

**To:** COUNCIL

**Meeting Date:** 5/9/2023

**Subject:** **Watermain Decommissioning and Private Property Servicing Agreement - 200 Sheffield Street**

**Submitted By:** Kevin De Leebeeck, Director of Engineering

**Prepared By:** Steven Huang, Project Engineer

**Report No.:** 23-219-CD

**File No.:** A/01079-40

**Wards Affected:** Ward 1

### **RECOMMENDATION(S):**

THAT Report 23-219-CD Watermain Decommissioning and Private Property Servicing Agreement - 200 Sheffield Street be received;

AND THAT Confidential Appendix B to Report 23-219-CD be received as information and remain confidential;

AND FURTHER THAT Council authorize the Mayor and Clerk to execute a Private Property Servicing Agreement with the Owner of 200 Sheffield Street, to the satisfaction of the City Solicitor, to allow for the decommissioning of watermain within the unopened road allowance adjacent to 200 Sheffield Street.

### **EXECUTIVE SUMMARY:**

#### **Purpose**

Council authorization is being requested for the execution of a Private Property Servicing Agreement with the Owner of 200 Sheffield Street which will allow for the decommissioning of a City owned watermain along the adjacent unopened road allowance.

#### **Key Findings**

- A 90m dead end section of 1973 ductile iron watermain, located within an unopened road allowance adjacent to 200 Sheffield Street (refer to **Appendix A**) services only one property.

- Staff are recommending this City owned dead end watermain be decommissioned and relocated onto private property, which is best implemented through a Private Property Servicing Agreement.

### **Financial Implications**

- The estimated cost of watermain relocation onto 200 Sheffield Street property is \$125,000 which has been included as part of Capital Project A/01079-40 Clemens Ave. Reconstruction.

### **STRATEGIC ALIGNMENT:**

- ☐ Strategic Action; or  
☒ Core Service

**Objective(s):** Not Applicable

**Strategic Action:** Not Applicable

**Program:** Water

**Core Service:** Water Distribution System Maintenance

### **BACKGROUND:**

The City will be reconstructing Clemens Avenue from Sheffield Street to Fisher Mills Road as part of the approved 2023 capital program. Within the project limits is 90m dead end section of 250mm diameter City owned ductile iron watermain located within an unopened road allowance and hydro corridor (Refer to **Appendix A**). This dead end watermain was constructed in 1973, services only one property (200 Sheffield Street) and has reached the end of its service life. This dead end watermain is located within a heavily vegetated hydro corridor, presenting significant challenges for maintenance. The City has no future plans for the use for this dead end watermain, and the recommended approach is to relocate the watermain onto private property and transfer the watermain to private ownership. This would eliminate maintenance and future replacement needs.

This work will allow the industrial servicing of this property to be upgraded to current City Industrial Servicing Standards with a water meter chamber installed on private property, in accordance with City By-Law 146-03. Under the upgraded servicing standard configuration, the City and property owner would be informed if any leak arises along the water service compared to the current configuration.

## **ANALYSIS:**

Maintaining a 90m section of 250mm dead end watermain that only serves one property is not a preferred operational arrangement. The watermain is an asset requiring regular maintenance and renewal every 50 to 80 years. The proposed approach would include entering into a Private Property Servicing Agreement with the private property owner, which would set out that the asset would be transferred to private ownership and the future replacement and maintenance costs would be borne by the private owner. Under the proposed agreement the Owner would be required to obtain competitive quotations and undertake the works in accordance with a plumbing permit approved by the City's Building Division. The Owner would be reimbursed for the work performed on private property and completed in accordance with City's plumbing permit and the Private Property Servicing Agreement.

Should Council not support the proposed arrangement the City would be required to renew the watermain within the unopened road allowance and maintain the current configuration of 90m of dead end watermain to service one property. This approach is not included in the scope of the existing capital project and would result in additional construction costs.

## **EXISTING POLICY / BY-LAW(S):**

Staff do not have delegated authority under By-Law 19-186 to enter into a Private Property Servicing Agreement, requiring the authorization of City Council.

Water By-Law 146-03 requires that a meter chamber be installed on private property if the length of the Service Pipe between the Street Line and the Building exceeds 30 metres.

## **FINANCIAL IMPACT:**

The estimated cost of watermain relocation onto 200 Sheffield Street property is \$125,000. No additional funding is being requested at this time, as the cost has been included as part of Capital Project A/01079-40 Clemens Ave. Reconstruction.

## **PUBLIC VALUE:**

### **Sustainability:**

Decommissioning of this City owned watermain eliminates long-term replacement and maintenance costs aligning with the City's public value principle of sustainability.

**ADVISORY COMMITTEE INPUT:**

Does not apply

**PUBLIC INPUT:**

Posted publicly as part of the report process. The property owner has been kept informed of the potential work on private property. They are supportive of the agreement in principle and are ready to move ahead with competitive quotations for City staff review.

**INTERNAL / EXTERNAL CONSULTATION:**

The City's Engineering division has consulted with the City's Operating, Risk Management, Legal, Finance and Building Divisions on the proposed arrangement through the Private Property Servicing Agreement.

**CONCLUSION:**

A Private Property Servicing Agreement is required to dispose of a 90m section of ductile iron watermain located within an unopened road allowance and hydro corridor adjacent to 200 Sheffield Street. Due to its location and configuration, this watermain is challenging to maintain and has reached the end of its service life. Staff are seeking Council authorization for the execution of a Private Property Servicing Agreement to allow for the relocation of watermain onto private property along with the transfer of ownership, maintenance and future renewal.

**REPORT IMPACTS:**

Agreement: **Yes**

By-law: **No**

Budget Amendment: **No**

Policy: **No**

**APPROVALS:**

**This report has gone through the appropriate workflow and has been reviewed and or approved by the following as required:**

**Director**

**Deputy City Manager**

**Chief Financial Officer**

**City Solicitor**

**City Manager**

**ATTACHMENTS:**

1. 23-219-CD Appendix A – Preliminary Water Service Design Layout
2. 23-219-CD Appendix B – Confidential Legal Analysis: Watermain Decommissioning and Private Servicing Agreement - 200 Sheffield Street