



CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial Planning, Administration and Policy Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	June 17, 2021
SUBJECT/REPORT NO:	Halton Water Supply Amending Agreement (FCS21049) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	John Savoia (905) 546-2424 Ext. 7298
SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

RECOMMENDATIONS

- (a) That the Water Supply Agreement between The Regional Municipality of Halton and the City of Hamilton dated November 17, 2011 be amended as attached in Appendix "A" to Report FCS21049;
- (b) That the Mayor and City Clerk be authorized and directed to execute, on behalf of the City of Hamilton, all necessary documentation to implement Recommendation (a), all with content acceptable to the General Manager of Finance and Corporate Services and General Manager of Public Works and in a form satisfactory to the City Solicitor.

EXECUTIVE SUMMARY

The purpose of Report FCS21049 is to seek approval from Council to enter into an amending agreement with The Regional Municipality of Halton (Halton) regarding the continued supply of water to the western boundary of the City of Burlington. The City currently supplies water to Halton at three separate delivery points which benefit the communities of Bridgeview, North Aldershot and Snake Road (refer to Appendix "B" to Report FCS21049). It should be noted that Hamilton does not provide wastewater services to Halton.

In November 2011, the City entered into an Agreement with Halton to supply water to the Bridgeview, Snake Road and North Aldershot communities in the City of Burlington (refer to Report FCS11035). The City charges Halton for water supplied as per the Agreement. The initial term of the Agreement is 10 years with an option for both parties to renew the Agreement for an additional 10-year period. This option has been exercised by both parties thereby extending the term of the Agreement to end on November 18, 2031.

The residents at 720, 768 and 780 Mountain Brow Road West in North Aldershot in the City of Burlington have long had concerns with the quality and quantity of their private well water supply. The residents' concerns about their well water supplies were renewed in 2019 given First Gulf's development on the north side of Mountain Brow Road West and within the Mountain Brow Road allowance directly in front of these properties.

In July 2019, all three residents contacted Halton Planning staff to explore opportunities to connect to the Hamilton water supply that was being newly extended in front of their homes as a permanent solution to their well water supply impacts from First Gulf's L3 WESCAM development in the City of Hamilton. In November 2020, Halton Regional Council approved an amendment to the Region's Urban Services Guidelines to support municipal water service connections that cross municipal boundaries outside of Halton Region's Urban Areas, without the need for a Regional Official Plan Amendment, thus enabling the City of Hamilton to service the existing dwellings at 720, 768 and 780 Mountain Brow Road.

The City raised several concerns regarding the proposal for Hamilton to supply the residents at 720, 768 and 780 Mountain Brow Road. With the concerns addressed (see Analysis and Rationale for Recommendation(s) section beginning on page 4), Report FCS21049 seeks Council approval to amend the current Water Supply Agreement between the City and Halton to reflect the new water servicing from Hamilton to Halton. Refer to the Analysis and Rationale for Recommendation(s) section of Report FCS21049 for further details supporting the recommendation to amend the current Agreement.

An additional three existing residences in North Aldershot (8, 24 and 38 Mountain Brow Road) have been identified as currently being directly supplied with Hamilton water. The properties have been metered and billed as if the properties were located within Hamilton. In order to have consistency and avoid potential issues with the City directly billing residents outside of Hamilton, the recommended amending agreement requires Halton to establish metered valve chambers to be owned and operated by Halton. This will allow Hamilton to directly bill Halton as is done with the other existing Hamilton supply connections.

Alternatives for Consideration – N/A

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: All external water supply arrangements have been established to ensure that Hamilton ratepayers will not be adversely affected. Given Hamilton’s favourable position of water treatment capacity and water supply, the continued supply of water to Halton (and Haldimand) provides revenue that, in part, offsets rate revenue pressures.

Water supplied to Halton is charged at one and one-half (1.5) times the rate that Hamilton charges, from time to time, for the supply of water to its consumers. In 2020, the water supply to Halton reached nearly 120,000 cubic metres equating to approximately \$325 K in water revenues. The revenue impact of the additional properties outlined in Report FCS21049 is minimal.

Staffing: N/A

Legal: By entering into an amending water supply agreement with Halton, Hamilton will commit to supply water to additional properties located in Halton, subject to the various terms and conditions contained within the amending agreement.

HISTORICAL BACKGROUND

The City currently supplies water to Halton at three separate delivery points which benefit the communities of Bridgeview, North Aldershot and Snake Road. In the case of North Aldershot, originally the water supply was from Burlington to Waterdown but as of April 2010, the North Aldershot community has been sourced primarily by the City. The Snake Road water supply connection is thought to have been installed in the early 1970’s although no documentation regarding this connection has been identified.

