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**TO: MAYOR AND MEMBERS OF COUNCIL  
MEETING OF APRIL 24, 2017**

**FROM: DEREK McCAUGHAN, INTERIM DIRECTOR OF PUBLIC WORKS**

**SUBJECT: REPORT PW 2017-012 KING STREET: PRESERVICING  
AGREEMENT AND REQUEST FOR AUTHORIZATION TO ACCESS  
SANITARY SEWER RESERVE FUNDING**

### **RECOMMENDATION**

**THAT** Report PW 2017-012 King Street: Preservicing Agreement and Request for Authorization to Access Sanitary Sewer Reserve Funding be received;

**AND FURTHER THAT** the Council of the Township of Wellington North direct the Mayor and Chief Administrative Officer to execute the Preservicing Agreement for a section of King Street with Reeve's Construction Ltd.;

**AND FURTHER THAT** the council of the Township of Wellington North authorize the use of the Sanitary Sewer Reserve Fund up to \$20,000.00 for the repair of two sanitary sewer sections on King Street, east of Newfoundland Street.

### **PREVIOUS REPORTS PERTINENT TO THIS MATTER**

N/A

### **BACKGROUND**

Reeves Construction Ltd. has expressed desire to position their Lucas Sub-division for development in the near term. Before commencing with the subdivision development, some enhancement to municipal services on King Street in the vicinity of Newfoundland Street is required. Since excavation of King Street from Newfoundland Street easterly is required to provide service to the sub-division, it is financially advantageous to the

municipality to upgrade this section of King Street to a modern urban cross-section concurrently. The funding to undertake this work was included in the Council-approved 2016 Capital Budget (\$247,000) and through the Development Charges Reserve.

Staff have worked with the Reeves to develop a preservicing agreement which lays out the municipal works required, the cost sharing arrangement and the conditions of construction. The agreement is included in the agenda along with an authorizing by-law. Staff requests that the Mayor and Chief Administrative Officer be authorized to execute the agreement on behalf of the Township.

Recent camera work of the King Street area has revealed a number of sags in the sewer line that represent future, potentially significant blockages. Our engineering firm, B.M. Ross & Associates have reviewed the camera work and have recommended the Township consider replacing at least two sections of sewer. Currently, one section has a resting sewage depth of 50% while the other has a sewage depth between 30-50%. The estimated cost to affect replacement of these two sections is approximately \$20,000.00 if undertaken while Reeves Construction has the roadway excavated. This is significantly less than if these repairs had to be affected under an emergency repair scenario where the roadway was in place. It is important to note this is an estimate and the actual cost to undertake this work will be based upon time and material expended by the Contractor (Reeves Construction Ltd.).

The sewer line on this street is approximately 30 years old and has no history of blockages. The carrying capacity of this line may never present an issue on its own. However, the Lucas Sub-division will increase the flow in the line and there is no guarantee the known sags and the consequential reduction in carrying capacity will not create an operational issue. I would recommend the remedial work be undertaken at this time and request authorization to access the necessary funding from the applicable sanitary sewer reserve funds.

<b>FINANCIAL CONSIDERATIONS</b>
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The Township Treasurer has reviewed this report and has confirmed funding is available in sanitary sewer reserve funds. Estimated current balance = \$891,354

Council included \$247,000, which included the Developer's Estimated Contribution of \$128,600 in the 2016 Capital Budget for this project. Attached as Schedule A is the Capital Project Detail Sheet completed previously. The Capital Project Sheet references use of Gas Tax funds. That appears to have been an error, the 2016 Capital Budget listed funding as per below-

Reserves	\$30,200
Unused 2015 Capital Funds	\$88,200
Developer	\$128,600

Contributions	
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Note-The Reserves amount relates to contributions made by previous developers towards King Street upgrades at the time they were granted severances.

<b>STRATEGIC PLAN</b>
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Do the report's recommendations advance the Strategy's implementation?

X Yes                                       No                                       N/A

Which pillars does this report support?

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Community Growth Plan | <input checked="" type="checkbox"/> Community Service Review |
| <input type="checkbox"/> Human Resource Plan              | <input type="checkbox"/> Corporate Communication Plan        |
| <input type="checkbox"/> Brand and Identity               | <input type="checkbox"/> Positive Healthy Work Environment   |
| <input type="checkbox"/> Strategic Partnerships           |  |

Preservicing agreements are a prerequisite to development in some situations. Reeves Construction has a long construction/development relationship with the Township. Development of Lucas sub-division could result in 31 residential lots.

<b>PREPARED BY:</b>	<b>RECOMMENDED BY:</b>
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*Derek McLaughan*

*Michael Givens, CAO*

<b>DEREK McCAUGHAN</b> <b>INTERIM DIRECTOR OF PUBLIC WORKS</b>	<b>MICHAEL GIVENS</b> <b>CHIEF ADMINISTRATIVE OFFICER</b>
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# SCHEDULE "A" Township of Wellington North

CAPITAL PROJECT DETAIL SHEET  
2016 BUDGET

CAPITAL PROJECT SHEET				
Department:	Public Works			
Project Name:	King St E btw Newfoundland and Entrance to Lucas Subdivision Mount Forest, ON			
Asset Name:	King St W btw Newfoundland and Lucas Subdivision Paved Roadway Sidewalk Storm	Import ID:		
Project Description	Project will rebuild a section of King St W in preparation for the Lucas Subdivision.			
Project Justification	<p>Project will rebuild an existing portion of King St W in order to prepare for the Lucas Subdivision as well as bring the section of roadway to current standard.</p> <p>Project to be coordinated with the development of the Lucas subdivision.</p> <p>BM Ross and Associates assigned this section of road a score of 6.5 within the 2013 Road Management Study. Roads were scored out of 10.</p>			
PROJECT MATRIX				
Criteria	Low	Medium	High	Comments
Safety Issues, Risk Management	X			
Legislative Requirement		X		Township wants to promote local development.
Operational Saving, Short Payback	X			
Routine Replacement, Asset beyond lifecycle	X			
Impact of delaying replacement			X	Project shall be coordinated with Reeve's Construction development work for Lucas subdivision.
Growth related			X	Project will facilitate Lucas subdivision to proceed with its residential development in Mount Forest.
Service enhancements		X		Project will enhance the roadway, pedestrian and storm water management services offered along this stretch of King St W.
CAPITAL PROJECT COSTING AND FUNDING				
Costs	2016	2017	2018	2019
Capital Purchases				
00-30 Roads	\$247,000			
Sub-Contractor/Equipment Rental				
Consulting Fees				
Consulting Fees				
Engineering/Survey Fees				
Geo Technical Fees				
Legal Fees				
Contingency				
Total Fees	247,000			



# Township of Wellington North

CAPITAL PROJECT DETAIL SHEET  
2016 BUDGET

<b>Funding</b>				
Transfers From Reserves (Fund)				
Acc #:				
Developer Contributions	128,600			
Gas Tax	118,400			
OCIF				
Funding Application				
Donation				
User Fees				
Development Charge				
Other:				
<b>Total Funding</b>	<b>\$247,000</b>			
<b>Net Operating Cost</b>				
Estimated Completion Date: December 31, 2016				
New Operating Costs per year: \$0				
Previous Operating Costs: \$0				
Submitted By: _____ Department Head: _____				
Date Prepared: _____ Reviewed by Treasurer: _____				

Image A – King St E (looking east)

