Regional Municipality Of Waterloo  
Planning and Works Committee  
Agenda  
Tuesday, September 9, 2014  
12:30 p.m. (← Note Time Change)  
Regional Council Chamber  
150 Frederick Street, Kitchener, ON

1. Motion To Reconvene Into Open Session  
2. Declarations Of Pecuniary Interest Under The Municipal Conflict Of Interest Act  
3. Delegations  

Consent Agenda Items  
Items on the Consent Agenda can be approved in one motion of Committee to save time. Prior to the motion being voted on, any member of Committee may request that one or more of the items be removed from the Consent Agenda and voted on separately.

4. Request to Remove Items From Consent Agenda  
5. Motion to Approve Items Or Receive for Information  
b) Class Environmental Assessment for the Expansion of the New Hamburg Wastewater Treatment Plant – Information Package in Advance of Public Consultation Centre No. 2 (Information)

Regular Agenda Resumes

6. Reports – Planning, Housing and Community Services

a) P-14-082, Project Approval for the Waterloo Spur Line Trail

Reports – Transportation and Environmental Services

Design and Construction

b) CR-RS-14-070, Authorization to Expropriate Lands (2nd Report) for Manitou Drive Improvements (Fairway Road to Bleams Road) In The City of Kitchener

c) CR-RS-14-071, Authorization to Expropriate Lands (1st Report) for the Reconstruction of Fountain Street (Regional Road 17) from Shantz Hill Road to King Street West and King Street (Regional Road 8) from Fountain Street to Eagle Street, in the City of Cambridge

d) CR-RS-14-081, Surplus Declaration of Regional Lands Forming Part of 25 Cedar Street, Kitchener and Part of 176 Hespeler Road, Cambridge

e) E-14-105, Consultant Selection – Preliminary Design, Detailed Design and Construction Administration and Inspection Services for Dundas Street Improvements, Hespeler Road to Elgin Street, City of Cambridge

f) E-14-106, Consultant Selection - Detailed Design and Services During Construction for the Heidelberg Wastewater Treatment Plant Upgrades, Township of Woolwich

Transportation

g) E-14-094, Maintenance of Regional Roads within the Cities of Cambridge, Kitchener and Waterloo
Water Services

h) **E-14-108**, Sole Source Purchase of Hidden Valley Low Lift Pumping Station - Pump Acquisition

i) **E-14-110**, Wastewater Operations and Maintenance Contract
   Proposed Terms and Conditions

7. **Information/Correspondence**

   a) Council Enquiries and Requests for Information Tracking List

8. **Other Business**

9. **Next Meeting – September 30, 2014**

10. **Adjourn**
<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Description</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Planning and Works Committee</strong></td>
<td></td>
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</tr>
<tr>
<td>September 30, 2014</td>
<td>1:00 P.M.</td>
<td>Planning and Works Committee</td>
<td>Council Chamber</td>
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<tr>
<td></td>
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<td></td>
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<td>Kitchener, Ontario</td>
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<tr>
<td>November 4, 2014</td>
<td>1:00 P.M.</td>
<td>Planning and Works Committee</td>
<td>Council Chamber</td>
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<td>150 Frederick Street</td>
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<td>Kitchener, Ontario</td>
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<tr>
<td><strong>Planning, Housing and Community Services</strong></td>
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<tr>
<td><strong>Transportation and Environmental Services</strong></td>
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<tr>
<td>Wed., September 24, 2014</td>
<td>5:30 P.M.</td>
<td>Expansion of the New Hamburg Wastewater Treatment Plant - Class Environmental Assessment - Public Consultation Centre No. 2</td>
<td>Wilmot Recreation Complex, Room B, 1291 Nafziger Road Baden, Ontario</td>
</tr>
</tbody>
</table>
Region of Waterloo
Planning, Housing and Community Services
Community Planning

To: Chair Jim Wideman and Members of the Planning and Works Committee

Date: September 9, 2014

File Code: D18-01


Recommendation:


Summary:

In accordance with the Regional By-law 01-023, as amended, the Commissioner of Planning, Housing and Community Services has:

- Accepted the following plans of condominium;
- Draft approved the following plan of condominium;
- Released for registration the following draft plans of condominium; and
- Approved the following official plan amendment.

Report:

City of Cambridge

Draft Approval of Plan of Condominium 30CDM-14101

Applicant: Reid’s Heritage Homes
Location: 12 Poplar Drive
Proposal: To permit the development of 49 residential townhouse units.
Regional Processing Fee: Paid June 17, 2014
Commissioner’s Approval: July 2, 2014
Draft Approval of Plan of Condominium 30CDM-14101

Came Into Effect: July 23, 2014

City of Kitchener

Registration of Draft Plan of Condominium 30CDM-11203

Phase: Entire Plan
Draft Approval Date: May 10, 2011
Applicant: 10 Overlea Drive (Kitchener) Limited
Location: 10 Overlea Drive
Proposal: To permit the conversion of 163 residential apartment units to condominium ownership.

Regional Processing Fee: Not applicable
Commissioner's Release: July 8, 2014

Registration of Draft Plan of Condominium 30CDM-99203

Phase: Entire Plan
Draft Approval Date: July 20, 1999
Applicant: Drewlo Holdings Inc.
Location: 310 Queen Street South
Proposal: To permit the conversion of 217 residential apartment units to condominium ownership.

Regional Processing Fee: Not applicable
Commissioner's Release: Not applicable due to nature of application.

Official Plan Amendment Number 104

Applicant: NovaCore Communities Corporation
Location: 83 Elmsdale Drive
Proposal: To amend the designation to Neighbourhood Mixed Use Centre with Special Policies. The proposed designation would allow for multiple residential uses and a range of commercial uses.

Regional Processing Fee: May 30, 2014
Commissioner's Approval: July 29, 2014
Came Into Effect: August 19, 2014
City of Waterloo

Plan of Condominium Application 30CDM-14403

Date Accepted: July 3, 2014
Applicant: 2260695 Ontario Inc.
Location: 150 to 238 Westcourt Place
Proposal: To permit the conversion of 45 townhouse residential units to condominium ownership.

Regional Processing Fee: June 19, 2014

Plan of Condominium Application 30CDM-14404

Date Accepted: July 3, 2014
Applicant: 2260698 Ontario Inc.
Location: 240 to 346 Westcourt Place
Proposal: To permit the conversion of 54 residential townhouse units to condominium ownership.

Regional Processing Fee: Paid July 2, 2014

Residential Subdivision Activity January 1 to July 31, 2014

<table>
<thead>
<tr>
<th>Area Municipality</th>
<th>Units in Residential Registered Plans</th>
<th>Residential Units Draft Approved</th>
<th>Pending Plans (Units Submitted)</th>
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<tr>
<td>Region of Waterloo</td>
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<td>69</td>
<td>588</td>
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*The acceptance and/or draft approval of plans of subdivision and condominium processed by the City of Kitchener under delegated approval authority are not included in this table. For comparison, the following table has also been included:
## Residential Subdivision Activity January 1, 2013 to July 31, 2013

<table>
<thead>
<tr>
<th>Area Municipality</th>
<th>Units in Residential Registered Plans</th>
<th>Residential Units Draft Approved</th>
<th>Pending Plans (Units Submitted)</th>
</tr>
</thead>
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<td><em>Kitchener</em></td>
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<td>Waterloo</td>
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<td><strong>734</strong></td>
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*The acceptance and/or draft approval of plans of subdivision and condominium processed by the City of Kitchener under delegated approval authority are not included in this table.*

### Area Municipal Consultation/Coordination:

These planning approvals and releases, including consultations with Area Municipalities, have been completed in accordance with the Planning Act. All approvals contained in this report were supported by the Area Municipal Councils and/or staff.

### Corporate Strategic Plan:

This report reflects actions taken by the Commissioner in accordance with the Delegation By-law adopted by Council. The activities described in this report are operational activities consistent with objectives of Focus Area A: Growth Management and Prosperity.

### Financial Implications:

Nil.

### Other Department Consultations/Concurrence:

Nil.

**Prepared By:** Andrea Banks, Program Assistant

**Approved By:** Rob Horne, Commissioner, Planning, Housing and Community Services
Class Environmental Assessment for the Expansion of the New Hamburg Wastewater Treatment Plant

Public Consultation Centre No. 2
September 24, 2014
5:30 p.m. – 7:30 p.m.
Wilmot Recreation Complex, Room B, Baden
To select the most environmentally and technically sound option to expand the New Hamburg Wastewater Treatment Plant (WWTP) to service growth in the community, as described in the 2011 Baden and New Hamburg Water and Wastewater Master Plan Update

Complete:

- Phases 3 and 4 of the Municipal Class Environmental Assessment (Class EA)
- Receiving Water Quality Impact Study
- Preliminary Design for the expanded New Hamburg WWTP
New Hamburg WWTP Location and EA Study Area
Purpose of Public Consultation Centre

- To present the Class EA process that is being followed
- To present the evaluation of the alternative design concepts and the preferred design concept
- To answer questions and outline next steps
- To obtain comments from the community

Public input is an important component of the Class EA process. We welcome your comments and questions.
Plant Property and Surrounding Area

- Morningside Wastewater Pumping Station
- New Hamburg Wastewater Treatment Plant
- Nith River

Locations mentioned in the image include Morningside, New Hamburg, and Nith River.
Existing Site Layout

- Filters and Ultraviolet (UV) Disinfection
- Sequencing Batch Reactors
- Temporary Hauled Waste Receiving / Storage
- Emergency Storage Lagoon
- Oxbow Discharge to Nith River
- Outfall and Flow Measurement
- Aerobic Sludge Digesters
- Headworks & Administration Building
Municipal Class EA Process

2011

Phase 1 | Phase 2
---|---
Identify Problem or Opportunity | Develop and Evaluate Alternative Solutions and Identify Preferred Solution

2013 to 2014

Phase 3

Develop and Evaluate Alternative Design Concepts for Preferred Solution and Identify Preferred Design

2014

Phase 4

Environmental Study Report (ESR)

2015 to 2019

Phase 5

Implementation (Design and Construction)

Baden and New Hamburg Water and Wastewater Master Plan Update

Current Class EA Process

We Are Here

Current Class EA Process

2011

Phase 1 | Phase 2
---|---
Identify Problem or Opportunity | Develop and Evaluate Alternative Solutions and Identify Preferred Solution

2013 to 2014

Phase 3

Develop and Evaluate Alternative Design Concepts for Preferred Solution and Identify Preferred Design

2014

Phase 4

Environmental Study Report (ESR)

2015 to 2019

Phase 5

Implementation (Design and Construction)

Baden and New Hamburg Water and Wastewater Master Plan Update

Current Class EA Process

We Are Here
Effluent Limits for the Expanded WWTP

- Effluent = treated liquid discharged from a wastewater treatment plant
- Effluent limits = quality that must be achieved for the effluent, for a variety of parameters
- Proposed effluent limits have been established through water quality monitoring, modelling and discussions with the province
Impact of Effluent Limits on Design Capacity and Planned Growth

- Average Day Flow for the expanded New Hamburg plant needs to be reduced from 7,800 m$^3$/day (as envisioned in the 2011 Master Plan) to 6,900 m$^3$/day to ensure reliable compliance.

