



Report of the Director of Engineering Services

REPORT #: ENG 2011 20

DATE: March 15,2011

TO: Chair Keffer and Members of Committee of the Whole

SUBJECT: Provision of Municipal Servicing to Simcoe Road Properties via Proposed Green Valley Pumping Station

PREPARED BY: Debbie Korolnek, P.Eng., Director, Engineering Services

1. RECOMMENDATIONS:

It is respectfully recommended:

- 1.1 THAT Report No. ENG 2011 20, titled "Provision of Municipal Servicing to Simcoe Road Properties via Proposed Green Valley Pumping Station" be received; and
- 1.2 THAT Council endorse the approach proposed in this report to determine whether or not property owners along Simcoe Road south of 6th Line support connection to the municipal wastewater system at an average cost per lot in the order of \$28,000 to \$30,000 (estimate includes an allowance for work on private property and the current wastewater development charge) ; and
- 1.3 THAT staff report back to Council with next steps following receipt of local input as to whether or not there is a desire to connect to the municipal wastewater system.

2. PREAMBLE:

This report will summarize the results of a recent feasibility study to determine the costs associated with potential sewage servicing for properties along Simcoe Road south of 6th Line that are currently privately serviced. The report also seeks Council endorsement of staff's proposed approach to making a decision as to whether or not to proceed with servicing of the privately serviced lots on Simcoe Road south of 6th Line.

3. BASIC DATA PERTAINING TO THE MATTER:

3.1 Sewage Servicing for the Green Valley Development Provides an Opportunity to Service Existing Properties that are Privately Serviced

The first submission for draft plan approval for the proposed Green Valley development has been received from Bradford East Developments Inc. and Bradford Capital Holdings Inc. The statutory public meeting for these developments was held March 1, 2011, and staff is preparing comments back to the proponents. The development will require construction of a sewage pumping station on the 6th Line east of Simcoe Road. The requirements of the Environmental Assessment Act with respect to this proposed pumping station were fulfilled as part of the Master Servicing Study for the Planned Service Area completed by RJ Burnside in July 2010. A location plan showing the limits of the Green Valley development and the proposed pumping station is attached to this report.

The proposed sewage pumping station for the Green Valley development presents an opportunity to provide municipal wastewater servicing to properties along Simcoe Road that are now privately serviced. A number of these residents have been requesting municipal service for some time. Many of the lots are small, making eventual replacement of septic systems very challenging. Incorporating the work to service these existing properties with the work required to service the proposed Green Valley development is less disruptive and more cost effective to the community because the work is done simultaneously with the servicing for the development. In addition, the Town is planning to reconstruct Simcoe Road and install sewage forcemains proposed to take wastewater from the OPA 15 and 16 lands to the wastewater treatment plant.

3.2 Existing Properties should be Responsible for the Cost of Local Improvements and the Wastewater Development Charge

The Green Valley Sewage Pumping Station and associated trunk sewer and forcemain are included in Development Charges Background Study and have been front end financed through the Early Payment Agreement. The cost of local sewers within Green Valley will be financed by the developer. If properties on Simcoe Road are to be serviced, it will require slight oversizing of the pumping station and the construction of a collector sewer on Simcoe Road, together with service laterals to each property. The cost of these additional works and oversizing are not included in the development charges background study and not front end financed as they benefit existing properties. Therefore, the existing benefitting properties should be required to pay the costs associated with the local service improvement.

Trunk services (major conveyance systems and treatment) for new development within the Town are financed through development charges, which are paid by the developer at the time of lot registration and passed along to the homeowner through the purchase price. Because the properties on Simcoe Road are privately serviced, these properties never paid a wastewater development charge; however, if the properties are connected to the municipal wastewater system they will benefit from those services, paid for by DC's from other users. Therefore, existing properties connecting to the municipal wastewater system should pay the development charge for wastewater.

3.3 A Feasibility Study Indicates that Existing Properties Can be Serviced at an Average cost per lot of Approximately \$18,000 to \$20,000 excluding the DC and work on private property

RJ Burnside was retained to assess the feasibility of servicing the properties and assess estimated costs. This was a necessary first step to determine whether or not privately serviced properties can be serviced as part of the overall development.

