement (the "Final Statement") showing the following information:

- (a) the final amounts of the Capital Costs of the Services and any other Capital Costs referred to in section 2.3, as verified and approved by the Director and the Treasurer (the "Final Capital Costs");
- (b) the remaining balance of the Owner's Contribution, if any, which has not been used by the Town to pay the Capital Costs of the Services;
- (c) the amount, if any, by which the Final Capital Costs exceed the remaining amount of the Owner's Contribution available to pay them in full (the "Outstanding Balance"); and
- (d) the final amounts of the Recoverable Costs and the Non-Recoverable Costs based on the Final Capital Costs.

2.6 Payment of the Final Capital Costs

The Town shall, after it has used and drawn upon the Owner's Contribution to pay in full the Final Capital Costs, and in any event no later than fifteen (15) Business Days following the delivery of the Final Statement pursuant to section 2.5, refund to the Owner the balance of the cash, if any, held by the Town.

2.7 Monies Owed to the Town

The Owner shall pay to the Town by certified cheque the Outstanding Balance, if any, as shown on the Final Statement within fifteen (15) Business Days from the date the Final Statement was delivered. If the Outstanding Balance is not paid within the fifteen (15) Business Day period then the Owner agrees that the Town may shut off the supply of water to the Lands until the Owner has provided the required payment.

2.8 G.S.T.

If the payments by the Owner to the Town pursuant to section 2.2 are subject to GST, or in the future if the Canada Revenue Agency determines that GST was applicable to these payments, the Owner shall, within fifteen (15) Business Days from the date the Town notifies the Owner in writing that GST is applicable, pay any unpaid GST to the Town by certified cheque.

2.9 Term

The Term of this Agreement, for the purposes of Part III (the "Term") shall commence on the date this Agreement is executed by the Town and shall expire on December 31, 2018.

Part III

Reimbursement of Owner

3.1 The Town's Obligations – Recovery of Monies

The Parties acknowledge and agree that the Town shall not be obligated to recover monies in any manner whatsoever from any persons and to reimburse the same to the Owner as compensation for its providing the Owner's Contribution except in the form of the reimbursements as set out in Part III and the Owner hereby waives its right to assert or to claim any right against the Town for reimbursement for the Capital Costs of the Services except in the form of the reimbursements as set out in Part III. The Owner shall not receive any reimbursement for the Non-Recoverable Costs as set out in the Final Statement.

3.2 Reimbursement of the Recoverable Costs

The Owner shall be reimbursed by the Town for the Recoverable Costs through the Reasonable Efforts Obligation referred to in this section as follows:

- (a) The Recoverable Costs which are to be collected by the Town pursuant to the Reasonable Efforts Obligation shall be calculated by the Town and shown on the Final Statement.
- (b) During the Term, the Town, acting only within its legislative authority pursuant to sections 9, 11 and Part XII of the Municipal Act and the regulations thereto, shall use its reasonable efforts to collect the full amount of the Recoverable Costs from the Benefiting Owner (the "Reasonable Efforts Obligation").
- (c) The Town, in carrying out the Reasonable Efforts Obligation, subject to the requirements of the Municipal Act, but only in accordance with its statutory authority intends to do all things within its power, jurisdiction and control to enact and have in place until the earlier of the expiration of the Term or the full reimbursement of the Owner of the Recoverable Costs, a by-law or by-laws pursuant to sections 9, 11 and Part XII of the Municipal Act, and the regulations thereto, to collect the Recoverable Costs from the Benefiting Owner by means of a capital sewer charge and a capital water charge imposed on the Benefiting Owner (the "Capital Charges By-law").
- (d) The Capital Charges By-law shall be imposed to collect the Recoverable Costs from the Benefiting Owner based on the estimated Capital Costs and shall be presented to Council for enactment and further amended to reflect the Final Capital Costs as soon as possible after the Final Statement is delivered to the Owner.
- (e) In addition to collecting the Recoverable Costs, the Capital Charges By-law may, in the sole discretion of the Town, include other levies or charges which are not subject to the reimbursement provisions of this Agreement.
- (f) The parties acknowledge and agree that nothing in this section shall fetter the Town's discretion in respect of the enactment of the Capital Charges By-law or the Town's ability to give due and proper consideration to the enactment of the Capital Charges By-law as required by law. The Town shall in its sole and absolute discretion determine the form, content and term of the Capital Charges By-law and the Town may at any time or times during the Term enact successor or replacement by-laws to previously enacted Capital Charges By-law.

3.3 Interest on the Recoverable Costs

The Owner agrees that the Town shall not be required to collect nor shall the Owner be entitled to receive any interest on the Recoverable Costs pursuant to the Reasonable Efforts Obligation.