- This revised design capacity will accommodate planned development within Wilmot Township until at least 2030.
Impact of Effluent Limits on Design Capacity

Expansion Design ADF = 6,900 m³/d

Current CofA Rated ADF = 5,200 m³/d

Present Day

Year

2005 2010 2015 2020 2025 2030 2035 2040 2045
Description of Short-listed Design Concepts Considered

- **Alternative 1A: Expansion of Existing Sequencing Batch Reactors (SBRs)**
  - Construction of a new fourth SBR tank identical to the existing three SBR tanks

- **Alternative 1B: Expansion of Existing SBRs and Conversion to Continuous Fill SBRs**
  - Construction of a new fourth SBR tank identical to the existing three SBR tanks
  - Convert the operation of the existing SBRs to allow them to also be continuously filled

Note: The existing plant is designed to accommodate a fourth SBR tank.
Site Layout: Alternatives 1A and 1B

Legend
- New tank (both Alternatives)
- Modifications to Existing Tanks/Channels/Equipment (both Alternatives)
- Modifications to Existing Tanks/Channels/Equipment (Alternative 1B only)

- Install four (4) filter modules in existing fourth filter cell (empty)
- Install baffle into each SBR; modifications to diffusers as required
- Replace manual bar screen with automatic bar screen
- Construct new 3,375 m³ SBR tank
- Modifications to SBR decant chamber
- Modifications to SBR influent channel
## Criteria for Evaluating Alternative Design Concepts

### Construction Phase

<table>
<thead>
<tr>
<th>Criteria Group</th>
<th>Criteria</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Natural Environment</td>
<td>Effect on surface waters</td>
<td>• potential effects of the alternative design concept on surface water quality, quantity and aquatic ecosystems</td>
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<tr>
<td></td>
<td>Disruption of terrestrial features</td>
<td>• potential displacement or temporary disruption of terrestrial features</td>
</tr>
<tr>
<td>Social / Cultural / Community Environment</td>
<td>Disruption of adjacent residents (noise, dust, odour, traffic)</td>
<td>• potential nuisance impacts on adjacent residents during construction</td>
</tr>
<tr>
<td>Economic Environment</td>
<td>Capital cost of construction</td>
<td>• an estimate of capital cost of the alternative</td>
</tr>
<tr>
<td>Technical Environment</td>
<td>Constructability</td>
<td>• ability to maintain the performance of the treatment process</td>
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</tbody>
</table>

### Operations Phase

<table>
<thead>
<tr>
<th>Criteria Group</th>
<th>Criteria</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Natural Environment</td>
<td>Effect on surface waters</td>
<td>• potential effects of the alternative design concept on surface water quality</td>
</tr>
<tr>
<td>Social / Cultural / Community Environment</td>
<td>Disruption of adjacent residents (noise, dust, odour, traffic)</td>
<td>• potential nuisance impacts on adjacent residents during operation of the plant</td>
</tr>
<tr>
<td>Economic Environment</td>
<td>Annual operating costs</td>
<td>• cost of operating this alternative</td>
</tr>
<tr>
<td>Technical Environment</td>
<td>Performance and experience in similar climates and size</td>
<td>• performance and experience of operating other wastewater treatment plants, similar in size and design and in comparable climates</td>
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<tr>
<td></td>
<td>Operating requirements</td>
<td>• operational complexity of the alternative in terms of operator attention and staffing requirements</td>
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<tr>
<td></td>
<td>Compatibility with existing infrastructure</td>
<td>• compatibility of the alternative relative to the use of existing equipment and ability to retrofit</td>
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<tr>
<td></td>
<td>Ability to consistently meet effluent criteria</td>
<td>• ability to consistently meet the wastewater treatment plant effluent criteria</td>
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</table>
The preferred design concept is:

Alternative 1A: Expansion of the Existing SBRs

Rationale:

- Both alternatives provide equal capacity
- Staff are familiar with the operation and maintenance of the existing treatment process
- The existing process has worked well
- Alternative 1B is a change to existing operations, may have somewhat reduced performance, is more complicated to construct and has higher capital costs
The Region is also updating the Hauled Wastewater Feasibility Study that was originally completed in 2004

- Recommendation: discontinue accepting hauled wastewater at the New Hamburg WWTP and relocate it to another facility within the region

- This would reduce the total annual number of hauling trucks to the WWTP by 1,120 (2012), equivalent to approximately 4.3 trucks per workday

- Trucking of biosolids to the WWTP has been reduced significantly as biosolids from other WWTP’s are being transported elsewhere

- Haysville Road is designated as a truck route by the Township – trucks will continue to use this road but volume of trucks going to the WWTP will decrease
## Schedule for Remaining Steps

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<tr>
<th>Task</th>
<th>Timeframe</th>
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<tr>
<td>Consider comments from the community</td>
<td>Ongoing</td>
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<tr>
<td>Issue Notice of Completion and Place Environmental Study Report on public record for 30 day review</td>
<td>January 2015</td>
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<tr>
<td>Consider and address comments received on Environmental Study Report</td>
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<tr>
<td>Preliminary Design</td>
<td>Winter 2015</td>
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<td>Detailed Design</td>
<td>2015 to 2016</td>
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<tr>
<td>Diversion of Hauled Wastewater to another Treatment Plant</td>
<td>2018 to 2019</td>
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<tr>
<td>Construction and Commissioning</td>
<td>2016 to 2019</td>
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</tbody>
</table>
Public input is an important component of the Class EA process. Please deposit your comment sheet in the box provided or forward to the Region.

Contact information:

Dave Arsenault
Senior Project Engineer
Region of Waterloo
Transportation and Environmental Services, Water Services
150 Frederick Street, 7th Floor
Kitchener, ON N2G 4J3
519-575-4757, ext. 3682
DArsenault@regionofwaterloo.ca

Stephen Nutt
Project Manager
XCG Consultants Ltd.
820 Trillium Drive
Kitchener, ON N2R 1K4
519-741-5774
StephenN@xcg.com

Thank you for your input and participation.
Region of Waterloo
Planning, Housing and Community Services
Transportation Planning
Community Planning

To: Chair Jim Wideman and Members of the Planning and Works Committee

Date: September 9, 2014

File Code: T13-50

Subject: Project Approval for the Waterloo Spur Line Trail

Recommendation:

That the Regional Municipality of Waterloo take the following actions regarding the Waterloo Spur Line Trail as described in Report P-14-082, dated September 9, 2014:

a) Approve a capital project for the construction of the Waterloo Spur Line Trail and associated storm water infrastructure in the Region of Waterloo 10-year capital program in year 2015 in the amount of $4.75 million gross, subject to negotiation of a funding agreement with Metrolinx for 1/3 funding, currently expected to be $1.2 million, a funding commitment from the City of Waterloo for up to $1.55 million for storm water infrastructure, with the balance of funding to be provided from the Region’s Development Charges Reserve fund;

b) Direct Regional staff to work with the Cities of Kitchener and Waterloo to formalize the financial and maintenance contributions that can be made to this initiative; and

c) Authorize the Region’s Commissioner of Transportation and Environmental Services to negotiate a funding agreement with Metrolinx in conjunction with the Cities of Waterloo and Kitchener for the construction of the Waterloo Spur Line Trail, in a form and content satisfactory to the Regional Solicitor.

Summary:

Metrolinx, an agency of the Government of Ontario, has launched a new active transportation fund to help construct pedestrian and cyclist connections to existing and future GO stations. In June 2014, Metrolinx contacted the Region of Waterloo about the
Waterloo Spur Line Trail as an eligible project within the Province’s 2014/2015 financial year. Metrolinx is specifically interested in this trail because it would connect pedestrians and cyclists to the Kitchener GO Train Station and the future King-Victoria Transit Hub. Please see Attachment 1 for a map of the Waterloo Spur Line Trail.

The proposed Spur Line Trail would be the region’s first rail-with-trail project, which means the railway and trail would share the same corridor. The Waterloo Spur Line is owned by the Region of Waterloo and safety is an important consideration in the final design. For instance, pedestrian level lighting would improve visibility between intersections and, removing thick undergrowth beside the trail, would improve visibility throughout the corridor. A landscaped buffer between the paved trail and the railway track is also recommended, instead of a fence. This would direct users away from the tracks while maintaining good visibility. Bollards and tactile warning strips would be used to warn users of road and railway intersections. The Region’s existing contract with the rail operator, Canadian National (CN), also ensures that the railway operates outside of regular trail hours. Under the terms of the agreement, CN operates its trains between 6 p.m. and 6 a.m. However, after ION construction, these operating hours will be reduced to between 12:00 and 5:00 a.m.

The total estimated cost of the project requiring Council’s approval is $4.75 million (trail and storm water infrastructure). Metrolinx has indicated its intent to contribute one-third of the full cost of the Waterloo Spur Line Trail, up to a maximum of $1.2 million. Subject to negotiation of a funding agreement with Metrolinx, the Region and the City of Waterloo would provide the remaining capital for the project (up to $2 million and $1.55 million respectively).

The City of Kitchener and the City of Waterloo have storm water management infrastructure located in the Waterloo Spur Line corridor. At its September 8, 2014 Committee of the Whole meeting, the City of Waterloo is expected to consider a funding commitment of $1.55 million for storm water improvements in its 2015, 2016, and 2017 capital budgets. This money would be paid to the Region in those years. The City of Kitchener completed $600,000 in upgrades to its storm water infrastructure in 2008. Subject to Council approval, the remaining $2 million would be funded from the Regional Development Charges Reserve fund. If approved by Council, the City of Waterloo and the City of Kitchener would be committed in principle to the full costs of maintaining the trail, similar to how they maintain the Regional sidewalk and multi-use trail network today.

