

10.3.9

Halifax Regional Council
May 28, 2002

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


George McLellan, Chief Administrative Officer

DATE: May 23, 2002

SUBJECT: Water Servicing, Mohawk Street and Mic Mac Drive, Hammonds
Plains

ORIGIN

Canada -Nova Scotia Infrastructure Program

RECOMMENDATION

IT IS RECOMMENDED THAT :

1. The Capital Budget for Watermains , Mohawk Street, Mic Mac Drive and Surrounding Area, Hammonds Plains be approved in the amount of \$450,000 gross, with the net residual amount (after Infrastructure Funding and other recoveries) funded from a frontage charge;
2. The Halifax Regional Water Commission (HRWC) install the necessary water services and be the contracting agency for Watermains , Mohawk Street, Mic Mac Drive and Surrounding Area , Hammonds Plains;
3. Approve in principle and begin the formal process for the adoption of By-Law Number L- 110, Respecting Charges for Watermains, Mohawk Street, Mic Mac Drive and Surrounding Area , Hammonds Plains, attached hereto;

BACKGROUND

Maplewood on the Lakes Subdivision is an existing subdivision located off Pockwock Road, just north of the Hammonds Plains Road.

Maplewood area residents have had documented water quality and quantity problems associated with their on-site wells for over ten years. In response to these problems, HRM extended the Water Service District Boundary to include the Maplewood Subdivision to facilitate a future water system extension.

Several years ago the Upper Hammonds Plains/Pockwock Road water servicing project extended a water main along Pockwock Road past the existing entrance to Maplewood Subdivision, further making possible the opportunity for a water service extension to Maplewood.

HRWC and HRM staff have been working with the area residents over the past few years to determine the practical and financial issues, and next steps, in proceeding with a water service extension to this area.

DISCUSSION

Halifax Regional Water Commission (HRWC) staff believe that Infrastructure Funding is crucial to achieving a rate which the residents on these streets would find acceptable. The cost to service Mohawk Street and MicMac Drive was estimated at \$ 450,000. Based upon this estimated cost the HRWC applied for and has received Infrastructure Funding approval for two thirds, or \$300,000.

The HRWC has a policy of providing stewardship grants for projects meeting certain criteria. These streets meet that criteria and accordingly a grant allocation of 8% or \$36,000 is being provided.

The balance of the funding will form a frontage charge to abutters calculated as follows:

Estimated total project cost		\$450,000
Less:		
Approved Infrastructure Funding	\$300,000	
HRWC Stewardship Grant	<u>36,000</u>	<u>\$336,000</u>
Recoverable from abutters		\$114,000
Estimated Taxable Frontages (lineal feet)		5452
Estimated Frontage Charge		\$20.90

It should be noted that estimates were based on a preliminary design of the servicing requirements

using recent average tender prices in the HRWC for this type of work. The actual cost may vary from the estimate depending upon detailed design requirements and actual tender prices.

Project Scope

It is very difficult to predict with accuracy the final outcome of the construction process. When actual prices come in lower than estimated, an opportunity is presented which allows for the scope of the servicing to be extended while preserving the frontage charge estimate. With this in mind, the HRWC has contacted the Provincial and Federal partners and has received tentative approval to extend the water servicing to those properties included in the cross hatched portion of the attached map until the gross project value of \$450,000 is reached.

Tenders to service Mohawk Street and Mic Mac Drive were called by the HRWC on April 19, 2002 and closed on May 2, 2002. Preliminary tendered costs indicate that additional areas could be serviced within the \$450,000 gross project cost. However, actual construction would have to commence before confirmation of additional servicing.

In order to allow for the flexibility of extending the servicing where actual construction costs are lower than that estimated, while at the same time exposing the property owners to a reasonable frontage charge, a cap must be placed upon the frontage charge. This will ensure that the project is managed within defined financial parameters. To allow for unforeseen works and applying a contingency amount of 20%, it is estimated that a frontage rate of \$18.50 would be sufficient to fully finance the servicing, and which is the interim rate recommended in By-Law L-110.