3.4 Reimbursement of Recoverable Costs

- (a) The Owner shall be entitled to receive as a reimbursement payment from the Town for the Recoverable Costs shown on the Final Statement, payment of an amount, without any interest thereon, not to exceed the full amount of the Recoverable Costs collected from the Benefiting Owner pursuant to the Reasonable Efforts Obligation.
- (b) The Owner acknowledges and agrees that the Town shall only be obligated to make the reimbursement payments referred to in this subsection, only to the extent that it has collected Recoverable Costs from Benefiting Owner.
- (c) Despite anything contained in this section the Owner acknowledges and agrees that the Town shall not be required to make any reimbursement payments to the Owner for the Recoverable Costs shown the Final Statement until the Owner has provided to the Town the full amount of the Owner's Contribution.
- (d) The Owner agrees that the Reasonable Efforts Obligation and the Town's reimbursement obligation pursuant to this section shall expire on the earlier of:
 - (i) the date on which the Recoverable Costs are fully reimbursed to the Owner; or
 - (ii) the expiry of the Term even if the Owner has not been fully reimbursed the Recoverable Costs and if at the expiry of the Term the Owner has not been fully reimbursed the Recoverable Costs the Town shall not have any further liability or obligation to reimburse the Owner.

3.5 Administration Costs

The Owner shall pay to the Town an administration fee of \$200.00 (two hundred dollars) to reimburse the Town for its costs of administering this Agreement. This fee will be deducted from the payment otherwise payable to the Owner pursuant to section 3.4.

PART IV

ADMINISTRATION

4.1 Release and Indemnity

The Owner shall indemnify and save completely harmless the Town and its elected officials, officers, agents, contractors and employees from and against all actions, causes of actions, suits, claims and demands whatsoever which may arise directly or indirectly or in any way connected with a breach by the Owner of their obligations under this Agreement or the time taken by the Town to complete the design and installation of the Services.

The Owner hereby releases and forever discharges the Town and its elected officials, officers, agents, contractors and employees from and against all actions, causes of actions, suits, claims and demands whatsoever which may arise directly or indirectly or in any way connected with the time taken by the Town to complete the design and installation of the Services..

4.2 Notices

- (a) Any Notice to be given by the Town to the Owner with respect to this Agreement shall be given in writing and may be mailed by postage prepaid mail, personally delivered or sent by facsimile transmission to:

Spence, Pamela Jean
Turner, Robert William
4 Donwoods Grove
North York, ON M4N 2X5

or such other address of which the Owner has by Notice notified the Municipal Clerk and any such Notice mailed or delivered shall be deemed good and sufficient Notice under the terms of this Agreement.

- (b) Any Notice to be given by the Owner to the Town with respect to this Agreement shall be given in writing and may be mailed by postage prepaid mail, personally delivered or sent by facsimile transmission or delivered to:

Town of The Blue Mountains
26 Bridge Street East, Box 310,
Thornbury, ON, N0H 2P0

Attention: Director of Engineering and Public Works
Facsimile: (519) 599-3664

or such other address of which the Town has by Notice delivered to the Owner and any such Notice mailed or delivered shall be deemed good and sufficient Notice under the terms of this Agreement.

- (c) Any Notice shall be deemed to have been given to and received by the party to which it is addressed;
- (i) if delivered, on the date of delivery;
 - (ii) if mailed, on the fifth day after mailing thereof; or
 - (iii) if faxed, on the date of faxing, as confirmed

4.3 Other Applicable Laws

Nothing in this Agreement shall relieve the Owner from compliance with all applicable municipal by-laws, laws and/or regulations or laws and/or regulations established by any Government Authority.

4.4 Extension of Time

Any time limits specified in this Agreement may be extended with the consent in writing of both the Owner and the Town, but no such extension of time shall operate or be deemed to operate as an extension of any other time limit, and time shall be deemed to remain of the essence of this Agreement notwithstanding any extension of any time limit.

4.5 Governing Law

This Agreement shall be interpreted under and is governed by the laws of the Province of Ontario.

4.6 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.

4.7 List of Schedules

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

"SCHEDULE A"

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

)

)

)

)

WILLIAM ROBERT TURNER

)

PAMELA JEAN SPENCE

)

)

THE CORPORATION OF THE TOWN OF THE
BLUE MOUNTAINS

)

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Mayor

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Clerk c/s

SCHEDULE "A"

To an Agreement between William Robert Turner Pamela Jean Spence and the Corporation of the Town of The Blue Mountains dated the ____ of August, 2008

DESCRIPTION OF THE SERVICES

Description and Capital Cost of the New Sewage Works and the New Water Distribution Works for the supply and collection to Lot 24, Registered Plan 529

Sanitary Sewer and Watermain Servicing Extension shown on Drawing SW1 prepared by the Ainley Group Job No. AAL – 107185

ESTIMATED CAPITAL COST OF THE SERVICES

Sanitary Sewer Costs	
MOE Approvals	\$1,900
Design	\$2,000
Construction	\$29,400
Watermain Costs	
MOE Approvals	\$1,900
Design	\$2,000
Construction	\$24,600
Other Capital Costs	
Engineering	\$4,000
Total	\$65,800

CAPITAL CHARGES

Sanitary Sewer System
Craigleith Wastewater Treatment – Detailed under By-law 2005-27
\$4,818.00 per Unit Cost

Water System
Thornbury Water Treatment – Detailed under By-law 2005-27
\$4,207.00 per Unit Cost

ESTIMATED NON-RECOVERABLE COSTS

50% Capital Costs	\$32,900
Capital Charge Sewer	\$4,818
Capital Charge Water	\$4,207
TOTAL	\$41,925