An important requirement for Metrolinx is that the Waterloo Spur Line Trail would be ready for tender and construction within the first financial year of the provincial fund, ending March 31, 2015. Regional approval of the project and capital funding needs to be confirmed by the fall of 2014 to meet Metrolinx’s timeframe.

In collaboration with the Cities of Kitchener and Waterloo, the Region completed the Waterloo Spur Line Multi-use Trail Feasibility and Design Study in January 2012, which
fulfilled the Environmental Assessment requirements for this project. The detailed design was completed in January 2014. At the two public consultation centres held in 2011, the Region received positive feedback from residents who use the existing informal trail beside the railway tracks and from neighbours, whose houses back onto the Waterloo Spur Line corridor (see Report P-12-015).

If approved by Regional Council, staff would continue to work with the City of Waterloo and the City of Kitchener toward a final funding and maintenance agreement with Metrolinx.

**Report:**

**The Opportunity**

Metrolinx, an agency of the Government of Ontario, was created to improve the coordination and integration of all modes of transportation in the Greater Toronto and Hamilton Area. To support walking and cycling to GO stations, Metrolinx established a fund to improve active transportation connections to existing and future GO stations.

In June 2014, Metrolinx contacted the Region of Waterloo about the Waterloo Spur Line Trail as an eligible project within the Province’s 2014/2015 financial year. Metrolinx is specifically interested in this trail because it would connect pedestrians and cyclists to the Kitchener GO Train Station and the future King-Victoria Transit Hub. An important consideration for Metrolinx is that the Spur Line Trail could be ready for tender and construction by March 31, 2015. It is also the only project of this scale ready for tendering.

**Background**

The Waterloo Spur Line Trail (Spur Line Trail) is proposed for the Waterloo Spur Line rail corridor, which is owned by the Region of Waterloo. It runs diagonally from Ahrens Street, in Kitchener, to King Street, in Uptown Waterloo (see Attachment 1, map of the Spur Line Trail). It would connect the Uptown Waterloo ION station, the Mary Allen neighbourhood, and the Breithaupt Park neighbourhood to the existing Kitchener GO Train Station, via a multi-use trail on Weber Street. The Weber Street multi-use trail is under construction as part of the Weber Street grade separation.

The Spur Line Trail would also connect residents east of King Street to the planned King-Victoria Transit Hub, via Breithaupt and Waterloo Streets. Preliminary designs for the King-Victoria Transit Hub include a pedestrian underpass at Waterloo Street, which would be closed to motor vehicles when the King-Victoria Transit Hub is constructed. The Iron Horse Trail provides an off-road walking and cycling route to downtown Kitchener for neighbourhoods west of King Street.

Today, the Waterloo Spur Line rail corridor is used by pedestrians and cyclists as a shortcut between downtown Kitchener and uptown Waterloo. A well-worn path runs beside the railway tracks and thick undergrowth and hedgerows line both sides of the corridor.
In collaboration with the Cities of Kitchener and Waterloo, the Region conducted the Waterloo Spur Line Multi-use Trail Feasibility and Design Study, which fulfilled the Environmental Assessment requirements for this project. Also, a detailed design of the Waterloo Spur Line Trail (Spur Line Trail) was completed in January 2014. Regional Council initiated this design process in 2012 to prepare for Provincial funding opportunities (see Report P-12-015). The Region is engaged in similar feasibility and design projects with the City of Cambridge to seek provincial funding for active transportation facilities through the Franklin Boulevard and Highway 401 interchange, as well as active transportation improvements close to the Hespeler Road and Highway 401 interchange. However, these projects are still in the detail design and feasibility stages respectively.

Residents are enthusiastic about the Region’s plans for the Spur Line Trail. At the two public consultation centres held for this project, the Region received positive feedback and specific requests for lighting and benches from neighbours and current users of the informal trail.

If approved by Council, the project would be mostly ready to be tendered, with some additional permits required from Transport Canada and the Grand River Conservation Authority.

**Analysis – Eligibility for Metrolinx Funding**

Metrolinx established its active transportation fund to improve walking and cycling connections to existing and planned GO stations. The Spur Line Trail meets these objectives as it could provide a three-metre paved trail between the Kitchener GO Train Station, the Mary Allen and Breithaupt Park neighbourhoods, and Uptown Waterloo. As discussed above, the Spur Line Trail would also connect residents to the King-Victoria Transit Hub, via Breithaupt and Waterloo Streets. By providing a convenient active transportation connection between Downtown Kitchener and Uptown Waterloo, the Spur Line Trail may also help to manage vehicle congestion during ION construction by providing a new off-road walking and cycling option for commuters.

Metrolinx is willing to prioritize the Spur Line Trail because it can be tendered within the Province’s 2014/2015 budget year, which ends March 31, 2015. The detailed design of the Spur Line Trail is almost complete and the project would be ready to tender in winter 2015, if approved by Council.

Metrolinx has indicated an initial preference for an ownership interest in the trail property through the establishment of an easement in favour of the Province as a condition of funding, as well as a commitment by the Region or Cities to the full cost of maintaining the trail. Regional staff prefer an agreement to use or license the trail in lieu of the establishment of an easement in this instance and are confident arrangements can be made through the negotiations with Metrolinx to address this issue to the Region’s satisfaction. The City of Waterloo and the City of Kitchener are committed in principle to
the full cost of maintaining the trail and would continue to work with the Region and Metrolinx on a cost sharing formula for the funding agreement.

**Analysis – Trail Design**

The proposed Spur Line Trail is the region’s first rail-with-trail project. The typical cross section includes the following elements:

- Three-metre paved multi-use trail
- Six-metre train envelope with a railway track and drainage swales (see Attachment 2 for the Cross Section Plan)

Good visibility is a key principle of safe trail design. Several design elements are included in the Spur Line Trail to improve the comfort and safety of trail users. These include:

1. Paving the trail with asphalt and installing a landscaped buffer between the railway tracks to guide trail users away from the railway tracks. This design is preferred over a fence, because it maintains an unobstructed view of the corridor.
2. Removing thick undergrowth and invasive species from hedgerows will improve visibility and passive monitoring from neighbouring properties. Trees that are removed will be replaced with native tree species.
3. Installing tactile warning strips and removable bollards at intersections will warn visually impaired trail users of conflict points.
4. Installing pedestrian level lighting to improve visibility between intersections. Lighting is especially important in winter when GO trains leave before sunrise and return after sunset. Benches are also included in the design to help ensure the trail is an accessible, four-season, walking, cycling, and recreational route for residents and commuters.

The Spur Line Trail is a unique opportunity to provide a new active transportation link in a Regionally-owned rail corridor. As the only project of this type in the Region, lighting and benches are included in the total cost of the Spur Line Trail. It is not the Region’s practice to fund these amenities in other projects, but an exception is recommended for this project.

Through its agreement with CN, the Region has further reduced the potential for conflicts by ensuring the railway operates outside of normal trail hours. Under the terms of the agreement, CN operates its trains between 6 p.m. and 6 a.m. today. However, after ION construction, CN has agreed to reduce its Waterloo Spur Line operating hours to between 12:00 and 5:00 a.m. This is when the fewest number of people will use the trail.

**Proposed Next Steps**

Metrolinx has agreed in principle to contribute one-third of the full cost of the Waterloo Spur Line Trail up to $1.2 million. If approved by Regional Council, the next steps for this project are:
1. Finalize the cost sharing formula and long-term maintenance responsibilities of the Region of Waterloo, the City of Waterloo, and the City of Kitchener (September-October 2014)
2. Finalize a funding agreement between the Region of Waterloo, the City of Waterloo, and Metrolinx (September-October 2014)
3. Acquire the required permits from Transport Canada and the Grand River Conservation Authority to construct the trail (December 2014)
4. Tender the trail construction (January-February 2015)
5. Construct the trail and storm water infrastructure (April-August 2015)

**Area Municipal Consultation/Concurrence**

The City of Kitchener and the City of Waterloo are active partners in the design and implementation of the Spur Line Trail. The Cities have agreed in principle to the long-term maintenance of the trail and would continue to work with the Region of Waterloo and Metrolinx on a cost sharing formula for capital and maintenance expenses. A copy of this report has been distributed to all Area Municipalities as well.

**Corporate Strategic Plan:**

The Spur Line Trail supports the Region’s Strategic Focus Area 2 (Growth Management and Prosperity), that relates to developing, optimizing and maintaining infrastructure to meet current and projected needs. Strategic Focus Area 3 (Sustainable Transportation) is also supported by this project. This focus area relates to developing, promoting and integrating active forms of transportation (cycling and walking).

**Financial Implications:**

The total estimated cost of the project is $4.75 million for both the trail and storm water management infrastructure. A summary of the project budget is included in Table 1 below.

<table>
<thead>
<tr>
<th>Contributing Partner</th>
<th>Project Component</th>
<th>Contribution*</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Waterloo</td>
<td>Storm Water Infrastructure</td>
<td>$1.55</td>
</tr>
<tr>
<td>Metrolinx</td>
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<tr>
<td>Total</td>
<td></td>
<td>$4.75</td>
</tr>
</tbody>
</table>

*in millions

The City of Kitchener and the City of Waterloo have storm water management infrastructure located in the Waterloo Spur Line corridor. At its September 8, 2014 Committee of the Whole meeting, the City of Waterloo is expected to consider a funding commitment of $1.55 million for storm water improvements in its 2015, 2016, and 2017 capital budgets. This money would be paid to the Region in those years with the Region.
managing the cash flow in the interim. The City of Kitchener completed $600,000 in upgrades to its storm water infrastructure in 2008. Subject to Council approval, the remaining $2 million would be funded from the Regional Development Charge Fund.

Although walking and cycling infrastructure is eligible for 100 percent funding from Regional Development Charges, the Waterloo Spur Line Trail was not included in the approved 2014 Transportation Ten Year Capital Program. To meet Metrolinx’s March 31, 2015 tender award timeline, staff recommends including the project in year 2015 the 10-year capital program in the amount of $4.75 million, subject to negotiation of a funding agreement with Metrolinx for 1/3 funding, currently expected to be $1.2 million, and a funding commitment from the City of Waterloo for up to $1.55 million for storm water infrastructure (to be paid over 2015, 2016, and 2017). The Region would be responsible for the balance of costs estimated at $2 million. Funding shares would be adjusted based on the final construction costs.

