

**The Corporation of the City of Kawartha Lakes**  
**Council Report**

**Report Number WWW2018-002**

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**Date:** January 30, 2018  
**Time:** 2:00 p.m.  
**Place:** Council Chambers

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**Ward Community Identifier:** Ward 13

**Subject:** Final Update on Fragmentation for Lakeview Water Co-op,  
Thurstonia

**Author Name and Title:** David Kerr, Manager, Environmental Services

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**Recommendation(s):**

**That** Report WWW2018-002, **Final Update on Fragmentation for Lakeview Water Co-op, Thurstonia**, be received; and

**That** Staff be directed to provide notification to residents regarding final fragmentation costs owed to the City and issue invoices in accordance with Council Resolution CR2017-422.

**Department Head:** \_\_\_\_\_

**Financial/Legal/HR/Other:** \_\_\_\_\_

**Chief Administrative Officer:** \_\_\_\_\_

## **Background:**

At the Council Meeting of May 16, 2017, Council adopted the following resolution:

David Kerr, Manager Environmental Services  
Update on Fragmentation for Lakeview Water Co-op, Thurstonia

### **CR2017-422**

**RESOLVED THAT** Report WWW2017-004, **Update on Fragmentation for Lakeview Water Co-op, Thurstonia**, be received;

**THAT** upon completion of the Fragmentation of the Lakeview Water Co-op Drinking Water System, the City recovers the costs to fragment the water system from the members of the Co-op in accordance with By-law 2014-071 to a maximum of \$15,000.00 per property;

**THAT** the costs of the water system fragmentation project in excess of the contribution from Co-op members be approved and funded from the Water Infrastructure Reserve to an upset limit of \$150,000.00; and

**THAT** any additional costs required for any special measures to enter private property be recovered directly from the individual Co-op member responsible for the additional costs.

**CARRIED**

This report provides an update on addressing Council's direction as above and also provides a detailed description of the costs associated with fragmentation of the Lakeview Co-op to ensure compliance with MOECC's Notice of Intention to Issue a Section 114 Order under the Safe Drinking Water Act (SDWA).

Further background history on the Lakeview Water Co-op is included in the May 16, 2017 staff report (Appendix A).

## **Rationale:**

This report's purpose is to notify Council that the Lakeview Water Co-op Fragmentation Plan has been carried out in full. A letter from the MOECC has been attached as Appendix B indicating that all requirements of the Section 114 Safe Drinking Water Act Notice of Intention to Issue Order have been met releasing the City from overseeing the Lakeview Water Co-op Drinking Water System.

Two new intake lines from Sturgeon Lake to the pump house have been connected. All Point of Entry (POE) water treatment units described in the Fragmentation Plan are installed correctly and able to meet MOECC Standards.

All residents have been disconnected from the pre-existing distribution system. The new Distribution Line #1 services numbers 5, 9, 11, and 13 McLernon Street. The new Distribution Line #2 services numbers 16, 19, 20, and 21 McLernon Street. Numbers 10 and 12 McLernon Street are not serviced by the new distribution systems, but instead by a jointly used private well located at 12 McLernon Street. Number 31 Birchcliffe Avenue, is serviced by an above-ground reservoir and not by the new distribution lines.

### Other Alternatives Considered:

Staff has thoroughly explored a number of different options for the Co-op members over the last 5 years. The option selected was the overall lowest cost option when taking into consideration ongoing operational costs. The MOECC has also formally agreed with the chosen plan for system fragmentation (8 members on 2 separate distribution lines drawing water from Sturgeon Lake, 2 members sharing a drilled water well, and 1 member with an above ground storage tank).

### Financial/Operation Impacts:

Details are provided below summarizing the costs associated with the Lakeview Water Co-op Fragmentation process:

Services Used	Annual Costs					Total Cost of Service
	2014	2015	2016	2017	2018	
Jackson's Water Conditioning	\$8,083.40	\$9,877.28	\$5,515.40	\$41,227.94		\$64,704.02
SGS Lab Services	\$134.33	\$92.67	\$61.06			\$288.06
Gowling's	\$2,712.92					\$2,712.92
Grace & Associates Inc.	\$13,820.23	\$20,920.13	\$4,095.84			\$38,836.20
Woodhead Enterprises		\$457.92				\$457.92
CKL Labour and Equipment	\$706.20	\$1,197.46	\$2,837.64			\$4,741.30
Accurex			\$22,617.99			\$22,617.99
CC Underground				\$56,397.53	\$1,129.01	\$57,526.54
Jackett				\$952.48		\$952.48
Westburne				\$1,224.75		\$1,224.75

Services	Annual Costs				
Fenelon Ready-Mix Concrete				\$267.63	\$267.63
D.M. Wills				\$11,688.16	\$11,688.16
Electrical Safety Authority				\$123.13	\$123.13
Miscellaneous	\$250.22	\$48.85		\$72.95	\$372.02
<b>Annual Total</b>	\$25,707.30	\$32,594.31	\$35,127.93	\$111,954.57	\$1,129.01
<b>Grand Total</b>					<b>\$206,513.12</b>