ESTIMATED RECOVERABLE COSTS

50% Capital Costs	\$32,900
Less Administration Costs	(\$200)
TOTAL	\$32,700

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

By-law No. 2011-

BEING A BY-LAW TO IMPOSE CAPITAL SEWER CHARGES AND CAPITAL WATER CHARGES FOR THE USE OF THE TOWN'S SEWAGE SYSTEM AND THE SUPPLY OF WATER LOT 25, PLAN 529

WHEREAS sections 9, 11 and Part XII of the *Municipal Act, 2001*, as amended, (the *Act*) and the *Regulations* thereto enables a municipality to impose by By-law fees or charges for the use of a sewage system and the supply of water;

AND WHEREAS *Ontario Regulation 581/06* provides that fees or charges imposed for the use of a sewage system and the supply of water under the Act and added to the tax roll under subsection 398(2) of the Act have priority lien status as described in subsection 1(3) of the Act;

AND WHEREAS the Council has authorized the construction of the new sewage works and the new water distribution works which works when completed will form part of the sewage system and the water system;

AND WHEREAS the sewage system which consists of the new sewage works and the existing sewage works will provide a benefit to the benefitting owner(s);

AND WHEREAS the water system which consists of the new water distribution works and the existing water works will provide a benefit to the benefitting owner(s);

AND WHEREAS the Council deems it necessary to impose upon the benefitting owner(s) a capital sewer charge and a capital water charge for the use of the sewage system and the supply of water to pay the capital cost of the new sewage works and the new water distribution works and to pay a portion of the capital cost of the existing sewage works and the existing water works;

AND WHEREAS the Town has held a public meeting before passing this By-law and has provided notice of the public meeting and its intention to pass this By-law and has made available to members of the public information with respect to the capital sewer charges and the capital water charges.

NOW THEREFORE the Council of The Corporation of the Town of The Blue Mountains hereby enacts as follows:

Definitions

1. In this By-law, including the recitals thereto:

“Act” means the *Municipal Act, 2001*, as amended;

“benefit” means a benefit accruing to the benefitting owner(s) which is derived or derivable from the sewage system and from the water system immediately upon completion of the new sewage works and the new water distribution works;

“benefitting property” means Lot 25, Registered Plan 529 which fronts on the sewage system and the water system;

“benefitting owner(s)” means the registered owner(s) of an estate in fee simple of the benefitting property;

“capital cost” means the cost of constructing the new sewage works, the existing sewage works, the new water distribution works and the existing water works, inclusive of all items

of cost usually and properly chargeable to capital account and where applicable, the interest amounts payable on the debentures to be issued for these works and the imputed interest cost on the money supplied from the funds of the Town to finance the benefitting owners' share of the cost of these works;

"capital charges" means the capital sewer charge imposed by this By-law and the capital water charge imposed by this By-law;

"capital sewer charge" means the capital sewer charge on a per unit basis in the amount set out in Schedule "B" imposed by this By-law on the benefitting owner(s) for the use of the sewage system;

"capital water charge" means the capital water charge on a per unit basis in the amount set out in Schedule "B" imposed by this By-law on the benefitting owner(s) for the supply of water to the benefitting owner's benefitting property;

"Council" means the Council of The Corporation of the Town of The Blue Mountains;

"existing sewage works" means the existing sewage works of the Craigleith Wastewater Treatment System for the collection, transmission, treatment and disposal of sewage, or any part of such works, and does not include the new sewage works;

"existing water works" means the Town's existing works for the collection, production, treatment, storage, supply or distribution of water, or any part of such works, and does not include the new water distribution works;

"new sewage works" means the new sewage works to the Craigleith Wastewater Treatment System described in Schedule "A" for the collection and transmission of sewage from Lots 24 and 25, Registered Plan 529, or any part of such works;

"new water distribution works" means the Town's works described in Schedule "A" for the supply or distribution of water to Lots 24 and 25, Registered Plan 529, or any part of such works;

"sewage system" means the existing sewage works and the new sewage works, all of which are necessary for the collection, transmission, treatment or disposal of sewage and provides a benefit to the benefitting owner(s);

"Town" means The Corporation of the Town of The Blue Mountains;

"Treasurer" means the person appointed by Council, as the Treasurer for the Town or his/her designate;

"unit" means a residential dwelling or equivalent residential unit;

"water system" means the Town's municipal drinking-water system as defined in the *Safe Drinking Water Act, 2002*, S.O. 2002, c.32, as amended and includes the existing water works and the new water distribution works, all of which are necessary for the supply of water to the benefitting owner(s) and provides a benefit to the benefitting owner(s);

Unless the context otherwise requires in this By-law, words importing the singular include the plural and vice versa and words importing gender includes all genders.

Capital Costs

2. The capital cost of the new sewage works and the capital cost of the new water distribution works to be paid by the benefitting owner(s) under this By-law are set out in Schedule "A".

3. The portion of the capital cost of the existing sewage works and the portion of the capital cost of the existing water works to be paid by the benefitting owner(s) under this By-law for each unit on the benefitting property are as set out in Schedule "A".

Capital Charges Imposed

4. A capital sewer charge on a per unit basis for the use of the sewage system in the amount set out in Schedule "B" is hereby imposed on the benefitting owner(s) to pay for the capital cost of the new sewage works and to pay for a portion of the capital cost of the existing sewage works.