Community Participation

Attached to this staff report is a letter dated September, 2001 circulated to the residents of the Maplewood on the Lakes Subdivision. Without any cost sharing the lineal foot frontage charge was estimated at \$86.00 for the entire subdivision. The frontage charge was, at that time, estimated to be \$24.00. The petitioning process requested that only those property owners on Mic Mac Drive respond. This resulted in 20 out of a total of 24 property owners agreeing to the project going ahead.

In addition, there were voluntary petition responses from property owners on Mohawk Street, Cree Street, Heinz Drive and Halfway Lake Drive. HRWC staff have subsequently determined that Mohawk Street could be serviced under the Infrastructure Program.

As a result of initial tendered gross construction costs being favorable, a subsequent letter of May 2002 (copy attached) has been distributed to all residents of Maplewood on the Lakes advising that Mohawk Street has been added and that additional water mains will be installed until the maximum gross project cost of \$450,000 is reached (Pending Federal/Provincial approval). In addition residents have been advised that a frontage rate of approximately \$18.50 would fully finance this portion of the servicing after Federal and Provincial cost sharing. Before any additional servicing is provided, affected property owners will be consulted.

BUDGET IMPLICATIONS

The proposed 2002-2003 Capital Budget includes a section on Regional Council's infrastructure funding priorities and those projects approved to date. Maplewood Water Phase 1 is approved.

A frontage rate will be charged to reflect the actual cost of these phases less any Federal, Provincial or other funding. Therefore, net debt charges to the Municipality will not increase and the costs to finance will be borne directly by those being serviced.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from and the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

There is no reasonable alternative to providing water to this subdivision.

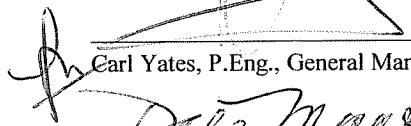
ATTACHMENTS

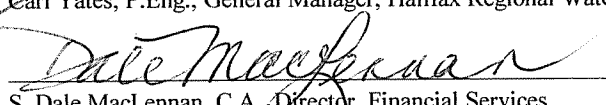
- 1) Map - Watermains , Mohawk Street , Mic Mac Drive and Surrounding Area, Hammonds Plains , CD07213, By-Law L-110, dated May 22, 2002.
- 2) Letter to residents of September 2001
- 3) Letter to residents of May , 2002
- 4) By-Law L-110 Respecting Charges for Watermains, Mohawk Street, Mic Mac Drive and Surrounding Areas, Hammonds Plains