The final cost of the Lakeview Water Co-op Fragmentation Plan is under budget at \$206,513.12, compared to the original estimate of \$220,000. Council has previously agreed (May 16, 2017 Report – Appendix A) to split the costs with the residents 50/50, which makes the City responsible for \$103,256.56 and the Co-op responsible for \$103,256.56. Since not all of the 11 Co-op members fragmented in the same way, their relative costs to fragment are different from each other. A summarization of the fragmentation costs, excluding costs for special measures to obtain legal right of entry is identified in the table below:

Property Address	Cost Summary
5 McLernon St.	\$11,974.16
9 McLernon St.	\$11,974.16
10 McLernon St.	\$3,420.55
11 McLernon St.	\$11,974.16
12 McLernon St.	\$3,420.55
13 McLernon St.	\$11,974.16
16 McLernon St.	\$11,974.16
19 McLernon St.	\$11,974.16
20 McLernon St.	\$12,054.57
21 McLernon St.	\$12,154.29
31 Birchcliffe Ave.	\$361.64
<b>Grand Total</b>	<b>\$103,256.56</b>

The method for cost splitting takes into account that the two Co-op members at 10 and 12 McLernon Street drilled a water well to be shared between the two properties prior to the original Notice of Order being issued by the MOECC and have since installed POE treatment units. Therefore, costs associated with engineering and building the new distribution system are not applicable to these members since they had already arrived at and implemented a different solution for themselves. However, they will have to pay for their POE treatment unit costs, operation of their well system and relative consulting fees.

The portion of costs for the member at 31 Birchcliffe Avenue does not include fees related to the construction of the new distribution system as they chose to install an above ground storage tank capable of holding potable water that meets Ontario Regulation 169 standards. However, there are engineering costs that are applicable to them as the consultant's engineering assessment looked at the potential for tanks as a feasible alternative. They will also be required to pay for the cost associated with having a bulk water truck haul potable water to their storage tank on an ongoing basis.

The remaining 8 members have roughly the same costs as each other as they are all sharing the new distribution system equally. Numbers 20 and 21 McLernon Street's costs are slightly higher than the other 6 co-op members due to separate service calls associated with their POE system after installation.

The overall fragmentation costs are lower than the estimate provided in the May 16, 2017 staff report because after working with Parks Canada there will no longer be the need for the property owners to maintain a licence for the intakes and pumphouse. Also, C.C. Underground's actual costs were approximately \$12,500.00 lower than quoted to install the two distribution systems, lowering the costs even further.

In addition to the fragmentation costs, 9 McLernon and 11 McLernon will have additional costs for special measures to enter a private property. As mentioned in the Background section, Council resolved those costs be recovered directly from the individual Co-op member responsible for the costs. The City was forced to seek a judicial order from the Justice of the Peace in order to enter the homes of the above mentioned properties to install Point of Entry water treatment units due to their reluctance to cooperate with the City and its contractors. The total legal fees related to obtaining the right of entry is \$8064.34. Both 9 and 11 McLernon will each be responsible for an additional \$4032.17 on top of the fragmentation costs summarized above which represented their respective share of the legal fees. This added cost will bring both of their cost shares to be \$16,006.33.

In the May 16<sup>th</sup>, 2017 Council report, it was noted that easements would need to be created for each benefitting Co-op member connected to the new drinking water system. The easement would have identified each members' legal ownership and maintenance rights for the pumphouse and associated appurtenances located on or within City property. In consultation with Realty Services it was determined that the best and most cost effective solution for the Co-op members would be to enter into a licensing agreement between the City and each member, at no cost to the residents, to allow them access to the building and horizontal infrastructure.

As previously indicated in the Oct. 13, 2015 staff report, invoices will be provided to the Co-op members as per By-Law 2014-181, which authorizes the

undertaking of work on private residential property and provides a financing program for the Lakeview Water Co-op members.

Pursuant to By-Law 2014-071, unpaid invoices issued plus any administration fee charged by the City shall be added as fees and charges to the tax roll for the property and the City may collect them in the same manner as municipal taxes and all such fee and charges will have priority lien status.

### **Relationship of Recommendation(s) To The 2016-2019 Strategic Plan:**

The report submitted to Council is consistent with the Council Adopted Strategic Plan in the following ways:

This report directly addresses “Goal 3 – A Healthy Environment; Objective 3.1: A healthier environment; Action 3.1.6: Protect & enhance water quality” of the Strategic Plan. The City staff is focused on ensuring the Lakeview Co-op members have a secure source of potable water that meets MOECC standards.

This report is also in line with the City’s values, specifically continuous improvement and excellence, as this amendment will aid in the improvement of the municipal drinking water system as well as provide excellent, efficient, and safe services for the public of Kawartha Lakes.

### **Consultations:**

Supervisor, Water and Wastewater Operations  
Realty Services  
City Solicitor

### **Attachments:**

Appendix A – Report WWW2017-004 Fragmentation Update for Lakeview Water Coop Thurstonia



Appendix A - Report  
WWW2017-004 Fragn

Appendix B – Letter from MOECC indicating Lakeview Water Co-op Drinking Water System Fragmentation requirements have been fulfilled



Appendix B - Letter  
from MOECC indicating

**Department Head E-Mail: [brobinson@kawarthalakes.ca](mailto:brobinson@kawarthalakes.ca)**

**Department Head: Bryan Robinson, Director of Public Works**