5. A capital water charge on a per unit basis for the supply of water in the amount set out in Schedule "B" is hereby imposed on the benefitting owner(s) to pay for the capital cost of the new water distribution works and to pay for a portion of the capital cost of the existing water works.

6. The Treasurer shall forthwith after the enactment of this By-law mail to the benefitting owner(s) by prepaid regular mail, a copy of this By-law together with an explanation of this By-law.

Charges Due and Payable

7. The full amount of the capital sewer charge imposed by this By-law constitutes a debt of the benefitting owner(s) to the Town and is hereby due and payable on the earlier of:

- (1) the date the Town approves an application by the benefitting owner(s) to connect any building or structure on the benefitting property to the sewer system, as a condition of such approval; or,
- (2) the date the Town authorizes, by By-law, the extension of the sewage system westerly along Highway 26 from Lot 24, Registered Plan 529; or,
- (3) the date the benefitting owner(s) is required by law or regulation to connect any building or structure on the benefitting property to the sewer system; or,
- (4) the date the benefitting owner(s) sells, conveys or transfers title to the benefitting property to any person or corporation.

8. The full amount of the capital water charge imposed by this By-law constitutes a debt of the benefitting owner(s) to the Town and is hereby due and payable on the earlier of:

- (1) the date the Town approves an application by the benefitting owner(s) to connect any building or structure on the benefitting property to the water system, as a condition of such approval; or,
- (2) the date the Town authorizes, by By-law, the extension of the water system westerly along Highway 26 from Lot 24, Registered Plan 529; or,
- (3) the date the benefitting owner(s) is required by law or regulation to connect any building or structure on the benefitting property to the water system; or,
- (4) the date the benefitting owner(s) sells, conveys or transfers title to the benefitting property to any person or corporation.

Collection of the Capital Charges

9. The Treasurer is hereby authorized and directed to add the capital charges to the tax roll for the benefitting property in accordance with subsection 398(2) of the Act and to collect the capital charges in the same manner as municipal taxes.

10. The capital charges added to the tax roll under subsection 398(2) of the Act have priority lien status as described in section 1(3) of the Act, and the capital charges:

- (1) may be collected in the same manner as taxes on the benefitting property;

- (2) may be recovered with costs as a debt due to the Town from the assessed owner(s) of the benefitting property at the time the capital charges are added to the tax roll and from any subsequent owner(s) of the benefitting property or any part of it;
- (3) are a special lien on the property in the same manner as are taxes under subsection 349(3) of the Act; and
- (4) may be included in the cancellation price under Part XI of the Act in the same manner as are taxes on the benefitting property.

Non-payment of Charges

11. On all capital charges which are in default on the day following each due date, a penalty of 1.25% shall be added and thereafter a penalty 1.25 % per month will be added on the first day of each and every month the default continues until December 31 in the current year. On all capital charges in default on January 1 of the following year, interest will be added at the rate of 1.25% per month for each month or fraction thereof of default.

12. In addition to all of the provisions of this By-law and the Act for the collection of capital charges which are in default, the Town may in accordance with section 81 of the Act shut off the supply of water to the benefitting property if the capital water charges payable by the benefitting owner(s) are overdue and in default.

Application to the Ontario Municipal Board

13. No application shall be made to the Ontario Municipal Board under clause 71 of the *Ontario Municipal Board Act* on the grounds that the capital charges imposed under this By-law are unfair or unjust.

Administration

14. This By-law shall be administered and enforced by the Town.

15. That By-law 2008-84 being a By-law to impose capital sewer charges and capital water charges for the use of the Town's sewage system and the supply of water, Lot 25, Plan 529 is hereby rescinded and repealed on this day.

Schedules

16. Schedules "A" and "B" are hereby declared to form part of this By-law.

17. This By-law shall come into force and take effect upon the enactment thereof.

ENACTED AND PASSED this ____ day of _____, 2011.

The Corporation of the Town of The Blue Mountains

Ellen Anderson, Mayor

Corrina Giles, Clerk

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

By-law No. 2011-

Schedule "A"

Description and Capital Cost of the New Sewage Works and the New Water Distribution Works for the supply and collection to Lots 24 and 25, Registered Plan 529

Sanitary Sewer and Watermain Servicing Extension shown on Drawing SW1 prepared by the Ainley Group Job No. AAL – 107185

Final Capital Construction Cost

	New Water Works	New Sewage Works
Construction costs	\$36,669.61	\$37,815.26
Engineering Fees	<u>3,538.05</u>	<u>4,774.94</u>
Total	\$40,207.66	\$42,590.20

Description and Capital Cost of the Existing Sewage Works

Based on the Master Servicing Plan as identified in the Development Charges Background Study, each benefitting owner has been imposed with Craigleith Wastewater Treatment Plant Capital infrastructure cost equivalent as follows:

Craigleith Wastewater Treatment Plant and Collection System (Detailed under By-law 2010-18)

\$4,861.00 per Unit Cost

and further indexed in accordance with By-law 2010-18 each year from the date of passage of this By-law.

