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Date: March 16, 2018

To: Mayor and Council

Author: Tim Del Greco, Manager of Facilities and Properties

RE: E.L.K. Energy Connection Agreement – Grovedale House

Report No.: MS 2018 - 10

AIM

To seek Council approval to enter into agreement with E.L.K. Energy to construct the electrical distribution system required for supplying electrical service to the Grovedale House.

BACKGROUND

In November of 2017, Council approved construction of the new Grovedale House following demolition of the former Kings Landing Restaurant. Shortly thereafter construction began on site and is currently in progress with an estimated completion date of summer 2018.

DISCUSSION

Common with new facility construction is the need for electrical service. This service is facilitated through a Connection Agreement with the local distribution company, which in this case is E.L.K. Energy. Attached in Appendix A of this report is a copy of this agreement for your reference.

This agreement is a standard agreement used by other local distribution companies (example - Entegrus in Chatham) and is approved by the Ontario Energy Board.

The agreement identifies two required fees of \$44,533 and \$53,202 upon signing. The \$44K is non-refundable and represents the cost of materials and labor required by E.L.K. to supply and install the electrical service to Grovedale (supply and install of a pad mount transformer and power to the transformer from a nearby utility pole). The \$53K is a deposit. The entire amount is refundable over the next 5 years pending the facility meets or exceeds the peak electrical demand as designed/estimated by the architect (Glos Associates Inc.). If actual peak demand does not exceed the estimated demand, only a portion is returned on a pro-rated basis. The intent of this deposit is to protect E.L.K. from

constructing and maintaining an electrical service as requested by the customer that is larger than actually required.

LINK TO STRATEGIC PLAN

Improve recreational and cultural facilities and opportunities within the Town of Kingsville.

FINANCIAL CONSIDERATIONS

Upon approval of this report, a payment of \$97,735 (including HST) to E.L.K. Energy will be completed for the services described above.

CONSULTATIONS

Kingsville Administration

Glos Associates

E.L.K. Energy Inc.

RECOMMENDATION

Recommend Council approve the Mayor and Clerk to sign and execute the E.L.K. Energy Offer to Connect Agreement in order to facilitate the electrical distribution system required for the Grovedale House.

Tim Del Greco

Tim Del Greco, P.Eng

Manager of Facilities and Properties

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