The City of Waterloo and the City of Kitchener would be responsible for the full costs of maintaining the trail, similar to how they maintain the Regional sidewalk and multi-use trail network today. Regional staff will work with the Cities and Metrolinx on the necessary maintenance and funding agreements.

Other Department Consultations/Concurrence:

Transportation and Environmental Services and Legal Services were consulted in the writing of this report and are in concurrence with its recommendations.

Attachments:

Attachment A – Waterloo Spur Line Trail map, Overall Alignment
Attachment B – Typical Cross Section Plan

Prepared By: John Hill, Principal Planner
Paula Sawicki, Manager, Strategic Transportation Planning

Approved By: Rob Horne, Commissioner, Planning, Housing and Community Services
Attachment 1 - Waterloo Spur Line Trail map, Overall Alignment
Attachment 2- Typical Section and Plan

SECTION

1. 3.0 m - MULTIPURPOSE TRAIL
2. 1.0 m - CLEAN ZONE - LOW UNMOWN GRASS
3. 4.0 m - TRACK BED
4. 1.0 m - DRAINAGE SWALE WITHIN TRACK ENVELOPE
5. VARIOUS - EXISTING CONDITIONS

PLAN
Region of Waterloo
Corporate Resources
Legal Services

To: Chair Jim Wideman and Members of the Planning and Works Committee

Date: September 9, 2014    File Code: L07-90

Subject: Authorization To Expropriate Lands (2\textsuperscript{ND} Report) For Manitou Drive Improvements (Fairway Road To Bleams Road) In The City Of Kitchener

Recommendation:

That Council of the Regional Municipality of Waterloo approve the expropriation of lands for the purpose of construction of road improvements to Manitou Drive (Regional Road 69), in the City of Kitchener, in the Region of Waterloo as detailed in Report CR-RS-14-070 dated September 9, 2014 described as follows:

Fee Simple Partial Taking:

1. Part of Lot 9, Registered Complied Plan 1490, being Parts 1-4 on Plan 58R-17784, Part of PIN 22595-0088(LT) (35 and 45 Manitou Drive, Kitchener);
2. Part of Lot 2, Registered Compiled Plan 1525, being Part 1 on Plan 58R-17788, Part of PIN 22593-0103(LT) (695 Fairway Road, Kitchener);
3. Part of Lot 17, Registered Compiled Plan 1489, being Part 1 on Plan 58R-17782, Part of PIN 22617-0039(LT) (107 Manitou Drive, Kitchener);
4. Part of Lot 42, Registered Compiled Plan 1525, being Parts 4, 6, and 8 on Plan 58R-17782, Part of PIN 22594-0016(LT) (110 Manitou Drive, Kitchener);
5. Part of Lot 41, Registered Compiled Plan 1525, being Part 2 on Plan 58R-17783, Part of PIN 22594-0015(LT) (50 Manitou Drive, Kitchener);
6. Part of Lots 39 and 40, Registered Compiled Plan 1525, being Part 6 on Plan 58R-17784, Part of PIN 22594-0014(LT) (38 Manitou Drive, Kitchener);
Temporary Grading Easement:

The right and easement, being a temporary easement in gross, for the free and unobstructed right, interest and easement, terminating on the 31st day of December, 2018, for itself, its successors and assigns and anyone authorized by it, on, over, under and through the following properties for the purposes of construction, grading, and landscaping as required in connection with improvements to Manitou Drive and for such purposes, the free, unimpeded and unobstructed access to the lands at all times by employees, agents, contractors, workers and anyone authorized by it, and vehicles, supplies and equipment at all times and for all purposes and things necessary for or incidental to the exercise and enjoyment of the right and easement:

1. Part of Lot 17, Registered Compiled Plan 1489, being Part 2 on Plan 58R-17782, Part of PIN 22617-0039(LT) (107 Manitou Drive, Kitchener);
2. Part of Lot 42, Registered Compiled Plan 1525, being Parts 3, 5, and 7 on Plan 58R-17782, Part of PIN 22594-0016(LT) (110 Manitou Drive, Kitchener);
3. Part of Lot 41, Registered Compiled Plan 1525, being Parts 1 and 3 on Plan 58R-17783, Part of PIN 22594-0015(LT) (50 Manitou Drive, Kitchener);
4. Part of Lots 39 and 40, Registered Compiled Plan 1525, being Part 5 on Plan 58R-17784, Part of PIN 22594-0014(LT) (38 Manitou Drive, Kitchener);
5. Part of Lot 12, Registered Compiled Plan 1490, being Part 2 on Plan 58R-17787, Part of PIN 22595-0047(LT) (25-29 Manitou Drive, Kitchener);
6. Part of Lots 12 and 13, Registered Compiled Plan 1490, being Part 1 on Plan 58R-17787, Part of PIN 22595-0048(LT) (21 Manitou Drive, Kitchener);
7. Part of Lot 17, Registered Compiled Plan 1525, being Part 2 on Plan 58R-17786, Part of PIN 22594-0006(LT) (28 Manitou Drive, Kitchener); and
8. Part of Lot 34, Registered Compiled Plan 1525, being Part 4 on Plan 58R-17785, Part of PIN 22594-0013(LT) (36 Manitou Drive, Kitchener).

Permanent Hydro Easement:

The right and easement, being an easement in gross, for the free, uninterrupted and unobstructed right and easement in perpetuity for itself, its successors and assigns and anyone authorized by it, at any time to enter upon the following properties for purposes of constructing, laying down, installing, inspecting, repairing, altering, enlarging, replacing, correcting, operating, and maintaining hydro installations and infrastructure, both under ground and overhead, including cables, pipes, conduits of all kinds, all necessary poles, supporting wires and braces and other equipment and appurtenances thereto, herein referred to as the utility plant, which may be determined necessary from time to time through, over, upon, along and across the lands, and for all such purposes
together with the free, unimpeded and unobstructed access for itself, its successors and assigns, servants, agents, contractors, workers and anyone authorized by it, and vehicles, supplies and equipment at all times and for all purposes and things necessary for or incidental to the exercise and enjoyment of the right and easement:

1. Part of Lot 11, Registered Compiled Plan 1490, being Part 1 on Plan 58R-17786, Part of PIN 22595-0046 (LT) (31-33 Manitou Drive, Kitchener).

And that staff be instructed to register a Plan of Expropriation for the property, or such lesser portions of any of the said properties as may be determined through the design process, within three months of the granting of the approval to expropriate the property, as required by the *Expropriations Act*;

And that the registered owners be served with a Notice of Expropriation and a Notice of Possession for the property after the registration of the Plan of Expropriation;

And that if no agreement as to compensation is made with an owner, the statutory Offer of Compensation and payment be served upon the registered owners of the property in the amount of the market value of the interests in the land as estimated by the Region’s appraiser in accordance with the Expropriations Act;

And further that the Regional Solicitor be authorized to discontinue expropriation proceedings or any part thereof, in respect of the above described lands, or any part thereof, upon the registration on title of the required documentation to complete the transaction, or if otherwise deemed expedient by the Commissioner or Transportation and Environmental Services and the Regional Solicitor.

**Summary:**

NIL

**Report:**

Regional Council approved roadway improvements to Manitou Drive (Regional Road 69) from Fairway Road to Bleams Road on November 14, 2012 as detailed in report E-12-104. The project improvements include a roundabout at the intersection of Manitou Drive and Bleams Road, replacement of the Schneider Creek Bridge, a watermain relocation, sidewalks and on-road cycling lanes. Construction is scheduled for the full construction season of 2015.

Land acquisitions as outlined in the Recommendation will be required from 11 property owners. The acquisitions are fee simple partial takings for road widening purposes, temporary grading easements and a permanent easement for relocation of hydro utilities.

Council approved the commencement of expropriation of the subject properties and
easements on September 18, 2013 as detailed in report CR-RS-13-075. The appropriate forms under the Expropriations Act were served in order to initiate formal proceedings under the Act for these properties and easements. All of the affected property owners were previously contacted by Legal Services staff and informed of the project as well as the Region’s intention to commence the expropriation process and the Region’s Expropriation Information Sheet was provided to each of them. The affected property owners have also been provided with offers to purchase. Legal Services staff also contacted all property owners and informed them of the Region’s intention to continue with the expropriation process in order to ensure that the construction timeline is maintained, including this report being presented to Council, as detailed in the Region’s Expropriation Information Sheet.

Region staff continue to work with City of Kitchener staff for the negotiated acquisition of a fee simple partial taking for road widening and utility relocations and for a new access to the Region’s water supply wells K31 and K33 from Manitou Drive. Legal Services staff has been negotiating property acquisitions over the past several months. An agreement of purchase and sale for the permanent hydro easement has been negotiated however it is possible it will not be completed in time to assure timely possession for the advance utility relocations. Legal Services staff intend to continue negotiations with property owners to achieve settlements of their claims under the Act.

The Region did not receive a notice for a Hearing of Necessity within the statutory time frame established by the Expropriations Act from any of the affected property owners. The next step in the proceedings is for Council to approve the expropriation of the property. This approval will ultimately be endorsed upon a certificate of approval on the Plan of Expropriation for those properties not acquired under agreement. The Plan is then registered within 3 months of the approval. Ownership of the property vests with the Region upon the registration of the Plan. Notices of Expropriation are then served upon all registered owners, including tenants as shown on the assessment roll.

Once ownership by the Region is secured through the registration of the Plan, it is possible to serve the Notice of Possession. The date for possession can be no sooner than 3 months following the date of service of the Notice of Possession. The Notices of Expropriation and Notices of Possession may be served at the same time.

After the registration of the Plans of Expropriation and prior to the taking of possession of the property the expropriating authority is required to serve the registered owners with an offer in full compensation for their interests in the land. The offer must be accompanied by the immediate payment of one hundred (100%) of the appraised market value of the land to the registered owners as estimated by the Region’s appraiser. The registered owners are also to be served with a report appraising the market value of the property, which report formed the basis for the offer of compensation.
The expropriation process is proceeding to ensure that the Region has possession of the land, temporary easements and permanent easements required for advance utility relocations in early 2015 and construction in the summer of 2015.