Description and Capital Cost of the Existing Water Works

Based on the Master Servicing Plan as identified in the Development Charges Background Study, each benefitting property owner has been imposed with Water Treatment Plant and Distribution Capital infrastructure cost equivalent as follows:

Thornbury Water Treatment Plant and Craigleith Distribution System (Detailed under By-law 2010-18)

\$2,184.00 per Unit Cost

and further indexed in accordance with By-law 2010-18 each year from the date of passage of this By-law.

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

By-law No. 2011-

Schedule "B"

Capital Charges Imposed by this By-law

Capital Sewer Charge - New Sewage Works (per unit)

\$21,295.10

Capital Sewer Charge - Existing Sewage Works (per unit cost)

\$4,861.00

and further indexed in accordance with By-law 2010-18 each year from the date of passage of this By-law.

Total Capital Sewer Charge Imposed (per unit)

\$26,156.10

Capital Water Charge - New Water Works (per unit)

\$20,103.83

Capital Water Charge - Existing Water Works (per unit cost)

\$2,184.00

and further indexed in accordance with By-law 2010-18 each year from the date of passage of this By-law

Total Capital Water Charge Imposed (per unit)

\$22,287.83

STAFF REPORT: ENGINEERING AND PUBLIC WORKS DEPARTMENT



REPORT TO: **Engineering and Public Works Committee**
MEETING DATE: **May 13. 2008**
REPORT NO.: **EPW.08.57**
SUBJECT: **Spence/ Turner Property at 209691 Hwy 26**
PREPARED BY: **John Caswell, Manager of Water and Wastewater Services Division**

A. Recommendations

THAT Council receive Report EPW.08.57 entitled "Spence / Turner Property at 209691 Hwy 26" for their information.

B. Background

Chair Duncan McKinlay received a letter from Pamela Spence and Robert Turner, property owners of 209691 Hwy 26, requesting the Committee to consider assisting them with any (or several) the following 6 requests. Below is their request which has been typed into this Report verbatim from their letter. A copy of their letter is appended to this Report as Attachment #1.

1. Direct staff to define the means by which the costs attributed to the installation of services to Lot 25 can be recovered in the future. For example: implement cost-sharing recovery by-law; full repayment triggered on sale/transfer of lot.
2. Direct staff to modify the design. For example: the sewer and water go only to the inside of our property line (not all the way across thus reducing construction and rock excavation costs); accept a private service from our property to the municipal service.
3. Direct staff to modify the budget by significantly reducing the municipal charges such as GST and capital charges, covering engineering fees, etc.
4. Commit the TOBM to reimburse us for these costs within 15 years (or earlier) in accordance with TOBM master plan projections.
5. Apply the cost of a reasonable portion of this servicing charge to our taxes to be paid over a 20-year period at a zero interest rate.
6. Any other measures the Committee or Staff may devise to significantly reduce the cost to us.

Chair McKinlay informed the Committee of this letter at its meeting on April 22, 2008. The Committee requested Staff to bring back information regarding the servicing of properties fronting Hwy 26 located between Edgewater Development and Grey Road 19 along the waterfront, and to contact Ms. Spence and Mr. Turner to invite them to attend the Committee

meeting when this Report is presented. A location map is appended to this Report as Attachment #2.

There have been previous requests to service these properties with water and wastewater and Local Improvement Act petitions were circulated in 1991 and further costs were reviewed again in 1994. Both attempts to service this area were unsuccessful due to significant individual costs. This area has very shallow overburden on shale rock and/or limestone and therefore servicing costs can be as high as double for typical construction.

In August of 1994, Mr. Bill Skelton requested the Town provide cost estimates for the installation of services for a new a home he was building in this area. The Town requested Ainley & Associates to provide a cost estimate and contacted the residents to determine if there was interest in cost sharing the extension of services. Unfortunately there was not significant interest and the project did not proceed. These costs are appended to this Report as Attachment #3.

In August of 1996, Mr. Joe Angel received a Certificate of Approval to extend the existing services to his new home. Mr. Angel requested that the Town fund these services, however the Town determined, after receiving a Certificate of Approval for the proposed works, that the owner would be responsible for all costs of extending the services. Mr. Angel installed the services to the west end of his property at his own cost.

The Town of The Blue Mountains Staff in the Water and Wastewater Services Division have drafted a twenty year servicing extension capital plan for the Town which was presented in March 2008 to the Engineering and Public Works Committee. The Committee requested that it be further revised. The abovementioned area along Highway 26 is shown to be included for construction in the 11 – 20 year timeframe. Staff anticipates that the revised proposal will be presented to Engineering and Public Works Committee in June 2008.

C. The Blue Mountains' Strategic Plan

This Report further Strategic Plan Goal # 2 “addressing the Town’s municipal infrastructure needs.”

D. Budget Impact

None.

E. Attached

1. Letter from Pamela Spence and Robert Turner, dated May 5, 2008 (revised)
2. Location Map
3. Cost Estimate from Ainley and Associates, dated August 16, 1994

Respectfully submitted,

John Caswell
Manager of Water and Wastewater Services

Reg Russwurm
Director, Engineering and Public Works

STAFF REPORT: Engineering & Public Works Department



REPORT TO: Engineering and Public Works Committee
MEETING DATE: July 8, 2008
REPORT NO.: EPW.08.72
SUBJECT: Spence/Turner Property at 209691 Hwy 26,
 Lot 24, Plan 529
PREPARED BY: John Caswell, Manager of Water and
 Wastewater Services Division

A. Recommendations

THAT Council approve holding a public meeting for the consideration of a proposed bylaw to extend water and wastewater services to the west side of 209691, Hwy. 26, Lot 24, Plan 529 Spence/ Turner property.