Two options were investigated for provision of sanitary servicing to the privately serviced area of Simcoe Road. Option A looked at servicing all those properties that could be serviced by gravity, 79 properties in all. The service area would include all properties on Simcoe Road south of 6th Line except for the four southernmost properties (see Attachment A). Option B looked at servicing all of the lots in the area, including all lots on Simcoe Road and all lots in the Golfview subdivision, 140 lots in all. Option B requires a small pumping station at the south end of Simcoe Road to pick up the four southernmost properties and the lots in the Golfview subdivision that cannot be serviced by gravity.

The estimated cost of servicing, excluding the wastewater development charge and any work on private property, was determined at approximately \$18,000 for Option A, or \$20,000 for Option B. For a single family dwelling, the addition of the wastewater development charge of \$6,849 and an estimate of work on private property at approximately \$3,150 puts the total cost for an average household at approximately \$28,000 for Option A or \$30,000 for Option B.

Typically, municipalities offer amortization of the costs over a 10 to 20 year period as an alternative to a lump sum payment for the work within the Town right-of-way. The work on private property, estimated at approximately \$3,150 per lot would, of course, be paid at the time of connection. The Table below shows what the annual payment would be at an interest rate of 4% under both options.

Option	Lump Sum Payment	Annual Payment (10 Years)	Annual Payment (20 Years)
A	\$28,000	\$3,310 per year + a one time cost of \$3150 for work on private property	\$1,976 per year + a one time cost of \$3150 for work on private property
B	\$30,000	\$3,557 per year + a one time cost of \$3150 for work on private property	\$2,123 per year + a one time cost of \$3150 for work on private property

Please note that the estimated costs in this section of the report are average costs per lot. Typically, the municipality charges for the work in the right-of-way proportional to frontage.

3.4 Staff Recommend a Public Information Meeting Followed by a Survey to Establish the Local Preference for Wastewater Service

Recognizing that the cost of connecting to the municipal wastewater system represents a substantial burden to homeowners, staff recommends that a public meeting be held to explain to potentially affected residents what the costs would be, get feedback and answer any questions. Information on both Options A and B would be presented. Following that meeting, it is recommended that a survey be sent to potentially affected property owners to ask whether or not they want municipal wastewater service.

Following receipt of the survey results, staff would report back to Council with recommendations for moving forward. Typically, if a 75% majority is in favour of implementing municipal service, then staff would recommend proceeding with the work.

It should be noted that the homes in the Golfview subdivision are relatively new (1990 to 1996), and the lot sizes are such that replacement tile fields, if required, could be accommodated in the future. There is no urgency to have these lots connected to the municipal system. The existing lots on Simcoe Road are much older and smaller, and if septic systems fail it will be difficult and costly to replace them. In some cases, the lots are likely too small to accommodate a septic system to today's standards, though the Plumbing Code does allow some relief to permit replacement of older systems that cannot meet current standards. The replacement Homeowners would likely have to use their existing septic tank as a holding tank while the tile field and surrounding soil is completely removed and replaced. If the soil around the tile field is saturated, an upgraded "filter bed" type system may be required rather than the conventional in ground perforated piping system. Replacement costs could be in the order of \$20,000 to \$30,000, and the replacement system would have a limited life. In addition, there are ongoing operating costs associated with a private system that are not applicable to municipal systems.

It is also important to note that construction of a municipal connection in the future, after the Green Valley area is developed and Simcoe Road is reconstructed would add substantially to the cost, because the pumping station would have been sized to accommodate only the Green Valley area, and the (newly reconstructed road) would require restoration. Road restoration alone would add \$200,000 gross cost, or approximately \$2,500 to the cost per lot.

4. EFFECT ON TOWN FINANCES:

4.1 CURRENT YEAR:

None.

4.2 FUTURE YEARS:

None.