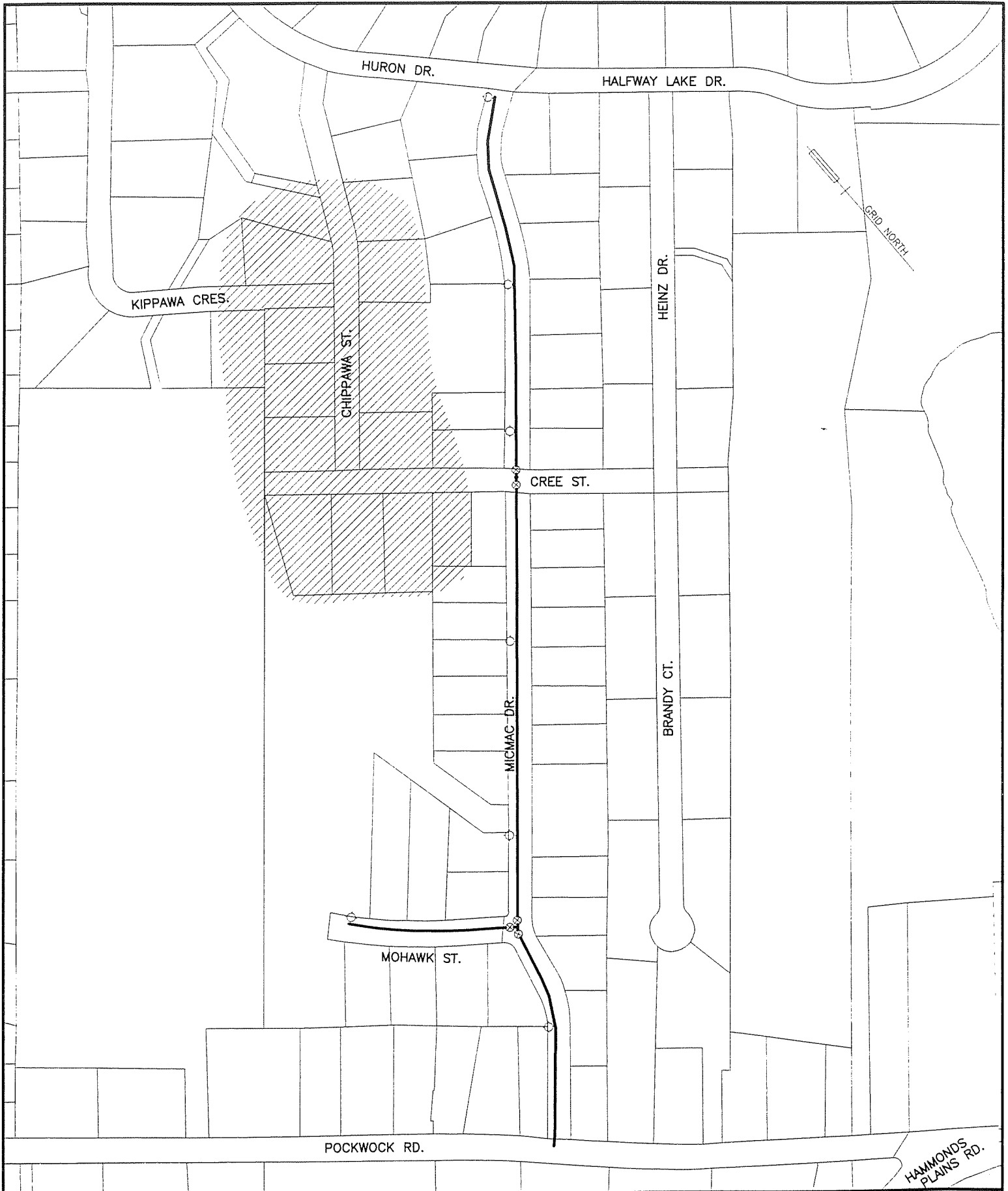
Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Reg H. Ridgley, CGA, Manager, Strategic Capital Project Support, 490-6475
Jamie Hannam, P.Eng., Chief Engineer, HRWC 490-4804

Approved by:


Carl Yates, P.Eng., General Manager, Halifax Regional Water Commission


S. Dale MacLennan, C.A., Director, Financial Services



**Watermains, Mohawk Street, Micmac Drive and
Surrounding Area, Hammonds Plains, CD072013,
By-Law L-110, Date May 22, 2002**



Halifax
Regional
Water
Commission



Councillor Reg Rankin - District 22
P. O. Box 1749
Halifax, NS B3J 3A5
Phone: 876-0146 Fax: 876-4304

September, 2001

To All Residents of Maplewood On The Lakes Subdivision

Dear Residents:

Reference: **Proposed Water Service Extension
Pockwock Road to (end of) Mic Mac Boulevard**

I wish to bring you up to date on the process for the extension of a water distribution system in the subdivision. As you may be aware, municipal council has recently agreed to designate Maplewood On The Lakes to be within the water service district. This means that the subdivision is eligible as a candidate site for water from the Pockwock system.

The total cost to bring water into the subdivision is estimated to be approximately \$86.00 per linear foot of frontage. Without external financing from other levels of government, the project was deemed to be unaffordable to the majority of residents.