With respect to the Bridgeview Community, the need for a secure supply of water was determined by Halton in the early 1990’s. In order to provide this supply, Halton entered into negotiations with the former Regional Municipality of Hamilton-Wentworth to construct a pipeline through a portion of Hamilton-Wentworth to a delivery point located at the border between the two regions. In 1998, Hamilton-Wentworth entered into an agreement with Halton for the supply of water for an initial 10-year term expiring October 31, 2005.

In November 2011, the City entered into an Agreement with Halton to supply water to the Bridgeview, Snake Road and North Aldershot communities in the City of Burlington (refer to Report FCS11035). The City charges Halton for water supplied as per the Agreement. The initial term of the Agreement is 10 years with an option for both parties to renew the Agreement for an additional 10-year period. This option has been exercised by both parties thereby extending the term of the Agreement to end on November 18, 2031.

The residents at 720, 768 and 780 Mountain Brow Road in North Aldershot in the City of Burlington have long had concerns with the quality and quantity of their private well water supply. Following the 2017 approval of a Niagara Escarpment Plan Amendment that permitted a municipal water servicing connection for 768 Mountain Brow Road West, the residents of the Mountain Brow Road properties have made requests to Halton staff and City staff for a water servicing connection from Hamilton. These requests also coincide with the planned installation of a watermain to service development in Hamilton within the Mountain Brow Road allowance directly in front of these properties.

First Gulf is currently developing lands on the north side of Mountain Brow Road. In July 2019, all three residents contacted Halton Planning staff to explore opportunities to connect to the Hamilton water supply due to well water supply impacts from First Gulf's L3 WESCAM development in the City of Hamilton. In November 2020, Halton Regional Council approved an amendment to the Region's Urban Services Guidelines to support municipal water service connections that cross municipal boundaries outside of Halton Region's Urban Areas, without the need for a Regional Official Plan Amendment, thus enabling the City of Hamilton to service the existing dwellings at 720, 768 and 780 Mountain Brow Road.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

N/A

RELEVANT CONSULTATION

Corporate Services Department – Legal and Risk Management Services Division has been consulted in the preparation of Report FCS21049.

Public Works – Hamilton Water Division has been consulted and supports the recommendations in Report FCS21049.

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

As the City is the owner and operator of the municipal water system that is planned for and being constructed along Mountain Brow Road in the City of Burlington, the ultimate decision whether to permit the connection to the water system rests with the City.

City staff originally raised several concerns regarding the aforementioned Mountain Brow Road new water connections:

- Capital costs: The City does not support a water connection unless all capital costs can be accommodated by others.
- Halton as the City's Customer versus a Direct Customer Relationship with the Landowners: The City has expressed its preference to provide water to a chamber that would connect to Halton's separate service watermain before being distributed to the houses on Mountain Brow Road. The chamber would house a Hamilton meter to be used for billing purposes to Halton. Halton would install their own meters at each property for their billing purposes.
- Default on water bill payment: The City has expressed concerns with the ability to collect from customers located outside of its borders that are in default of a water bill payment. Per the City's Water and Wastewater / Storm Arrears Policy, unpaid water bills are transferred to the property owner's tax roll. However, this remedy would not be available to the City for external properties.
- Complaints: The City has concerns with responding to complaints from customers outside of Hamilton directly.

With the City's concerns addressed, staff supports amending the current Water Supply Agreement between the City and Halton to reflect the new water servicing from Hamilton to Halton to supply water to residents at 720, 768 and 780 Mountain Brow Road.

In reviewing the request for the new servicing, an additional three existing residences in North Aldershot (8, 24 and 38 Mountain Brow Road) have been identified as currently being directly supplied with Hamilton water. The properties have been metered and billed as if the properties were located within Hamilton. In order to have consistency and avoid the aforementioned concerns with the City directly billing residents outside of Hamilton, the recommended amending agreement requires Halton to establish metered valve chambers to be owned and operated by Halton. This will allow Hamilton to directly bill Halton as is done with the other existing Hamilton supply connections.

ALTERNATIVES FOR CONSIDERATION

N/A

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Clean and Green

Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.

Our People and Performance

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

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report FCS21049 – Halton Water Supply Amending Agreement

Appendix “B” to Report FCS21049 – Map of Halton Water Delivery Points

JS/dt