B. Background

Report EPW.08.57, Spence/ Turner Property at 209691 Hwy. 26, Lot 24, Plan 529 was presented to Engineering & Public Works Committee on May 13, 2008. Pamela Spence & Robert Turner discussed their letter of May 5, 2008 and requested the Committee consider a number of items.

The Committee requested a report be brought back addressing items 1, 2, and 3 in the letter from Ms. Spence and Mr. Turner. The following addresses these items:

1. ***“Direct staff to define the means by which the costs attributed to the installation of services to Lot 25, Plan 529 can be recovered in the future. For example: implement cost-sharing recovery by-law: full repayment triggered on sale/transfer of lot or connection to services.”***

RESPONSE: Staff met with Mr. Meneely, the owner of 209693 Hwy. 26, Lot 25, Plan 529. This lot is located immediately to the east of Lot 24, Plan 529 and will be serviced by this extension. It was explained to Mr. Meneely that the proposed bylaw would deem their property to have deferred benefit. Should they connect to the services or if their property sold, then the bylaw charges would become due and payable. Mr. Meneely seems generally in agreement with the proposal.

2. ***“Direct staff to modify the design. For example: design the sewer and water services to go only to the east side of our property line (not all the way across the frontage to the west side thus reducing construction and rock excavation costs). Alternatively accept a private service from our property to the existing municipal service.”***

RESPONSE: Staff contacted Ainley & Associates Ltd. and received revised costing to extend water & wastewater, including services, to the east side of Lot 24, Plan 529 which is attached to this report as Attachment #1. Total estimated construction cost for this option is \$41,500.00 (GST exclusive).

However, it is staff's recommendation that the services be extended to the west side of Lot 24, Plan 529 in keeping with Town practice which requires property owners to extend services across the frontage of their property when the services are to be extended in the future. This avoids confusion as to who is responsible for the cost of subsequent service extensions. For comparison, the servicing of Lot 26, Plan 529 was completed to the west side of that property a number of years ago. See Attachment #2 for a schematic of the proposed works. The total estimated construction costs to for this option is \$54,000.00 (GST exclusive).

3. ***“Direct staff to modify the budget by significantly reducing the municipal charges such as GST and capital charges, covering engineering fees, etc.”***

RESPONSE: Staff discussed the municipal charges with the Finance Services Department and agree that all costs should be fully collected. The Town neither pays nor collects GST. There is no charge for staff time.

Therefore, Staff recommend that a public meeting be held to review a proposed bylaw which includes the installation of services to the west of Lot 24, Plan 529 and the recovery of costs to be structured as outlined below:

- A. That Spence/ Turner pay up front 100% of the construction costs.
- B. That the benefiting owner of the property at Lot 25, Plan 529 (Meneely) pay 50% of the construction costs to the Town, who will forward the funds collected to Spence/ Turner, for reimbursement of the financing of the capital construction costs of the water/wastewater extension project. Payment will be due and payable;
 - i. upon the transfer of title/ownership of the benefiting property
 - ii. upon the benefiting property connecting to the water or wastewater system or both, or
 - iii. when the remainder of the water/wastewater extension project to Service Lots 11-23, Plan 529 proceeds, currently scheduled for 15 years as outlined in the draft Servicing Extension Capital Plan.
 - iv. when the cost recovery is deemed necessary, at the discretion of the Town.
- C. Interest on the outstanding capital construction costs for Lot 25, Plan 529 (Meneely) will be charged at 0% per annum.
- D. In addition to the capital construction costs; both properties would be required to pay an equivalent capital charge for the water and wastewater plants (the rate would be the rate applicable to that service area on the date of payment).

C. The Blue Mountains' Strategic Plan

This Report furthers the Strategic Plan Goal #2 “Addressing the Town’s municipal infrastructure needs”.

D. Environmental Impacts

The construction of water & wastewater services along Highway 26 in close proximity to Georgian Bay would require silt fence and check dams in any water courses. Rock removal would be required and care must be taken to dispose of rock and replace it with appropriate granulars.

Elimination of septic systems will improve the ecosystem and groundwater quality. Residents will avoid future repairs and maintenance costs for private wells and septic systems. Upon connection to the municipal services the well servicing this property would require decommissioning and the septic tank would either require removal or filling with concrete or gravel.

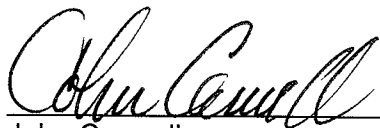
E. Budget Impact

The Water and Wastewater extension is proposed to be funded under Part XII of the Municipal Act, 2001, as amended and O. Reg. 581/06 Subsection 398.2, and will have a net zero budget impact.

F. Attached

1. Ainley & Associates Ltd. cost estimate for east side construction.
2. Ainley & Associates Ltd. cost estimate for west side construction.

