

## Report to Civic Works Committee

**To:** Chair and Members  
Civic Works Committee  
**From:** Kelly Scherr, P.Eng., MBA, FEC  
Deputy City Manager, Environment and Infrastructure  
**Subject:** Northcrest Drive Municipal Watermain Servicing Budget Increase  
**Date:** May 31, 2022

## Recommendation

That on the recommendation of Deputy City Manager, Environment and Infrastructure, the following actions **BE TAKEN** with respect to the Northcrest Drive municipal watermain servicing project:

- (a) the budget increase of \$909,645, to EW374322 Extension of Water Servicing, **BE APPROVED** for the subject project;
- (b) the financing for this project **BE APPROVED** as set out in the Sources of Financing Report attached, hereto, as Appendix 'A'; and
- (c) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this project.

## Executive Summary

### Purpose

This report recommends a budget increase to allow for the extension of water servicing for Northcrest Drive. A project location map is provided in Appendix 'B'. This project is located within the urban growth boundary and proposes to make available municipal watermain servicing to three existing vacant lots and sixteen existing single family homes. A budget increase is required to initiate the procurement process for the construction tender in order to construct the proposed works in 2022.

### Context

The project includes the installation of approximately 400 metres of municipal watermain to provide watermain servicing on Northcrest Drive. As part of the annual budget the City has a fund for the extension of watermain servicing to unserved areas within the Urban Growth Boundary. In order for this project to proceed to construction in 2022 a budget increase is required to ensure sufficient funds are available to initiate the request for tenders procurement process.

## Linkage to the Corporate Strategic Plan

This recommendation supports the following 2019-2023 Strategic Plan areas of focus:

- Building a Sustainable City:
  - London's infrastructure is built, maintained, and operated to meet the long-term needs of our community;

## Analysis

### 1.0 Background Information

#### 1.1 Previous Reports Related to this Matter

- None

## 2.0 Discussion and Considerations

### 2.1 Work Description

This project proposes to construct a municipal watermain on Northcrest Drive. The construction of this watermain will satisfy the following London Plan policy which will allow for the three vacant lots to proceed through the site plan control process and ultimately develop.

474\_4. All development within the Urban Growth Boundary will be serviced by the City of London water supply system for its potable water supply and fire protection, which meets or exceeds all regulatory standards.

Further to this the provision of the municipal watermain will provide the opportunity for sixteen existing single family homes to connect to the City of London water supply system and will provide additional hydrant coverage for fire fighting.

The proposed watermain work includes the installation of the municipal watermain within the road right of way, with partial road restoration where disturbed through installation of the water infrastructure. Full surface reconstruction is not part of the project. Residents of Northcrest Drive have the opportunity to include a water service extended from the watermain to their fronting property line as part of the project construction and will be responsible for the cost of that water service.

It is noted that at this time there is no consideration for including a municipal sanitary sewer with the project. Currently there is no outlet readily available for a municipal sanitary sewer. The lack of sanitary servicing extends beyond this street and includes the wider neighbourhood.

### 2.2 Public Communications

This project utilizes a similar public communications approach to the City's Infrastructure Renewal Program including project letters and resident water service request forms.

## 3.0 Financial Impact/Considerations

### 3.1 Budget Increase

The account EW374322 has a current budget available of \$209,715. The estimated total project budget required is \$1,119,360. The design and construction supervision for this project is being completed in house by the City's Construction Administration division and topographic survey by the Geomatics division. An anticipated budget of \$25,000 is included in the total project budget estimate. The resulting budget increase required to initiate the procurement process for the construction tendering is \$909,645. Once the project is complete, any remaining funds will be returned to the reserve fund.

Budget Available	\$209,715
Estimated Total Project Cost	\$1,119,360
Budget Increase Required	\$909,645

### 3.2 Other Budget Consideration

Through providing a municipal watermain on Northcrest Drive, residents will be able to connect to the watermain for their water servicing. Part of the connection process includes the payment of frontage fees. The frontage fee for single family residential is \$246.19 per metre (which is capped at 50 metres). The approximate total value of frontage fees fronting the proposed watermain from all properties is \$160,000 (at 2022 rates) and will be collected as connections are completed in the future.

Home owners are responsible for the cost of any water services included with the

construction project. The budget amount recovered through the home owner cost of individual water services will be less than \$20,000. The final amount will be dependent on the number of residents that sign up for installation of a new water service directly through the construction project.

If sufficient budget is not made available from the reserve fund to construct the proposed watermain in 2022, then the project will be deferred to a future year when enough funds have been accumulated within the service area capital account. Capital project EW3743 is an annual program that receives approximately \$220,000 a year from the Water Works Renewal Reserve Fund, therefore it would take approximately five years to accumulate the required funding based on current 2022 estimates.

### **3.2 Alternative Option**

As an alternative to the proposed construction of the municipal watermain in 2022, Council could pursue a bylaw to allow for building on the three existing vacant lots using private wells. The City would then revisit the construction timing of the municipal watermain project and move it to a later date. Coordination with municipal sanitary sewer servicing may be an option at a later date dependent on availability of a sanitary outlet and associated funding.

## **Conclusion**

The proposed extension of water servicing through the construction of the municipal watermain on Northcrest Drive would allow for the three vacant lots to move through the site plan control process and develop. In addition to this, the municipal watermain will provide the opportunity for sixteen existing single family homes to connect to the City of London water supply system and provide additional hydrant coverage for fire fighting. In order for the project to be constructed in 2022 the identified budget increase of \$909,645.00, is recommended for approval.

**Prepared by:** David Gough, P.Eng., Acting Division Manager, Water Engineering

**Submitted by:** Aaron Rozentals, GDPA, P. Eng., Acting Director, Water, Wastewater, and Stormwater

**Recommended by:** Kelly Scherr, P.Eng., MBA, FEC, Deputy City Manager, Environment and Infrastructure

Appendix 'A' – Sources of Financing

Appendix 'B' – Location Map