Transportation and Environmental Services staff advises that they are not aware of any environmental concerns with respect to the subject lands. The expropriation of the lands is on an "as is" basis and upon closing the Region assumes all responsibility for the lands.

For reference, the subject lands are shown on attached Appendix ‘A’. A list of the individual and corporate owners of the fee simple interest in the subject lands is attached as Appendix “B”. Regional staff have conducted corporate profile searches of affected corporate property owners and the directors and officers are listed for each. This list does not include tenants, easement holders or holders of security interests in the subject lands.

**Corporate Strategic Plan:**

The Manitou Drive Improvements, when complete, will support the following 2 strategic objectives of the Corporate Strategic Plan:

- To develop, promote and integrate active forms of transportation (cycling and walking); and
- To optimize existing road capacity to safely manage traffic throughout Waterloo Region.

**Financial Implications:**

Transportation and Environmental Services staff advises that the 2014 Transportation Capital Program includes funds of $9.0 million in the years 2014 to 2016 for this project to be funded from the Region Development Charges and Roads Capital Levy Reserve funds. Sufficient funding for the acquisitions outlined within this report is available in the project budget.

**Other Department Consultations/Concurrence:**

Transportation and Environmental Services staff has been consulted in the preparation of this report.
Attachments

Appendix “A” – Subject Lands
Appendix “B” – Corporate Profiles

Prepared By: Fiona McCrea, Solicitor, Property
Approved By: Gary Sosnoski, Commissioner, Corporate Resources
Appendix “B”

1. 107 Manitou Drive, Kitchener
   Owner: 514052 Ontario Limited; Orfus Realty; 1176847 Ontario Limited
   Annual Return: November 10, 2012
   Directors/ Officers: Howard Orfus; Yetta Orfus
   Partial Taking, and Grading Easement

2. 110 Manitou Drive Kitchener
   Owner: 334224 Ontario Ltd.
   Annual Return: June 30, 2012
   Directors/ Officers: Margot Elizabeth Solomon
   Partial Taking and Grading Easement

3. 36 Manitou Drive Kitchener
   Owner: Tri City Ready Mix Limited
   Annual Return: October 23, 2012
   Directors/ Officers: Richard Harold Esbaugh; Ronald Clarence Esbaugh
   Grading Easement

4. 21 Manitou Drive Kitchener
   Owner: J & S Auto Wreckers Limited
   Annual Return: June 6, 2012
   Directors/ Officers: Victor Samuel Generoux; Tyler John Generoux; Troy Regine Generoux; Trevor Andre Generoux
   Grading Easement

5. 35 & 45 Manitou Drive Kitchener
   Owner: John Schuller Enterprises Limited
   Annual Return: February 23, 2013
   Directors/ Officers: John Schuller; Margaret Ann Schuller; Ryan Schuller; Patricia Sheldon
   Partial Taking

6. 695 Fairway road, Kitchener
   Owner: First Capital Holdings (Ontario) Corporation
   Annual Return: July 6, 2013
   Directors/ Officers: Roger Chouinard; Gordon Driedger; Brian Kozak; Dori J. Segal; Karen Weaver; Patricia Sheldon
   Partial Taking
7. 25-29 Manitou Drive Kitchener
   Owner: Aricom Capital Inc.
   Annual Return: October 29, 2010
   Directors/ Officers: Patricia Sheldon
   Grading Easement

8. 31-33 Manitou Drive Kitchener
   Owner: L. Seibel Masonry Limited
   Annual Return: March 7, 2009
   Directors/ Officers: Debra Haynes; Paul Seibel; Gary Seibel; Leo Richard Seibel,
   Joan Mary Seibel;
   Hydro Easement
Region of Waterloo
Corporate Resources
Legal Services

To: Chair Jim Wideman and Members of the Planning and Works Committee

Date: September 9, 2014  

File Code: L07-90

Subject: Authorization To Expropriate Lands (1st Report) For The Reconstruction Of Fountain Street (Regional Road 17) From Shantz Hill Road To King Street West And King Street (Regional Road 8) From Fountain Street To Eagle Street, In The City Of Cambridge

Recommendation:

That The Regional Municipality of Waterloo direct and authorize the Regional Solicitor to take the following actions with respect to the expropriation of lands for the reconstruction of Fountain Street (Regional Road 17) from Shantz Hill Road to King Street West and King Street (Regional Road 8) from Fountain Street to Eagle Street, in the City of Cambridge, in the Region of Waterloo as detailed in report CR-RS-13-087 dated October 22, 2013:

1. Complete application(s) to the Council of the Regional Municipality of Waterloo, as may be required from time to time, for approval to expropriate land, which is required for the reconstruction of Fountain Street (Regional Road 17) and King Street (Regional Road 8) and described as follows:

Fee Simple Partial Taking:

1. Part of Lots 24 and 25, Municipal Compiled Plan 731, being Part 4 on Plan 58R-18325, Part of PIN 22651-0513(LT) (278 Fountain Street South, Cambridge)
2. Part of Lots 1, 2 and 3, North of Main Street, Registered Plan 522, Part of Lots 8 and 9, Municipal Compiled Plan 730, being Parts 1, 2, 3, 11 and 13 on Plan 58R-18330, Part of PIN 03768-0081(LT) (255 King Street West, Cambridge)
Temporary Easement:

1. Part of Lot 24, Municipal Compiled Plan 731, being Part 6 on Plan 58R-18325, Part of PIN 22651-0513(LT) (278 Fountain Street South, Cambridge)
2. Part of Lots 1, 2 and 3, North of Main Street, Registered Plan 522, Part of Lots 8 and 9, Municipal Compiled Plan 730, being Part 4, 10 and 12 on Plan 58R-18330, Part of PIN 03768-0081 (LT) (255 King Street West, Cambridge)

 Permanent Easement:

1. Part of Lot 24, Municipal Compiled Plan 731, being Part 5 on Plan 58R-18325, Part of PIN 22651-0513(LT) (278 Fountain Street South, Cambridge)
2. Part of Lot 8, Municipal Compiled Plan 730, being Part 5 on 58R-18330, Part of PIN 03768-0081(LT) (255 King Street West, Cambridge)

2. Serve notices of the above application(s) required by the Expropriations Act;
3. Forward to the Chief Inquiry Officer any requests for a hearing that may be received;
4. Attend, with appropriate Regional staff, at any hearing that may be scheduled;
5. Discontinue expropriation proceedings or any part thereof, in respect of the above described lands, or any part thereof, upon the registration on title of the required documentation to complete a transaction whereby the required interests in the lands are conveyed; and
6. Do all things necessary and proper to be done, and report thereon to Regional Council in due course.

Summary:

NIL

Report:

Regional Council approved the reconstruction of Fountain Street (Regional Road 17) from Shantz Hill Road to King Street West and King Street (Regional Road 8) from Fountain Street to Eagle Street, in the City of Cambridge (the "Project") in October 2012. The Environmental Assessment (EA) was approved by the Ministry of the Environment in August 2013. The Project EA investigated the need to address roadway and traffic operational improvements on the Fountain Street and King Street corridor and approved intersection improvements including transit queue-jump lanes along with other intersection improvements at the three intersections within the corridor: Fountain Street and King Street; King Street and Eagle Street; and the Fountain Street and Shantz Hill Road intersection. The Fountain Street and Shantz Hill Road intersection will also be realigned.
The detailed design of the project is presently underway with construction planned for 2016.

It has become necessary to initiate the expropriation process for the interests required from two primary properties in order to meet the project time line for utility relocations and grading works associated with those relocations in Fall 2015 or early 2016, which must take place prior to overall project construction in spring of 2016. The Project requires land acquisitions, including fee simple partial takings, temporary and permanent easements, from 25 other properties however early possession is not required for the advance utility relocations. Negotiations with those property owners are underway. A further report will be brought to Regional Council for authorization in late 2014, to commence expropriation proceedings for the remaining interests to assure possession for the planned construction in 2016.

The owners and representatives for both properties have been contacted to discuss the Region’s property requirements. As well, they have been advised both verbally, and in writing, of the necessity of advancing the initiation of the expropriations process in order to undertake utility relocations. Communications included the assurance that, notwithstanding the commencement of the expropriation process, Regional staff and Regional representatives will make every effort to complete negotiated agreements of purchase and sale before fall 2015, and thereafter continue to negotiate amicable settlement agreements for all interests acquired through expropriation. Written correspondence to the owners and their representatives included information sheets on the Region’s property acquisition process and the expropriation process.

**Corporate Strategic Plan:**

One of the focus areas of the Corporate Strategic Plan is to develop greater, more sustainable and safe transportation choices.

**Financial Implications:**

Transportation and Environmental Services staff advises that the 2014 Ten Year Transportation Capital Program includes $14,975,000 over the years 2014 to 2017 for this project to be funded from the Regional Development Charges Reserve Fund.

**Other Department Consultations/Concurrence:**

Transportation and Environmental Services staff have been consulted in the preparation of this Report.
Attachments

Appendix “A” - Project Area

Appendix “B”- Corporate Profiles

Appendix “C”- Expropriation Information Sheet

Prepared By:  **Tom Penwarden**, Manager, Realty Services

**Fiona McCrea**, Solicitor, Property

Approved By:  **Gary Sosnoski**, Commissioner, Corporate Resources
Appendix “B”

- Address: 278 Fountain Street South, Cambridge
  Owner: N.H.D. Developments Limited
  Annual Return: December 31, 2012
  Directors/Officers: Edward K. Sorbara

- Address: 255 King Street West, Cambridge
  Owner: 250 King Street Inc.
  Annual Return: July 5, 2014
  Directors/Officers: Faisal Susiwala and Aurangzeb Susiwala
The following information is provided as a general overview of the expropriation process and is not legal advice. For complete information, reference should be made to the Ontario Expropriations Act as well as the more detailed information in the Notices provided under that Act.

Expropriation Information Sheet

What is Expropriation?

Governmental authorities such as municipalities, school boards, and the provincial and federal governments undertake many projects which require them to obtain land from private property owners. In the case of the Regional Municipality of Waterloo, projects such as the construction or improvement of Regional Roads sometimes require the purchase of land from private property owners. In many cases, the Region of Waterloo only needs a small portion of the private property owner’s lands or an easement for related purposes such as utilities, although in certain instances, entire properties are required.

