



CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
Hamilton Water Division

TO:	Chair and Members Public Works Committee
COMMITTEE DATE:	October 31, 2016
SUBJECT/REPORT NO:	Water Servicing of Various Properties on Scenic Drive and Goulding Avenue (PW16099)
WARD(S) AFFECTED:	Ward 8
PREPARED BY:	Nick Winters Manager, Water Distribution & Wastewater Collection Section Hamilton Water Division (905) 546-2424, Extension 1474
SUBMITTED BY:	Andrew Grice Director, Water & Wastewater Operations Hamilton Water Division (905) 546-2424, Extension 1461
SIGNATURE:	

RECOMMENDATION

- (a) That the watermain located on private property and which serve the following properties located in the City of Hamilton ('City') be treated as City owned:
- (i) 1097, 1081, 1075, 1069, 1059, 1051, 1041, 1037, 1025, 1019, and 1009 Scenic Drive; and,
 - (ii) 10 Goulding Avenue.
- (b) That staff be directed to install new municipal water services from:
- (i) the City watermain located on Scenic Drive to the property line for 1097, 1081, 1075, 1069, 1059, 1051, 1041, 1037, 1025, 1019, and 1009 Scenic Drive; and,
 - (ii) from the City watermain located on Goulding Avenue to the property line for 10 Goulding Avenue,
- and that the City be responsible for 100% of the associated costs for this work.
- (c) That the cost sharing arrangements described in Appendix A to Report PW16099 be approved for the installation of the external works and internal works related to the new water services on private property for 1097, 1081, 1075,

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1069, 1059, 1051, 1041, 1037, 1025, 1019, and 1009 Scenic Drive, and for 10 Goulding Avenue.

- (d) That staff be authorized and directed to abandon in-place the watermain located on private property that serve properties 1097, 1081, 1075, 1069, 1059, 1051, 1041, 1037, 1025, 1019 and 1009 Scenic Drive, and 10 Goulding Avenue, all located in Hamilton, and that the City be responsible for 100% of the associated costs for this work.
- (e) That staff be authorized and directed to replace or rehabilitate the sewer lateral-public portion pipes from the City sewers located in Scenic Drive to the property line for all properties for which sewer lateral deficiencies have been identified by the City, at the same time that the new municipal water services are being installed.
- (f) That staff be authorized and directed to procure contractors via the City's Procurement Policy By-law for the completion of all works on municipal and private property required to implement recommendations (b) through (e).
- (g) That the budget in Project ID 5141660750 (Unscheduled Valve, Hydrant, Watermain & Misc. Water Replacement Program) be increased from \$2.5M to \$2.7M and that this increase of \$200,000 be funded by a transfer from Water Reserve #108015.
- (h) That the budget in Project ID 5161660522 (Sewer Lateral Management Program) be increased from \$3.5M to \$3.65M and that this increase of \$150,000 be funded by a transfer from Wastewater Reserve #108005.
- (i) That the budget in Project ID 5161611101 (Road Restoration Program) be increased from \$3.85M to \$3.90M and that this increase of \$50,000 be funded by a transfer from Wastewater Reserve #108005.
- (j) That on behalf of the City, the General Manager of Public Works be authorized and directed to enter into and execute any legal agreements and other documents required for the implementation of recommendations (a) through (i), in a form satisfactory to the City Solicitor.

EXECUTIVE SUMMARY

The purpose of this report is to obtain approval for a proposed solution of a water servicing issue for properties located on the West Hamilton Mountain.

Should the recommendations contained in this report be approved, weather permitting; staff are working towards retaining the necessary contractor(s), putting the necessary agreements in place and having the new servicing operational prior to the coming

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winter. If the work is not completed before the winter weather, a Water Quality Notice will need to be issued for the affected properties.

The watermain in question are located on private property and serve multiple properties located on Scenic Drive and Goulding Avenue in Hamilton. A sketch outlining the approximate existing location of the various watermain is set out in Appendix B to this report. The original cast iron watermain was installed in (approximately) 1940, and it is staff's opinion that it has reached the end of its useful life. The watermain present a continual threat for damage to private property (resulting from a watermain leak or break), and a health risk (due to the condition of the pipe and the lack of water turnover). The majority of the property owners are connected to the watermain through private water services extending from the rear of their homes.