Today, I wish to inform you that HRM has been successful in accessing funds from the Federal/Provincial/Municipal Infrastructure Program for the first phase of this servicing project. The first phase of the water system includes the entire length of MicMac Boulevard (from Pockwock Road to Halfway Lake Drive). The service connection on the Pockwock Road is already in place at the MicMac intersection. The overall cost of this phase is estimated to be approximately \$450,000.00, with 2/3 of funding provided by the Infrastructure Program. With this funding the subsequent frontage charge for residents is estimated at \$24.00 per foot. The exact cost of which will be determined following detailed design, public tender, and construction.

Future phases in the subdivision will be much more reachable once we accomplish this very critical beginning phase.

The \$24.00 estimate includes the cost of a lateral from the water main to property line. This water service extension would provide domestic water and fire protection. Please note that the cost of the extension of the lateral from the property line into the house would be the responsibility of the property owner.

Importantly, I am attaching for those residents along MicMac Boulevard, a form to determine their level of acceptance for this project. This project will also be subject to approval by HRM Council.

September, 2001

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In light of the desire to proceed expediently, I am requesting that each household along MicMac Boulevard fill out the attached form to indicate their support for or against this current proposal. I am asking you review the attached information and provide response by Monday, September 24, 2001. (Please return by fax at 490-4808 or directly to the HRWC office on Lady Hammond Road.) If you have any questions with regard to this project, please contact the undersigned at 499-3744. As well, for technical information, Mr. Jamie Hannam, P. Eng., Chief Engineer, at the Water Commission has kindly made himself available at 490-4804.

I recognize the need for water in this subdivision and on certain streets it is paramount. I see this as an excellent opportunity to cost effectively install this phase this year.

Yours very truly,

Reg Rankin
Councillor, Hammonds Plains/Timberlea

cc. Ken Meech, CAO, HRM
Jamie Hannam, P. Eng. - Chief Engineer, HRWC

To: Residents of Maplewood on the Lakes Subdivision Affected by the Water Servicing Strategy

Prior to submission to Halifax Regional Council for approval, staff wish to provide information to residents of the Maplewood on the Lakes Subdivision and those who may be provided with water under the proposed Water Servicing Strategy. The approval process will require a By-Law, with the following anticipated scheduling :

- May 28, 2002 Council Session- Staff report to Council and Notice of Motion proposing By-Law
- June 11, 2002 Council Session- First Reading of By-Law
- Advertisement of two weeks,
- July 2, 2002 Council Session - Public Hearing, Second Reading and By-Law adoption

The servicing plan, identified on the attached map, will involve installation of 8 inch to 12 inch water mains in the traveled portion of the road with one lateral to the property line. The lateral will be installed at a location mutually agreed to with the property owner. At approximately 500 foot intervals a fire hydrant will be installed and generally located approximately 5 feet from the edge of the road. The attached map shows the approximate location of the proposed water infrastructure.

One of the key issues is cost. In a letter from Councillor Reg Rankin of September, 2001 the full cost to service Mic Mac Drive was estimated at \$450,000. This estimate was based on a preliminary design of the servicing requirements using recent average tender prices in the Halifax Regional Water Commission (HRWC) for this type of work. The actual cost would vary from the estimate depending upon detailed design requirements and actual tender prices. It should be noted that this amount was an estimate only and cost sharing from other levels of government would be affected as a result. Therefore, the ultimate abutter frontage charge could increase, or decrease.

The Municipality and the HRWC have secured two-thirds funding under the Provincial and Federal Government Infrastructure Program, in the amount of \$300,000. In addition the HRWC will provide a stewardship grant in the amount of \$36,000. Based upon secured funding there remains a recoverable amount from abutters of approximately \$114,000.

In the September 2001 letter the cost to bring water into the subdivision was estimated at \$86.00 (gross) per lineal foot of frontage and after Infrastructure cost sharing, estimated at \$24.00. It should be noted that the Federal and Provincial infrastructure cost sharing represents two thirds of the estimated costs. This means that should costs be lower than the estimated \$450,000, the cost sharing will be reduced.