Usually the governmental authority is able to buy the land required for a project through a negotiated process with the affected property owners. Sometimes, however, the expropriation process must be used in order to ensure that the land is obtained within a specific timeline. Put simply, an expropriation is the transfer of lands or an easement to a governmental authority for reasonable compensation, including payment of fair market value for the transferred lands, without the consent of the property owner being required. In the case of expropriations by municipalities such as the Region of Waterloo, the process set out in the Ontario Expropriations Act must be followed to ensure that the rights of the property owners provided under that Act are protected.

IMPORTANT NOTE: The Region of Waterloo tries in all instances to obtain lands needed for its projects through a negotiated agreement on mutually acceptable terms. Sometimes, the Region of Waterloo will start the expropriation process while negotiations are underway. This dual approach is necessary to ensure that the Region of Waterloo will have possession of all of the lands needed to start a construction project on schedule. However, it is important to note that Regional staff continues to make every effort to reach a negotiated purchase of the required lands on mutually agreeable terms while the expropriation process is ongoing. If agreement is reached, expropriation proceedings can be discontinued and the land transferred to the Region of Waterloo in exchange for payment of the agreed-upon compensation.

What is the process of the Region of Waterloo under the Expropriations Act?
Regional Council considers a request to begin an application under the Expropriations Act to obtain land and/or an easement for a specific Regional project. No decision is made at this meeting to expropriate the land. This step is simply direction for the Region of Waterloo to provide a “Notice of Application for Approval to Expropriate” to affected property owners that the process has started to seek approval to expropriate the land.

As stated in the Notice, affected property owners have 30 days to request a Hearing to consider whether the requested expropriation is “fair, sound and reasonably necessary in the achievement of the objectives” of the Region of Waterloo. This Hearing is conducted by a provincially-appointed Inquiry Officer. Prior to the Hearing, the Region of Waterloo must serve the property owner with a Notice setting out its reasons or grounds for the proposed expropriation. Compensation for lands is not determined at this Hearing. The Inquiry Officer can order the Region of Waterloo to pay the property owner up to $200.00 as compensation for the property owner’s costs in participating in this Hearing, regardless of the outcome of the Hearing.

If a Hearing is held, a written report is provided by the Inquiry Officer to the property owner and the Region of Waterloo. Council must consider the Report within 90 days of receiving it. The Report is not binding on Council and Council may or may not accept the findings of the Report. After consideration of the Report, Council may or may not approve the expropriation of the land or grant approval with modifications. A property owner may wish to make written and/or verbal submissions to Council at the time that it is considering the Report.

If no Hearing is requested by the property owner, then Council may approve the expropriation of the land after expiry of a 30 day period following service of the Notice of Application for Approval to Expropriate.

If Council approves the expropriation then, within 3 months of this approval, the Region of Waterloo must register a Plan at the Land Registry Office that describes the expropriated lands. The registration of this Plan automatically transfers title of the lands to the Region of Waterloo, instead of by a Deed signed by the property owner.

Within 30 days of registration of the Plan, the Region of Waterloo must serve a Notice of Expropriation on the affected property owner advising of the expropriation. Within 30 days of this Notice, the property owner may serve the Region of Waterloo with a Notice of Election selecting the valuation date under the Expropriations Act for calculation of the compensation.
In order to obtain possession of the expropriated lands, the Region of Waterloo must also serve a Notice of Possession setting out the date that possession of the land is required by the Region of Waterloo. This date has to be 3 months or more from the date that this Notice of Possession is served on the affected property owner.

Within 3 months of registration of the Plan, the Region of Waterloo must provide the affected property owner with payment for the full amount of the appraised fair market value of the expropriated land or easement and a copy of the appraisal report on which the value is based. If the property owner disagrees with this amount, and/or claims other compensation and/or costs under the *Expropriations Act*, the compensation and/or costs matter may be referred to a provincially-appointed Board of Negotiation in an effort to reach a mediated settlement and/or an appeal may be made to the Ontario Municipal Board (OMB) for a decision. In any event, the Region of Waterloo continues in its efforts to reach a negotiated settlement with the affected property owner prior to the OMB making a decision.
Region of Waterloo
Corporate Resources
Legal Services

To: Chair Jim Wideman and Members of the Planning and Works Committee

Date: September 9, 2014    File Code: L07-40

Subject: Surplus Declaration of Regional Lands Forming Part of 25 Cedar Street, Kitchener and Part of 176 Hespeler Road, Cambridge

Recommendation:

That The Regional Municipality of Waterloo:

(a) Authorize Regional staff to commence the surplus declaration of lands process with respect to lands described as Part of Lot 17 (B. Moogk), South of King Street, Plan 364 designated as Part 1 Plan 58R-18253 being Part of PIN 22502-0083, in the City of Kitchener forming part of lands municipally known as 25 Cedar Street, Kitchener and more particularly depicted in Appendix “A” hereto (the “Cedar Surplus Lands”) in accordance with the Region’s Property Disposition By-Law 95-034 (the “Property Disposition By-Law) and to report back to Council for final consideration of the matter upon completion thereof;

(b) Declare lands described as Part of Subdivision of Lot 3, Concession 12, East of the Grand River, being Part 1, 67R-1687 except Parts 4, 5 and 6 on 58R-9757, subject to WS725400, being Part of PIN 03793-0228, in the City of Cambridge forming part of lands municipally known as 176 Hespeler Road, Cambridge, and more particularly depicted in Appendix “B” hereto (the “Hespeler Surplus Lands”) as surplus to the needs of the Region subject to the satisfactory completion of all steps required under the Region’s Property Disposition By-Law, to the satisfaction of the Regional Solicitor;

(c) Approve, enter into an Agreement for, and execute all documentation related to an Easement in favour of Cambridge and North Dumfries Hydro Inc. (“Cambridge Hydro”) with respect to the Hespeler Surplus Lands for nominal consideration.
and on such terms as reasonably required by Cambridge Hydro to accommodate certain civil works planned for Hespeler Road in relation to the implementation of Rapid Transit in the City of Cambridge, with all documentation to the satisfaction of the Regional Solicitor.

Summary:

Nil

Report:

This Report relates to two transactions proposed in connection with Stage 1 of the Rapid Transit Project.

Surplus Declaration - 25 Cedar Street, Kitchener

Regional staff have divided the land acquisition/expropriation process for Rapid Transit into several separate and distinct phases. As part of Phase 2 of the land acquisition/expropriation process for Rapid Transit, the Region expropriated part of the property municipally known as 21 Cedar Street, Kitchener designated as Part 3 on Plan WR768754 being PIN 22502-0252 (LT). Expropriation Plan WR768754 was registered on July 31, 2013 in accordance with Regional Council approval as detailed in Report CR-RS-13-35. The Region now has the legal right to vacant possession of the expropriated lands.

Notwithstanding the partial expropriation of 21 Cedar Street, Kitchener, Regional staff continued dialogue with the affected property owner in order to reach a settlement in connection with the expropriation. The property owner identified the transfer of the Cedar Surplus Lands as an opportunity to “regularize” the shape of his remaining lands at 21 Cedar Street, Kitchener in an effort to offset injurious affection and/or disturbance damages that would otherwise be payable by the Region in connection with the expropriation. A full and final settlement of compensation payable for the expropriation has been reached with the property owner on terms that include the transfer of the Cedar Surplus Lands as more specifically detailed in Report CR-RS-14-068.

The Cedar Surplus Lands have a surface area of approximately 110 square meters and form part of the northwest quadrant of 25 Cedar Street, Kitchener (the “Parent Property”) as depicted in Appendix “B” hereto. The Parent Property was purchased by the Region on March 15, 2011 for the sum of $100,000.00 due to its proximity to a future LRT platform. A structure that formerly existed on the Parent Property was demolished by the Region shortly after the parent property was purchased rendering the lands completely vacant. The Region has since acquired additional lands adjacent to the parent property that will be used to accommodate a traction power substation in that area.
A formal circulation of the proposed transfer of the Cedar Surplus Lands to all Regional Departments has occurred and there is no ongoing need to retain this property for any Regional or WRPS program. The Cedar Surplus Lands are currently vacant and are estimated to have a value of $46,100.00 in accordance with a Narrative Appraisal Report prepared by Antec Appraisal Group dated August 6, 2014.

At this time, Regional staff seek authorization from Region Council to proceed with providing notice to the public of the proposed transfer of the Cedar Surplus Lands in accordance with the requirements of Property Disposition By-Law and to report back to Council for further direction at the appropriate time.

**Surplus Declaration - 176 Hespeler Road**

Civil works in connection with adapted Bus Rapid Transit in the City of Cambridge are now underway. Some utility relocation work is necessary in order to accommodate the civil works that are planned for Hespeler Road.

A number of existing hydro lines on Hespeler Road are affected by Rapid Transit. The subject hydro lines are owned, operated and maintained by Cambridge Hydro. It is to be noted that although hydro transmission is the primary function of the affected hydro poles, they may also accommodate other utilities such as telecommunications infrastructure in areas where this is deemed expedient.

As part of its hydro line relocation efforts, Cambridge Hydro has identified the need to acquire a hydro pole “anchor easement” and certain aerial easements across lands that are currently owned by the Region at 176 Hespeler Road, Cambridge as depicted in Appendix “A” hereto. The grant of the easement(s) requested by Cambridge Hydro is directly connected to the Region’s Rapid Transit Project.

A formal circulation to all Regional Departments has occurred and there is no ongoing need to retain this property for any Regional or WRPS program. The impacted lands are adjacent to Hespeler Road and border vacant lands that are reserved for storm water management and drainage in front of the existing Waterloo Regional Police station at this address. The easement lands comprise approximately 13 square meters for the required hydro pole “anchor” and approximately 216 square meters for the hydro line aerial rights requested. It is the opinion of Real Estate Services that the total value of the easement rights to be conveyed (for nominal consideration) is approximately $12,500.00 based on a value of $500,000.00 per acre adjusted by half to reflect that it is an easement (as opposed to a fee simple interest) and given the applicable zoning, size, location, and utility of the affected lands.