The City has been seasonally flushing one of the watermain since 2012 as a courtesy to the residents while a solution to what was thought to be a private watermain situation was being determined. Prior to 2016, this flushing was to prevent the accumulation of rusty/dirty water in the watermain. In early 2016 the purpose of the flushing changed to ensuring that the necessary chlorine residual is present in the watermain to protect against bacteriological growth. The City will continue with the flushing until approximately November 30, 2016 or when the winter weather arrives.

Staff have been working with the affected residents throughout 2016 as a thorough investigation was completed into the ownership of the watermain and available options to resolve the noted issues. The investigation has concluded that sections of the watermain have different ownership status (e.g. portions of the watermain are privately owned, while other sections are owned or likely owned by the City). As a result of the unique ownership situation and the poor condition of the watermain, it is staff's recommendation that the City treat all portions of the watermain as City owned.

As such, it is also recommended that the City undertake a project to install new water services for all of the affected properties from the front of their houses to City owned watermain located in Scenic Drive or Goulding Avenue. Subsequently the City would decommission/abandon-in-place the remaining portions of the original watermain.

Staff are recommending that the construction of the new water services be done on a cost sharing basis with the property owner, depending on whether the property owner is receiving an upgrade to their private water service (e.g. replacing a lead or lead alloy water service or increasing the size of the existing water service). The proposed cost-sharing arrangement is set out in Appendix A to this report. It should be noted that with respect to any internal plumbing modifications that are required, the property owner will be responsible for having that work done and would be reimbursed by the City through a grant as set out in Appendix A.

The City will be responsible for 100% of the costs associated with the installation of the public portion of the water services which is located within the municipal road allowance. For those properties who have been identified as having sewer lateral deficiencies, it is also recommended that the City replace or rehabilitate the public portion of the sewer laterals located in the municipal road allowance at this time at the City's cost.

Lastly, as there is no existing budget for the work described in this report, it is recommended that the funding come from the Water and Wastewater Reserves. A budget of approximately \$400,000 for this project has been estimated.

Alternatives for Consideration – See Page 9

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial:

As noted in the Executive Summary, there is no existing budget for the recommended work described in this report. The estimated cost to the City resulting from the recommendations is approximately \$400,000.

Therefore, it is recommended that there be an allocation of \$200,000 from Water Reserve #108015. The current uncommitted balance in Water Reserve 108015 is approximately \$23.95M, before taking into account the \$200,000 in funding being recommended in this report.

The recommendations in this report also require the allocation of \$200,000 from Wastewater Reserve #108005. The current uncommitted balance in Wastewater Reserve 108005 is approximately \$80.82M, before taking into account the \$200,000 in funding being recommended in this report.

Staffing: Not Applicable

Legal:

In order to implement the recommendations contained in this report, the City will need to enter into agreements with the property owners which permit the City and the City's contractors to enter onto private lands and to construct the private water servicing to the front of the house for the property owners (the 'External Works') on a cost sharing basis as described in Appendix A and to decommission/abandon-in-place the original watermain on their property. The contractor(s) will be responsible for the applicable warranties and then the property owners will be fully responsible for the new private water service in the future. The legal agreement will contain a waiver form absolving the City from future claims for the works completed on private property. The City's

obligations will be only for the public portion of the water services and the municipal watermain located in Scenic Drive and Goulding Avenue.

The property owners will need to enter into separate contracts with either the City's contractor(s) or their own contractors to construct the internal plumbing works (the "Internal Works") required to move their water servicing from the rear of their houses to the front of their houses and to connect that water servicing to the new private water services constructed in the front of their houses.

It is expected that to complete the work described in this report, the City will be using a combination of contractors from existing City corporate contracts and contractors retained through processes in accordance with the City's Procurement Policy By-law.

HISTORICAL BACKGROUND

Watermain Location

The watermain in question are located on private property and originally serviced the properties located at 1097, 1081, 1075, 1069, 1059, 1051, 1041, 1037, 1025, 1019 and 1009 Scenic Drive, as well as 10 Goulding Avenue in Hamilton.