Respectfully submitted,



John Caswell
Manager of Water and Wastewater Services



Reg Russwurm
Director of Engineering and Public Works

TOWN OF THE BLUE MOUNTAINS
 PLAN 529, LOT 24 (SPENCE/TURNER)
 SERVICING EXTENSION
 CONSTRUCTION COST ESTIMATE

DATE: MAY 30, 2008
 FILE: 107185
 FILENAME: S:\107185\Working File\Cost Estimate Option 2.xls

ITEM	ESTIMATED QUANTITY	UNIT	UNIT PRICE	AMOUNT
200 mm Dia. Sanitary Sewer including Reinstatement	18	m	350	\$6,300
1200 mm Dia. Maintenance Hole	1	ea.	5,000	\$5,000
125 mm Dia. Sanitary Sewer Services	2	ea.	1,600	\$3,200
Remove Existing Cleanout	1	ea.	200	\$200
200 mm Dia. Watermain including Reinstatement	18	m	290	\$5,220
50 mm Dia. Blowoff	1	ea.	1,500	\$1,500
19 mm Dia. Water Services	2	ea.	1,100	\$2,200
Remove Existing Blowoff	1	ea.	200	\$200
Connect to existing watermain including temporary bypass connection	1	ea.	1,800	\$1,800
Rock Excavation	65	cu m	200	\$13,000
Subtotal				\$38,620
Contingencies				\$2,880
TOTAL ESTIMATED CONSTRUCTION COST (GST EXCLUSIVE)				\$41,500

TOWN OF THE BLUE MOUNTAINS
 PLAN 529, LOT 24 (SPENCE/TURNER)
 SERVICING EXTENSION
 CONSTRUCTION COST ESTIMATE

DATE: FEBRUARY 13, 2008
 FILE: 107185
 FILENAME: S:\107185\Working File\Cost Estimate.xls

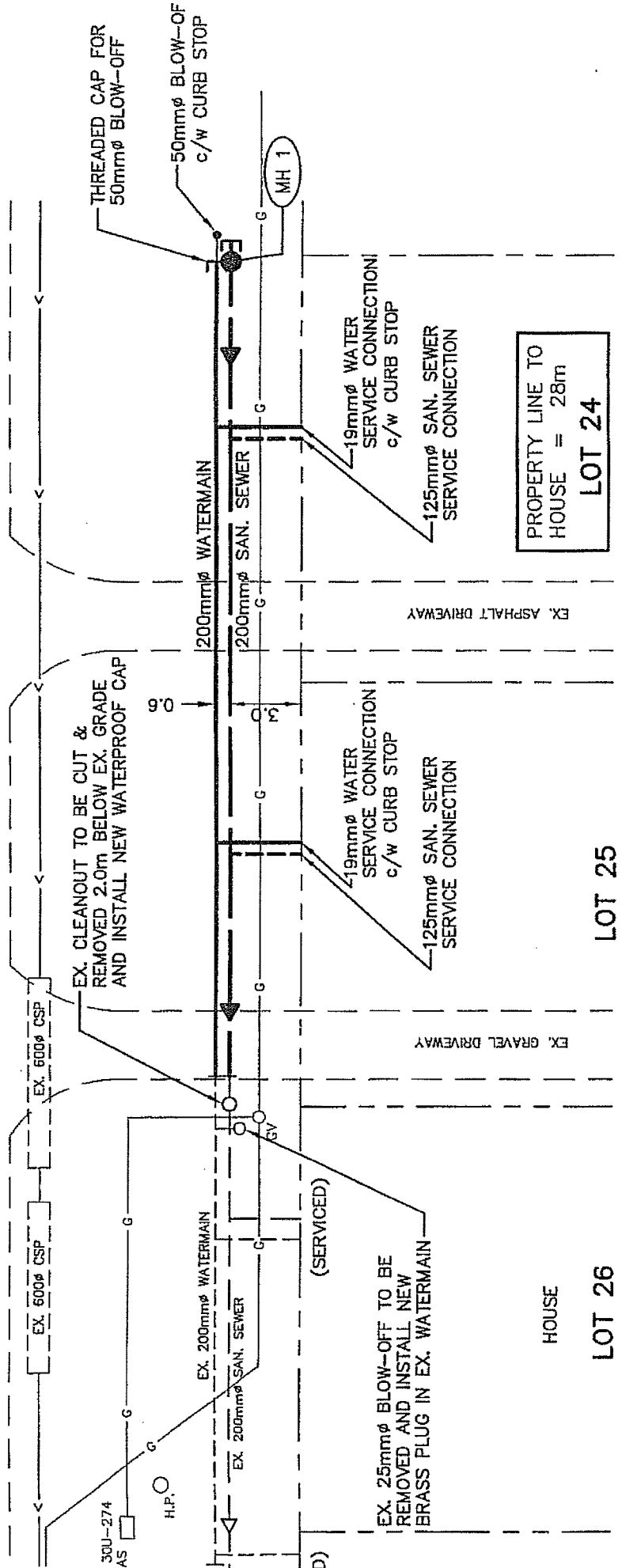
ITEM	ESTIMATED QUANTITY	UNIT	UNIT PRICE	AMOUNT
200 mm Dia. Sanitary Sewer including Reinstatement	35	m	320	\$11,200
1200 mm Dia. Maintenance Hole	1	ea.	5,000	\$5,000
125 mm Dia. Sanitary Sewer Services	2	ea.	1,400	\$2,800
Remove Existing Cleanout	1	ea.	200	\$200
200 mm Dia. Watermain including Reinstatement	35	m	260	\$9,100
50 mm Dia. Blowoff	1	ea.	1,500	\$1,500
19 mm Dia. Water Services	2	ea.	900	\$1,800
Remove Existing Blowoff	1	ea.	200	\$200
Connect to existing watermain including temporary bypass connection	1	ea.	1,800	\$1,800
Rock Excavation	90	cu m	190	\$17,100
Subtotal				\$50,700
Contingencies				\$3,300
TOTAL ESTIMATED CONSTRUCTION COST (GST EXCLUSIVE)				\$54,000

