

Municipality of Chatham-Kent
Chatham-Kent Public Utilities Commission
Water/Wastewater Services

To: Mayor and Members of Council

From: Tim Sunderland
General Manager
Chatham-Kent Public Utilities Commission

Date: June 5, 2023

Subject: Preliminary Assessing By-law for Doyle Line, Creek Road, and Maynard Line Waterline Project (Community of Harwich)

Recommendations

It is recommended that:

1. The Doyle Line, Creek Road, and Maynard Line Waterline Project and the necessary By-law under Part XII of the Municipal Act, 2001 be approved.
2. Administration be authorized to borrow monies towards the project by the issuance and sale of debentures. Pending the sale of the debentures, the Mayor and Treasurer are authorized to make such temporary borrowing as may be required in order to meet the payments due to vendors.

Background

In June 2022, Chatham-Kent Public Utilities Commission (CK PUC) received a petition requesting consideration for municipal water located along Doyle Line, Creek Road, Woodland Crescent and Maynard Line, in the Community of Harwich. The petition failed and the residents and the greenhouse along this waterline route were notified of the results in January 2023.

In January 2023, the greenhouse expressed interest to still proceed with the waterline extension. The greenhouse is having significant issues with their well water and are looking to expand. The current greenhouse is 12 acres and they are looking to add an additional 18.5 acres in the future at this site. CK PUC met with the greenhouse owners to discuss a revised project scope and costs.

At the March 16, 2023 CK PUC Commission Meeting, authorization was given to CK PUC administration to proceed with the revised waterline route to promote economic development in the area.

CK PUC and the greenhouse owners entered into a Water Servicing Agreement that indicated their approved flows and their estimated costs for the project. The properties along this waterline route were notified and provided the option to connect to the waterline now at the estimated assessment cost. Properties that do not want to connect now can defer a connection and payment until a later date.

Comments

The proposed water distribution system will meet present and future demands associated with the service area derived from the request received. A 150mm diameter watermain would provide enough flow for the existing residents and greenhouse, however there would be no additional capacity left in the watermain. Therefore, a 200mm diameter watermain was chosen to provide additional capacity for future residential connections and extensions. The new system will connect to the existing 200mm diameter watermain on Doyle Line located at the railway tracks. A 200mm diameter watermain will extend on Doyle Line, Creek Road and Maynard Line. The total length of the project is approximately 3,650 meters.

The Engineering and Transportation Division prepared the estimated costs for the watermain. The estimated cost for the watermain installation, including engineering, Ministry of Environment, Conservation and Parks approvals and HST is \$2,161,265. The greenhouse will be responsible for paying \$1,300,000, which is approximately 60% of the project costs. CK PUC would be responsible for carrying the oversizing costs of \$297,852 and the deferred connection costs from the residential properties along the watermain route that do not wish to connect at this time.

The greenhouse will also be required to pay their associated Part XII charges. Based on the current greenhouse area, this is estimated to be approximately \$111,300. Further development charges would apply when the greenhouse expands.

Along the approved waterline route there are a total of twenty-seven (27) vacant and occupied residential properties and six (6) vacant agricultural properties. The estimated assessment cost is \$23,481 (\$19,769 in project costs and \$3,712 in Part XII Charges). If the properties choose not to connect now, their future connection cost will be 125% of the presented assessment cost. The future estimated connection cost would be \$24,711 not including the Part XII Charge.

One (1) residential property has requested a service connection at this time. Two (2) properties declined a service connection. The other properties did not respond and therefore will be deferred at this time. Therefore, CK PUC would be responsible to carry \$841,496 in estimated project costs at this time.

It is recommended that Council approve the Doyle Line, Creek Road, and Maynard Line Waterline Project By-law as outlined in Schedule “A” and Schedule “B” and the necessary By-law under Part XII of the Municipal Act, 2001.

Areas of Strategic Focus

This report supports the following areas of strategic focus:

			
Economic Prosperity	Healthy & Safe Community	People & Culture	Environmental Sustainability
1.1			

Consultation

Chatham-Kent Engineering and Transportation Division

Communication

CK PUC and the greenhouse owners entered into an agreement indicating the greenhouse’s approved flows and their related estimated costs for the project.

The residents along the waterline route were notified by mail that the project would be proceeding and were provided the option to receive a connection at this time or defer a connection until a later date.

The greenhouse and the resident that chose to connect now will be notified of the actual final costs of the project once the project is complete. If during the tendering stage for construction, the costs come in greater than 10% of the estimated costs, they will be allowed to choose if they still wish to receive a connection.

Diversity, Equity, Inclusion and Justice (DEIJ)

This report does not have implications related to diversity, equity, inclusion or justice.

Financial Implications

The greenhouse will be responsible for approximately 60% of the project costs. CK PUC will be carrying the oversizing and deferred connection costs which will be recovered when those properties choose to connect in the future or the waterline is further

extended. The estimated carrying costs for CK PUC are \$841,496 which has been accounted for in the 2023 budget.

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Consulted and confirmed the content of the consultation section of the report by:

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Attachment:

Doyle Line, Creek Road, and Maynard Line Waterline Project Preliminary Assessing By-Law (Community of Harwich)