The original watermain was constructed in approximately 1940 and is believed to have had the alignment set out in Appendix C to this report. From a legal agreement registered on title, it appears that the watermain was intended to be a private watermain located on private lands that could be extended westerly on the same terms and conditions. Based on this, City staff understood that the watermain was privately owned.

At a community meeting with the residents in the spring of 2016, a resident presented a deed containing language that seemed to indicate that the watermain was in fact a City asset. This led City staff to: physically attend and locate/verify the entire length of watermain, update survey drawings based on water locate sketches, and to complete an exhaustive title search on all of the affected properties.

As a result, it was determined that at some point in time subsequent to 1940, the watermain was extended westerly within the limits of a former municipal road called Crescent Road. Crescent Road was subsequently closed and the lands, including the watermain within the lands, were transferred by the City (or its municipal predecessors) to the adjacent property owners.

In addition, when the property located at 1019 Scenic Drive was severed and developed in the early 1990's, the portion of the watermain on this property was removed and a new water supply connection was constructed by the City to maintain water servicing for the properties west of 1019.

As a result of the severing of the watermain, two watermain sections continued, namely a long section from 1019 Scenic Drive to 1097 Scenic Drive and a short section off Goulding Avenue which currently services 10 Goulding Avenue and 1009 Scenic Drive.

Therefore, the approximate existing watermain locations based on the above is as set out in Appendix B to this report.

Water Quality

City staff have been conducting seasonal flushing for the long section of watermain since 2012 as a courtesy to the residents while a solution to what was thought to be a private watermain situation was being determined. Prior to 2016, this flushing was to prevent the accumulation of rusty/dirty water in the watermain.

In February 2016, City staff received a complaint from one of the residents regarding the taste and odour of the drinking water. An investigation revealed that there was very little chlorine in the water for at least one property and a Water Quality Notice was issued to the homes connected to both watermain sections advising them that as a precaution, they needed to boil their tap water before using it.

The Water Quality Notice was lifted in May after City staff began continual flushing of the watermain from the valve located on the private property of 1097 Scenic Drive in order to maintain suitable chlorine concentrations. While the flushing continues, there is no concern about the quality of the water received by any of the properties, with the exception of those properties having lead water services.

However, this approach is not sustainable. City staff have continued to flush the watermain but will not be able to do so once the winter weather arrives.

The Ontario Ministry of Environment and Climate Change (MOECC) is aware of the situation and continues to work collaboratively with the City.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Procurement Policy By-law: City staff will be required to comply with the City's Procurement Policy By-law in its retainer of contractors to perform the work set out in this report.

Rate Reserves Policy: The recommendation for the use of Reserves is permitted under the approved Rate Reserves Policy.

RELEVANT CONSULTATION

Staff have consulted with the following parties leading to the preparation of this report:

Public Health Services Department – Health Protection Division – Safe Water Section

City Manager's Office – Legal Services Division

Corporate Services Department – Finance, Administration & Revenue Generation – Finance Administration Section

Corporate Services Department – Financial Services Division – Procurement Section

Corporate Services Department – Financial Services Division – Risk Management Section

Ontario Ministry of Environment and Climate Change

Property Owners of the properties described in this report. Community meetings were held on April 26, 2016 and September 8, 2016 to update the property owners with the results of City staff's review and proposed course of action, including a report to Committee and Council. City staff have also communicated with the residents through letters, email and phone. The residents are also being made aware of when this report will be considered by Committee and Council.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Staff have been working with the affected residents throughout 2016 as a thorough investigation was completed into the ownership of the watermain and available options to resolve the noted issues. The investigation has concluded that sections of the watermain have different ownership status (e.g. portions of the watermain are privately owned, while other sections are owned or likely owned by the City). As a result of the unique ownership situation and the poor condition of the watermain, it is staff's recommendation that the City treat all portions of the watermain as City owned.

In addition, it is staff's recommendation that all remaining portions of the original watermain should be permanently abandoned as soon as practical. Abandonment of the watermain requires the connection of all of the noted properties to the City water supply in a different manner.

As such, it is also recommended that the City undertake a project to install new water services for all of the affected properties so that they will be connected from the front of their houses to City owned watermain located in Scenic Drive or Goulding Avenue. Subsequently the City would decommission/abandon-in-place the original watermain.