EX. GRAVEL SHOULDER

HWY No. 26

TO THORNBURY

EX. GRAVEL SHOULDER



STAFF REPORT: Engineering & Public Works Department



REPORT TO: Engineering and Public Works Committee
MEETING DATE: August 12th, 2008
REPORT NO.: FS.08.34
SUBJECT: Request for Extension of Services, Lot 24,
 Plan 529
PREPARED BY: Elizabeth Thompson, Deputy Treasurer
 and
 John Caswell, Manager of Water and
 Wastewater Services Division

A. Recommendations

THAT Council does hereby receive Staff Report FS.08.37, "Request for Extension of Services" to enact a bylaw to impose Capital Charges for the cost to extend water and wastewater services to the west side of 209691, Hwy. 26, Lot 24, Plan 529, and

THAT Council authorize the Mayor and Clerk to execute an agreement between the Town and the Property Owners of Lot 24, Plan 529, Town of The Blue Mountains to impose the conditions of the service extensions, including the Property Owners of Lot 24, Plan 529, financing one hundred percent of the Capital Construction Costs together with a Cost Recovery option for a portion of the costs.

B. Background

Report EPW.08.57, the Property at 209691 Hwy. 26, Lot 24, Plan 529 was presented to Engineering & Public Works Committee on May 13, 2008. Pamela Spence & Robert Turner discussed their letter of May 5, 2008 and requested the Committee consider a number of items. A public meeting was recommended on July 8th, 2008, through Report EPW.08.72, to be held August 18th, 2008.

The Committee reviewed the requested service extensions. The construction costs of the service extensions will be financed one hundred percent (100%) by the Property Owner of Lot 24, Plan 529.

The proposed bylaw will deem the property at Lot 25, Plan 529, Town of The Blue Mountains to have a deferred benefit. Should they connect to the services, or be required to connect by the Town or another agency, or if their property is sold, then the bylaw capital charges would become due and payable. The property owner at Lot 25, Plan 529, seemed generally in agreement with the proposal.

The Town agrees to recover 50% of the Construction costs from the benefiting property owner of Lot 25, Plan 529 and return to the property owner of Lot 24, Plan 529, when

collected by the Town, to a maximum of 50% of the final Construction costs of the service extensions.

Attached is the By-law imposing the estimated Capital Charges and estimated Capital Construction Costs on the property owner of Lot 24, Plan 529 and Lot 25, Plan 529, of the Town of The Blue Mountains. The property at Lot 25, Plan 529 will have a deferred benefiting recognized in the By-law. The Capital costs imposed under this By-law will be amended with final construction costs when the project is complete.

Also attached is the Agreement between the Town and the property owner of Lot 24, Plan 529, of the Town of The Blue Mountains, identifying the estimated Construction Costs and the terms of the construction. As well as the terms of construction, the agreement identifies the amount due to the Town prior to the release of the “request for tender”, the amount of non-recoverable costs, and the amount of recoverable costs. The property owner at Lot 24, Plan 529, will also be responsible to cover any costs over the estimated construction costs and will be refunded any amounts below the estimated construction costs. This agreement was prepared by Municipal Solicitor John Metras and reviewed by Town Staff.

C. The Blue Mountains’ Strategic Plan

This Report furthers the Strategic Plan Goal #2 “Addressing the Town’s municipal infrastructure needs”.

D. Environmental Impacts

The construction of water and wastewater services along Highway 26 in close proximity to Georgian Bay would require silt fence and check dams in any water courses. Rock removal would be required and care must be taken to dispose of rock and replace it with appropriate granular.

Elimination of septic systems will improve the ecosystem and groundwater quality. Residents will avoid future repairs and maintenance costs for private wells and septic systems. Upon connection to the municipal services the well servicing this property would require decommissioning and the septic tank would either require removal or filling with concrete or gravel.

E. Budget Impact

The Water and Wastewater extension is proposed to be funded under Part XII of the Municipal Act, 2001, as amended and O. Reg. 581/06 Subsection 398.2, and will have a net zero budget impact.

F. Attached

1. Proposed - Servicing and Cost Recovery Agreement
2. Proposed - By-Law to Impose Capital Sewer Charges and Capital Water Charges for the Use of the Town's Sewage System and the Supply of Water to Lot 25, Plan 529
3. For Reference - Report EPW.08.72 from July 8th, 2008

Respectfully submitted,

John Caswell
Manager of Water and Wastewater Services

Elizabeth Thompson
Deputy Treasurer