Tenders to service Mohawk Street and Mic Mac Drive were called by the HRWC on April 19, 2002 and closed on May 2, 2002. Preliminary figures indicate the gross cost to provide water service to these streets from that estimated in the September 2001 letter is lower. With 2/3rds cost sharing and the HRWC stewardship grant, a frontage charge to abutters of approximately \$18.50 would be sufficient to complete the financing to service these streets.

As a result of the preliminary tenders, the gross costs indicate that additional areas could be serviced within the \$450,000 for which infrastructure funding has been secured. However, actual construction of Mohawk Street and Mic Mac Drive would have to commence before

additional servicing can be confirmed.

In anticipation , HRWC staff requested permission from the Federal and Provincial Governments to continue to install water services until the maximum of \$ 450,000(gross), has been expended on water servicing in the subdivision. Tentative permission has been granted . As a result the attached map identifies, by cross hatching, areas that will receive servicing should funding remain after installation to Mohawk Street and Mic Mac Drive. However, before any work commences, affected property owners will be consulted.

Based upon the preliminary estimates and the configuration of the land and lots being serviced, it is estimated that a frontage charge of \$ 18.50 per lineal foot frontage will be sufficient to fully finance the installation of water services up to the \$ 450,000 gross for which infrastructure funding has been secured . Accordingly a By-Law will be presented to Council setting an interim rate of \$18.50 per lineal foot frontage. The By-law would allow for an adjustment to the interim frontage rate , either upwards or downwards, as a result of final costs of water service installation less Infrastructure sharing and other revenues. All frontages will be determined in accordance with the provisions of By-Law L-100.

For current or future lots created through lot subdivision, that do not have street frontage, a fee of \$1500 will be levied at the time of water service connection as a capital contribution.

It should be noted that Halifax Regional Council must approve all aspects of this water servicing strategy.

Should you have questions , please contact any one of the following

Jamie Hannam, P.Eng
Chief Engineer, Engineering
Halifax Regional Water Commission
490-4084

Reg Ridgley, CGA,
Manager, Strategic Capital Project Support
Financial Services
Halifax Regional Municipality
490-6475

Dated May ,2002.

HALIFAX REGIONAL MUNICIPALITY

BY-LAW NUMBER L- 110 RESPECTING CHARGES FOR LOCAL IMPROVEMENT PROJECTS

Be It Enacted by the Council for the Halifax Regional Municipality that By-Law L-100, the Local Improvement By-Law, be amended as follows:

1. Schedule "A" of By-Law L-100 is amended by adding the following:
 - (a) The Mohawk Street , MicMac Drive and Surrounding Area water project is a plan to install water lines to service properties located within the boundaries identified on a plan entitled "Watermains, Mohawk Street, MicMac Drive and Surrounding Area, Hammonds Plains, CD072013 , By-Law L-110, May 22, 2002" as attached.
 - (b) The Project will be funded by local improvement charges based on the entire cost of the project less any federal, provincial or other revenue.
 - (c) The local improvement charges will be imposed at an interim rate of \$18.50 per lineal foot on each property which abuts in whole or in part any street
 - (d) The actual gross project cost shall not exceed \$450,000
 - (e) The interim local improvement charges will be adjusted at the completion of the project, and will be calculated on the basis of the total actual cost of the project at the adjustment date, less any federal or provincial or other funding.
 - (f) A further charge of one thousand five hundred dollars (\$1500.00) is hereby levied in respect of all future connections to the water systems for properties which are not assessed a local improvement charge.

Done and passed by Council this day of , 2002.

MAYOR

MUNICIPAL CLERK

I, Vi Carmichael, Municipal Clerk for the Halifax Regional Municipality, hereby certify that the above noted by-law was passed at a meeting of the Halifax Regional Council held on , 2002.

Vi Carmichael, Municipal Clerk



**Watermains, Mohawk Street, Micmac Drive and
Surrounding Area, Hammonds Plains, CD072013,
By-Law L-110, Date May 22, 2002**



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