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It is proposed that the new water service installations be completed in accordance with the following principles, in recognition of the fact that it is the City which is requiring the new private water services to be constructed and the fact that certain property owners will be receiving benefits from new and upgraded private water services when compared to their existing private water services:

1. That the City be responsible for 100% of the associated costs for all work completed within the City road allowance.
2. That the City be responsible for 100% of the associated costs for all work required to abandon in-place the circa 1940s watermains.
3. That the City be responsible for 100% of the associated costs for all work to install a new private portion water service where the property currently has a $\frac{3}{4}$ " diameter or larger copper or plastic water service, and where the new water service matches the existing water service 'size for size'. In this case, the property owner's existing water service already meets City standards other than its location so the only arguable benefit is that the service is now going to extend from the front of the house instead of from the rear.
4. That the City be responsible for 75% of the associated costs for all work to install a new 1" diameter private portion water service, where the property currently has a $\frac{3}{4}$ " diameter copper or plastic water service and the property owner decides to upgrade their water service size to 1". In this case, the property owner is receiving the benefit of an increased water flow due to a larger sized water service.
5. That the City be responsible for 50% of the associated costs for all work to install a new 1" diameter private portion water service where the property currently has a lead or lead alloy water service, or a water service that is smaller than $\frac{3}{4}$ " in diameter. In this case, the property owner is receiving the potential benefits of: having a substandard private water service replaced with one which has a life expectancy of 80+ years; having any health risk associated with a lead or lead alloy water service being eliminated; having any risks of leaks or pipe corrosion minimized; and having an increased water flow due to a larger sized water service.
6. That the private property owners be responsible for entering into contracts with the contractors for any/all required Internal Works related to the installation of the new private water service, and that these costs be reimbursed by the City via a one-time grant.
7. That the City replace or rehabilitate the public portion sewer lateral pipes for all properties for which sewer lateral deficiencies have been identified, at the same

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time that the public portion water service work is being completed.

Appendix A to this report sets out further details on the proposed cost-sharing between the City and the property owner with respect to the both the External Works and Internal Works related to the new private water services.

ALTERNATIVES FOR CONSIDERATION

1. City does not treat the original watermain sections as City owned:

If the City elects not to treat the original watermain sections as City owned, the matter will continue to be unresolved. When the winter weather arrives, a Water Quality Notice would have to be issued until a new solution could be reached. The MOECC may become further involved.

2. City treats only the section of watermain that supplies 1051, 1059, 1069, 1075, 1081, and 1097 Scenic Drive as City owned (e.g. the portion that appears to have been located in the former Crescent Road):

Under this alternative the City could achieve a cost savings (approximately \$50,000), and would have to deal with a smaller section of watermain that is in poor condition. This section of watermain could be isolated and abandoned in-place (the watermain would have to be cut and capped on the property of 1051 Scenic Drive), and new water services would only need to be installed for 6 properties instead of 12. The remaining property owners would be responsible for maintaining the applicable sections of the original watermain as it relates to their properties or obtaining alternative water services. This would include ensuring that water quality is maintained.

3. City treats the original watermain sections as City owned and takes responsibility for 100% of the costs for all work to be completed:

This alternative means that there would not be any cost-sharing between the City and the property owners with respect to the installation of the new private water services, except perhaps where the property owner hires their own contractor(s) to perform the work and those costs exceed the amount that the City would have paid if the contractor(s) the City retained had performed the work.

While this option would minimize any financial concerns for the property owners, it would not recognize the benefits that certain property owners are receiving from the construction of the new private water services. It would also make it more difficult for the City to follow a similar cost-sharing approach in future situations where the ownership of water or sewer services is in question.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement & Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

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Healthy and Safe Communities

Hamilton is a safe and supportive city where people are active, healthy, and have a high quality of life.

Built Environment and Infrastructure

Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

APPENDICES AND SCHEDULES ATTACHED

Appendix A: Cost Sharing Arrangements - Private Water Services

Appendix B: Plan No. RC-H-896 Surveys

Appendix C: Scenic Drive Watermain 1940s Alignment