The Region’s Property Disposition By-Law requires advertising of the proposed conveyance in a local newspaper. When the requirements of the Property Disposition By-law have been met, the required documentation will be registered on title for the
conveyance of a permanent easement in favour of Cambridge Hydro. The Region will be responsible for all associated costs, such as the preparation of a Reference Plan, advertising and registration of required documentation.

Corporate Strategic Plan:

The report supports Focus Area 3.1 of Council’s Strategic Focus: Implement a light rail transit system in the central transit corridor, fully integrated with an expanded conventional transit system.

Financial Implications:

In June 2011, Council approved the implementation of the Rapid Transit project, including LRT and aBRT, with estimated capital costs of $818 million, in 2014 dollars, with capital funding to be provided by the Province (up to $300 million), the federal government (one third of eligible project costs to a maximum of $265 million) and the Region ($253 million). The RT project and improvements to conventional transit are financed through annual tax rate increases over a period of 7 years.

Land acquisition is being carried out by the Region outside of the DBFOM. This has been accommodated within the overall Rapid Transit Project budget.

Other Department Consultations/Concurrence:

Rapid Transit staff have been consulted in the preparation of this report.

Attachments

Appendix “A” – Cedar Surplus Lands
Appendix “B” – Hespeler Surplus Lands

Prepared By: Liviu Cananau, Solicitor, Property (Rapid Transit)
Approved By: Gary Sosnoski, Commissioner, Corporate Resources
Appendix “B”
Region of Waterloo
Transportation and Environmental Services
Design and Construction

To: Chair Jim Wideman and Members of the Planning and Works Committee
Date: September 9, 2014  File Code: C04-30, 5367
Subject: Consultant Selection – Preliminary Design, Detailed Design and
Construction Administration and Inspection Services for Dundas
Street Improvements, Hespeler Road to Elgin Street, City of
Cambridge

Recommendation:

That the Regional Municipality of Waterloo enter into a Consultant Services Agreement
with WalterFedy of Kitchener, Ontario to provide consulting engineering services for
preliminary design, detailed design, construction contract administration and
construction inspection for the Dundas Street Improvements from Hespeler Road to
Elgin Street in the City of Cambridge at an upset limit of $386,920.95 plus applicable
taxes for the preliminary design and detailed design phases with construction contract
administration and construction inspection to be paid on a time basis.

Summary:

The Region of Waterloo wishes to proceed with the Dundas Street Improvements from
Hespeler Road to Elgin Street in the City of Cambridge. The project is approximately 2.2
km in length and construction is planned in 2017 and 2018. Please refer to Appendix ‘A’
for a Key Plan showing the project limits. The project includes full depth reconstruction
from Elgin Street northerly 700 metres to Marion Way which will include sanitary sewer,
watermain and storm sewer replacement and replacement of the curbs, sidewalks,
retaining walls and pavement. The remaining portion between Marion Way and
Hespeler Road will include rehabilitation work to address poor pavement condition,
replacement of some watermain and storm sewer sections due to deterioration,
sidewalk and retaining wall repairs at various locations, new curb installation as well as
2 bridge rehabilitations. Cycling facilities will be incorporated throughout the project limits as space permits and the project includes consideration of various intersection improvements throughout the corridor.

The Project Team includes staff representatives from the Region of Waterloo and the City of Cambridge as well as the local Ward Councillor Ben Tucci.

In order to meet the 2017 construction timeline, an engineering consultant must be hired now to undertake the preliminary design, detailed design and construction administration. An invitation for Letters of Interest to provide engineering services was advertised in the Waterloo Region Record and posted on the Region’s website. Six (6) firms submitted proposals, out of which four (4) were short-listed.

Based on the evaluation criteria, review of the detailed work plans, schedules and upset fees provided by the shortlisted consultants, the Evaluation Team recommends that WalterFedy be retained to undertake this assignment at an upset fee limit of $386,920.95 plus applicable taxes for the preliminary design and detailed design phases with construction contract administration and construction inspection to be paid on a time basis.

Report:

1. Background

Improvements on Dundas Street from Hespeler Road to Elgin Street in the City of Cambridge are identified in the Region’s 2014 Ten Year Transportation Capital Program for construction in 2017 and 2018 in order to address the deteriorated road condition, storm sewer, sanitary sewer, watermain replacement and bridge rehabilitation needs as well as various intersection improvements. Other improvements to be considered include new curb and gutter installation, repair/replacement of deteriorated sidewalks, new detectable warning plates at sidewalk ramps as well as the consideration of cycling facilities as part of the proposed reconstruction. Planning of these improvements will be completed in accordance with the Schedule ‘A+’ requirements of the Municipal Class Environmental Assessment (Class EA) document.

The Dundas Street project limits are from Hespeler Road to Elgin Street as shown on the Key Plan in Appendix “A”. Dundas Street within the project limits consists of a 2 lane urban cross section from Beverly Street to Elgin Street and a 4 lane urban cross section from Beverly Street to Hespeler Road. The posted speed limit through the entire 2.2 km project length is 50 km/hr.

The Project Team includes staff representatives from the Region and the City of Cambridge as well as the local Ward Councillor Ben Tucci.

Under the Region’s Transportation Corridor Design Guidelines, Dundas Street is

Docs 1682240
designated as an “Urban Neighborhood Connector – Avenue” and the abutting land on Dundas Street is a mix of residential, institutional and commercial uses.

Within the project limits, Dundas Street has 3 signalized intersections at Hespeler Road, Beverly Street and Elgin Street. The following intersection improvements are under consideration as part of this project:

- A tightened radius for the southwest corner of the Dundas and Elgin Street intersection;
- Left turn lanes both eastbound and westbound on Dundas Street to provide 25 metres of storage for left turns onto Gore Street (eastbound) and Chalmers Street (westbound);
- Access restrictions both in and out of Wellington Street to address higher than expected collisions;
- Re-alignment of the west leg pedestrian crosswalk at Dundas Street and Elgin Street;
- Traffic signal equipment updates at all signalized intersections; and
- Replacement of durable markings at all signalized intersections.

Regional staff is fully committed to other capital projects at this time and therefore staff recommends that an external consultant be hired to complete this project. Staff has determined that it is necessary to commence the engineering for this project now, in order to provide sufficient time to complete the planning and design phases, acquire any necessary property and complete utility relocations, if necessary, in advance of construction.

2. Consultant Selection

The Evaluation Team involved with the consultant selection consisted of:

Geoffrey Keyworth, Transportation Planning Engineer, Transportation Planning
Sarah Austin, Project Engineer, Engineering Services, City of Cambridge
Rob Gallivan, Manager Transportation Program Development
Mike Henderson, Project Manager, Design and Construction

An invitation for Letters of Interest to provide engineering services for this project was advertised in the Waterloo Region Record and posted on the Region’s website on June 17th, 2014. Six (6) consultants submitted Letters of Interest. Following a review of the submissions, four (4) firms were short-listed based on their qualifications. The four
short-listed consultants were:

- MTE Consultants Inc.
- IBI Group
- WalterFedy, and
- Associated Engineering

The detailed work plans and upset fee quotes for design activities, plus an estimate of fees for contract administration and construction inspection services from the short listed consultants were then reviewed and a final assessment was made based on the evaluation criteria.

The evaluation criteria used for selecting the successful consultant were in accordance with the Region’s Purchasing By-law and included price as a factor in the selection process. These evaluation criteria and their respective weightings were as follows:

**Quality Factors**

- Project Approach and Understanding 35%
- Experience of the Project Manager 20%
- Experience of the Project Support Staff 10%
- Experience on Similar Projects 15%

**Equity Factors**

- Current Workload for Region 3%
- Local Office 2%

**Price Factor**

- Upset Price 15%

The Letters of Interest submitted by the four short-listed consultants demonstrated a good understanding of the project, capable project teams and experience on similar projects. When considering all quality, equity and price factors, the submission from WalterFedy scored the highest. WalterFedy’s price submission was not the lowest price but was approximately 2% lower than the average price of the four shortlisted submissions. Based on the above evaluation criteria, including the review of the detailed work plans, project approach, schedules and upset fees provided, the Evaluation Team recommends that WalterFedy be retained to provide the preliminary
design, detail design, contract administration and construction inspection services for this project.

3. Scope of work

For this engineering assignment, the consultant will: undertake a complete review of required infrastructure for existing and future conditions; develop and assess transportation improvement/reconstruction alternatives; conduct a public consultation program; complete the preliminary and detailed design for the road improvements/reconstruction; assess the advantages and disadvantages of different construction staging alternatives; make presentations to Regional Planning and Works Committee; prepare contract drawings, specifications and tender documents; obtain all necessary agency approvals; assist during the tendering period; provide contract administration and site inspection services during construction; prepare record drawings; and provide post-construction services during the warranty period. A breakdown of the successful consultant’s upset fee is included in Appendix ‘B’ attached to this report.

4. Schedule

Subject to Council’s approval of this consultant assignment, the proposed implementation schedule is as follows:

- Base Plan, Preliminary Design and Generation of Alternatives Fall 2014
- Public Consultation Centre Spring 2015
- Presentation of Recommended Alternative to Regional Council Fall 2015
- Utility Relocations, Final Design and Tendering Fall 2015 – Spring 2017
- Construction Spring - Fall 2017 and 2018

5. Consultant’s Upset Fee

The short-listed consultants provided an upset fee for professional services for public consultation and engineering design, and also an estimate of construction contract administration and construction inspection fees. On road and bridge projects, the time required for construction contract administration and construction inspection can vary significantly depending on weather conditions, unforeseen developments during construction, contractor performance, and other unknown variables. Because an upset fee does not lend itself well to these types of services, it has been the Region’s practice on road and bridge projects to pay for construction contract administration and
construction inspection services on a time basis. It is recommended that this same practice be followed for this project. For budgetary purposes, staff has estimated the cost of construction contract administration and construction inspection services to be $334,000 which is based on the preliminary estimate of fees submitted by WalterFedy and a review of costs on similar projects.

The upset limit for WalterFedy to undertake the preliminary and detailed design phases of this project is $386,920.95 (plus applicable taxes) for consultant fees and disbursements. The total estimated construction cost for this overall project including both the Region’s and City’s work is $5,500,000. The upset fee for the design phase of the project, represent approximately 7.0 % of the estimated construction value, which is considered competitive for a project of this magnitude and complexity. The upset fee includes the assembly of base plans, investigation of various alternatives, coordination with concerned agencies, a public consultation program, preliminary design, detail design and preparation of tender documents.