5. ATTACHMENTS:

Location Plan and Service Area Options

Prepared By:

Approved for Agenda:



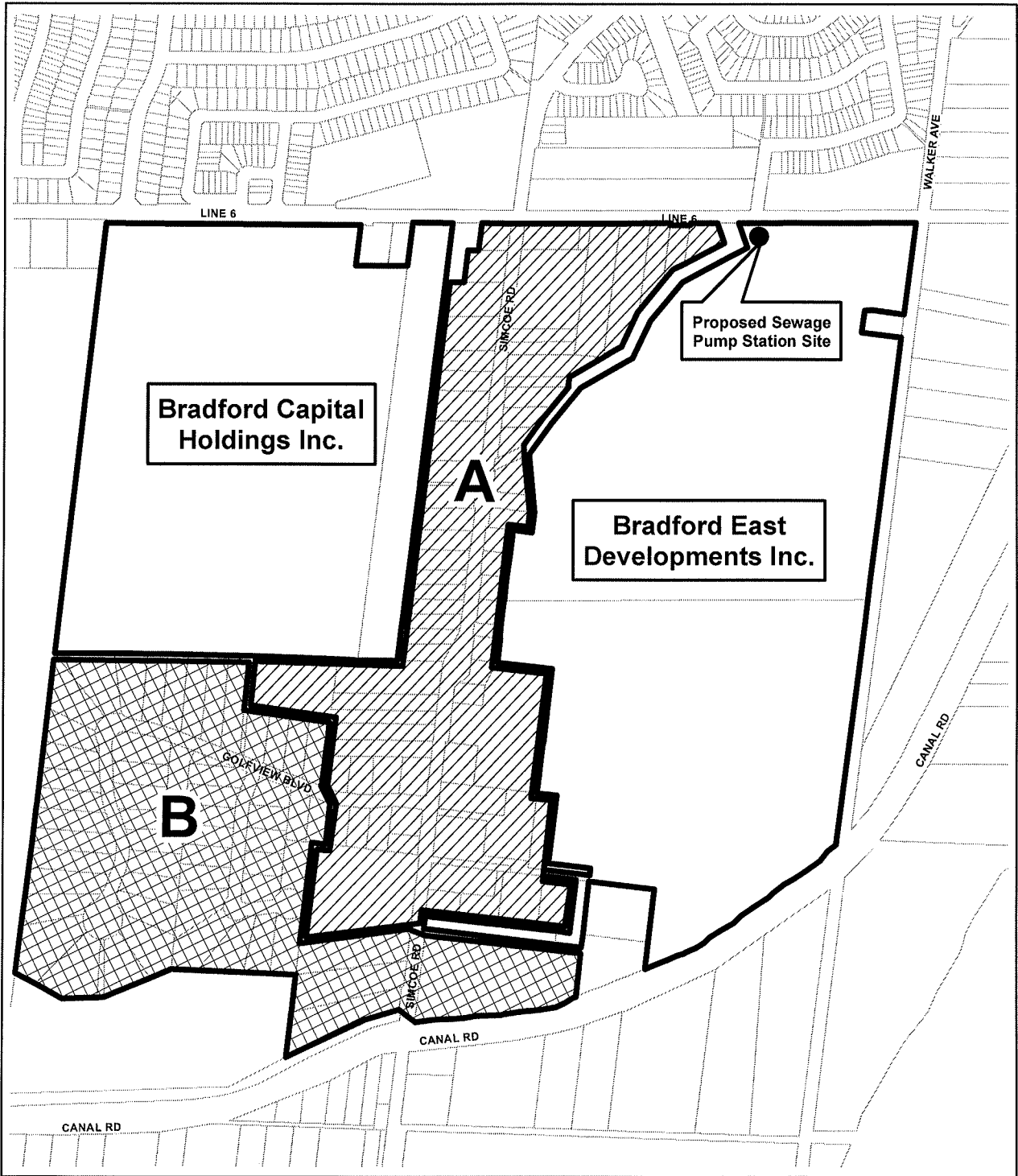
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Geoff McKnight, MCIP RPP
Acting Town Manager

Attachment 'A'

Key Map

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Service Area Option A



Additional Service Area Option B



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