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Date: February 28, 2018
To: Mayor and Council
Author: G.A. Plancke / Director of Municipal Services
RE: Road 11 Water Works Petition Update
Report No.: MS 2018-08

AIM

To provide Council with an update with regards to the Road 11 Water Works Petition initiated in January 2018.

BACKGROUND

Council Report MS 2018-01 was provided to Council on January 29, 2018. This report provided Council with information regarding the 2018 water works petition that was initiated on January of 2018 following the termination of the 2017 petition.

Council authorized Municipal Services to move to the next step by retaining RC Spencer Associates to complete an Engineer's report to be presented to the petitioners and voted upon by the potential benefitting property owners in accordance with the Town's current Water Works Policy attached.

DISCUSSION

On February 27, 2018 the Road 11 Petition meeting was held at the Unico Community Centre in order to present the Engineer's report and assessment schedule to the property owners. In accordance with the Town's Water Works Policy, the meeting was held with the purpose of presenting clearly how the Engineer's Report was created and what the next steps would be in the process. Prior to the meeting, an information package was hand delivered to the potential benefitting property owners. This package can be found in the appendix.

The information meeting was an opportunity for the property owners to ask any specific questions of RC Spencer or the Town. All questions and responses were recorded in the

Comments/Concerns Sheet attached and all those in attendance can be found in the Sign-in Sheet attached.

At the end of the meeting a vote was held to determine whether the property owners were in favour of moving forward to design and tendering of the project given the information provided in the information meeting. In accordance with the Town's Water Works Policy, a majority ($\geq 50\%$) of property owners must accept and be in favour of the Engineer's report and assessment schedule for the petition to proceed to complete design and tender. The resulting vote of the petition was 9 for and 7 against. Therefore, as per the Water Works Policy, the benefitting property owners voted to moving forward with design and tendering.

Municipal Services, with Council's permission will now authorize RC Spencer to finalize the design of the approved water main and proceed to tender. As per the Water Works Policy, if the tender value is less than the estimated value of the Engineer's report that was approved by property owners at the February 27, 2018 meeting, the works will proceed without further permission from the benefitting property owners of Road 11. Whereas, if the tender value is greater, the benefitting property owners would be required to vote for the updated project costs.

LINK TO STRATEGIC PLAN

To become a leader in sustainable infrastructure renewal and development.

FINANCIAL CONSIDERATIONS

As per the Engineer's Report and assessment schedule provided, a total estimated cost for the proposed watermain, including valves, connections to existing system, private services connections and automatic flushing devise is approximately \$400,000 (excluding HST). This does not include the cost of fire hydrants which is an additional \$50,000 to be paid for by the Town as part of resolution 470-2017. A breakdown of the costs are shown below:

Engineering Estimate	
(includes watermain, valves, hydrants)	\$ 339,250.00
Contingencies (10%)	\$ 30,000.00
Engineering & Contract Administration	\$ 30,000.00
Engineer's Report Cost	\$ 750.00
Sub-Total	\$ 400,000.00
Property Owner Share (1/16)	\$ 25,000.00

Given the figures above, the benefitting properties will be responsible for \$25,000 (excluding HST) each, as shown in the attached assessment schedule. It should be noted that this is an engineered estimate and not the final cost. Should the project overrun or be completed under the estimated value, the final cost to the property owners will be adjusted accordingly. In addition, this estimate does not include the costs of installing the water service on private property. The property owner will be responsible to contract this service in addition to purchasing a water meter and building permit.

In the assessment schedule attached, the benefitting vacant land was assessed 50% upon installation and the remaining balance (50%) must be made payable upon water service connection as per resolution 89-2018.

In consultation with financial services, should this petition proceed to construction, the final assessment to property owners will be invoiced upon completion of the project. Two payment options will be provided to property owners as follows:

- *Pay upon invoice* - The property owners will have 45-90 days to make a payment of any or all of the invoice amount.
- *Finance on Property Taxes* – Any amount unpaid after the above invoice period will be financed on taxes. Property owners will be locked into a 10-year term at approximately 4.5% interest fixed rate (rate to be confirmed upon project completion).

Using RC Spencer's estimate of \$25,000 per property and assuming no initial payment is made during the invoicing period, the estimated financing is as follows:

- *Vacant property* - \$1,585.76 per year for ten years in addition to their yearly property tax assessment.
- *Non-vacant property* - \$3,165.50 per year for ten years in addition to their yearly property tax assessment.

CONSULTATIONS

RC Spencer Associates
Municipal Services
Financial Services

RECOMMENDATION

That Council receive the results of the 2018 Road 11 Water Works Petition vote and authorize Municipal Services to direct RC Spencer Associates to finalize the design and tendering of the proposed watermain and appurtenances in accordance with the Town's current Water Works Policy.

Respectfully Submitted,

G.A Plancke

G.A Plancke, Civil Eng. Tech (Env)
Director of Municipal Services

Peggy Van Mierlo-West

Peggy Van Mierlo-West, C.E.T.
Chief Administrative Officer