**Corporate Strategic Plan:**

This project meets the Region’s (2011-2014) Corporate Strategic Plan objective 2.2 to “Develop, optimize and maintain infrastructure to meet current and projected needs” under Focus Area 2 “Growth Management and Prosperity”.

**Financial Implications**

The Region’s 2014 Transportation Capital Program includes funds of $2,415,000 in years 2014 - 2018 inclusive for the Region’s portion of the project to be funded from the Roads Rehabilitation Reserve Fund. The City of Cambridge has committed funding in 2017 for their share of the work.

Based on the $386,920.95 upset fee limit of WalterFedy the net cost of this consulting assignment is $378,020.99 as per the following breakdown:

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<td>Less: Municipal Rebate of 86.46% of HST</td>
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<td>$378,020.99</td>
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WalterFedy’s total fees for the preliminary and detailed design and contract administration/construction inspection are within the consulting fee allowance provided for in the total budget for this project.
Other Department Consultations/Concurrence:
Nil

Attachments
Appendix A: Project Key Plan
Appendix B: Breakdown of Consultant’s Upset Fee

Prepared By: Mike Henderson, Project Manager, Design and Construction

Approved By: Thomas Schmidt, Commissioner, Transportation and Environmental Services
Appendix A – Key Plan

Regional Road 8 (Dundas Street)
Hespeler Road to Elgin Street
City of Cambridge
### Appendix B – Preliminary and Detailed Design for Dundas Street Improvements, Hespeler Road to Elgin Street, City of Cambridge

Breakdown of Consultant’s Upset Fee

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<th>Description</th>
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<td>1. Project Initiation/Data Collection/Base Plan Preparation</td>
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Region of Waterloo

Transportation and Environmental Services

Design and Construction

To: Chair Jim Wideman and Members of the Planning and Works Committee

Date: September 9, 2014

Subject: Consultant Selection – Detailed Design and Services During Construction for the Heidelberg Wastewater Treatment Plant Upgrades, Township of Woolwich

Recommendation:

That the Regional Municipality of Waterloo enter into a Consulting Services Agreement with R.E. Poisson Engineering Inc., to provide engineering services during the detailed design and services during construction for the Heidelberg Wastewater Treatment Plant Upgrades, Township of Woolwich at an upset fee limit of $417,120.00, plus all applicable taxes.

Summary:

In 2013, the Region completed the Preliminary Design Report for upgrading the Supervisory Control and Data Acquisition (SCADA) systems, and an Improvement Plan for minor upgrades at nine of the Region’s wastewater treatment facilities (Hespeler, Elmira, New Hamburg, Ayr, St. Jacobs, Wellesley, Foxboro, Conestogo and Alt-Heidelberg) and six of the Region’s remote pumping stations (Rose St., Nith River, Baden, Spring Valley, Bridgeport and Morningside). The Preliminary Design Report and Improvement Plan included the assessment of the existing SCADA and network architecture and recommendations for minor process upgrades at these facilities. The Preliminary Design Report identified the Heidelberg Wastewater Treatment Plant (WWTP) as a high priority facility to undergo SCADA system and process upgrades. Based on the Preliminary Design Report and Improvement Plan the construction cost estimate is approximately $1,200,000.
A consultant selection process was carried out in accordance with the Region’s Purchasing By-law 04-093 for the procurement of goods and services and included price as a factor. Seven proponents submitted a Letter of Interest while three short-listed consultants submitted a Detailed Work Plan and Upset Fee. When considering all Quality, Equity and Price Factors, the submission from R.E Poisson Engineering Inc. scored the highest and had the lowest price. Staff recommends that R.E Poisson Engineering Inc. be retained to undertake this assignment for an upset fee of $417,120.00 plus applicable taxes.

The approved 2014 Wastewater Capital Forecast includes $1,140,000 for this work. The consultant’s upset fee of $417,120.00 is within this budget allowance.

Subject to Council approval of this assignment, it is anticipated that detailed design will commence in fall of 2014 and the construction will commence in late 2015 with completion in early 2016.

Report:

1. Background

In 2008, the Regional Municipality of Waterloo completed the Region’s Wastewater Design Standards, which included standards for the Supervisory Control and Data Acquisition (SCADA) systems. These systems are used to assist with remote acquisition of data and control of Region facilities. The overall goal of the SCADA standards is to provide consistency across Regional locations in respect to the implementation of new SCADA systems and upgrades to the various existing systems.

In 2013, the Regional Municipality of Waterloo completed a Preliminary Design Report for upgrading the SCADA systems, and an Improvement Plan for minor upgrades at nine wastewater treatment facilities (Hespeler, Elmira, New Hamburg, Ayr, St. Jacobs, Wellesley, Foxboro, Conestogo and Alt-Heidelberg) and six remote pumping stations (Rose St., Nith River, Baden, Spring Valley, Bridgeport and Morningside). The Preliminary Design Report included the assessment of the existing SCADA and network architecture and the Improvement Plan included the assessment of existing equipment and processes, and recommendations for minor process upgrades at these facilities.

The Heidelberg Wastewater Treatment Plant (Heidelberg WWTP), located in the Township of Woolwich, was originally constructed in 1998. It is a small wastewater treatment plant serving the residential subdivision of Heidelberg with a rated average flow capacity of 130 cubic metres per day. The Heidelberg WWTP is enclosed within a single 144 square metre building, approximately 5 metres (20 feet) high with concrete underground process tanks within the footprint of the building. The underground concrete process tank walls make up the majority of the building foundation. There are various wastewater treatment processes, equipment and electrical components housed within the building.
The Improvement Plan recommended construction of a building addition to isolate selected equipment and electrical components that are susceptible to the corrosive environment that is typically associated with wastewater treatment processes inside a building. The Improvement Plan also identified items that should be refurbished, replaced and/or upgraded to address components at the end of their service life to meet Region standards and improve treatment performance.

Based on the Preliminary Design Report and the Improvement Plan the construction cost estimate is approximately $1,200,000.

2. Consultant Selection

On June 3, 2014, the Region placed advertisements on its website and in The Record and Daily Commercial News inviting Letters of Interest from consultants for detailed design and services during construction for the Heidelberg WWTP Upgrades. The consultant selection process was carried out in accordance with the Region’s Purchasing By-law 04-093 for the procurement of goods and services, and included price as a factor. The evaluation criteria were subdivided into Quality, Equity, and Price factors as follows:

Quality factors

- Project Approach and Understanding 25%
- Experience of the Project Manager 20%
- Experience of the Project Support Staff 20%
- Experience on Similar Projects 15%

Equity Factors

- Current Workload for Region 3%
- Local Office 2%

Price Factor

- Upset Price 15%

Seven consultants submitted letters of interest. The Region’s selection team, consisting of Guy Treadwell (Design and Construction Division), Chris Gatchene (Water Services Division) and Tammy Bellamy (Water Services Division), reviewed the seven submissions for quality and equity factors. The following three consultants were short-listed and invited to submit a detailed work plan and upset fee:

- Associated Engineering Inc.
The upset fee envelopes of the three short-listed proponents were opened in the presence of Tina Lumgair (Procurement and Supply Services).

When considering all Quality, Equity, and Price Factors, the submission from R.E. Poisson Engineering Inc. scored the highest overall. R.E. Poisson Engineering Inc. received the highest technical score due to superior understanding of the project and significant experience on similar projects, and its price was the lowest. Staff recommends that R.E. Poisson Engineering Inc. be awarded this assignment for an upset fee of $417,120.00.

3. **Scope of Work**

For this assignment, the Consultant will provide consulting engineering services during the detailed design, tender, construction, and post-construction phases for this capital project. The Consultant will complete the design for the plant and SCADA upgrades, SCADA programming and plant process narratives as per the Region’s Request for Proposal and Scope of Work. The Consultant will prepare issued-for-tender, issued-for-construction, and record versions of the Contract Drawings and Contract Specifications for this construction contract. The Consultant will also provide services related to construction cost estimates, approvals and permits, third-party materials testing and quality control, health and safety reviews, site inspection, equipment acceptance tests, commissioning of new works, a custom operation and maintenance manual, custom training sessions, contract administration and administration of equipment warranties.

4. **Consultant Upset Fee**

The Consultant’s upset fee at $417,120.00 represents approximately 35% of the estimated construction cost of this project. Typically, for projects of this nature, staff expects the engineering cost to be approximately 20% of the construction value. This percentage is higher compared to typical civil engineering projects because the design of the electrical, electronic and communication systems requires significantly higher engineering effort with lower construction cost compared to other types of construction projects such as roads or pipelines.

The SCADA programming is normally included as part of construction and not in the engineering component of the project but due to the critical importance of the SCADA programming in this project, staff required the Consultant to include the SCADA programming in this consulting assignment. This will reduce risks of any compatibility issues between design and programming but increases the price for this assignment while reducing the construction cost.

Appendix A provides a breakdown of the Consultant’s upset fee.
5. **Schedule**

Subject to Council’s approval of this assignment, detailed design will commence in October 2014 and a general contract tender award in August 2015 with completion in March 2016.

**Corporate Strategic Plan:**

This project meets the Region’s Corporate Strategic Plan objective to “develop, optimize and maintain infrastructure to meet current and projected needs” under Focus Area 2 “Growth Management and Prosperity”.

**Financial Implications**

The 2014 Wastewater Capital Program includes $1,140,000 (project No. 08325) in 2014-2017 for this project to be funded from the Wastewater Capital Reserve Fund. The consultant’s upset fee of $417,120.00 for undertaking this assignment at the Heidelberg WWTP is within the budget allowance for the design of this project. The cost estimates provided in the 2014 Capital Program were preliminary figures provided prior to the completion of the SCADA Preliminary Design and the Improvement Plan. The 2015 budget will be adjusted to reflect the most recent cost estimates for constructing the upgrades at the Heidelberg WWTP.

**Other Department Consultations/Concurrence:**

Nil

**Attachments**

Appendix A – Breakdown of Consultant’s Upset Fee

**Prepared By:** Guy Treadwell, Project Manager, Environmental Projects

**Approved By:** Thomas Schmidt, Commissioner, Transportation and Environmental Services
### Appendix A

**Heidelberg WWTP Upgrade**

**Breakdown of Consultant’s Upset Fee**

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<td><strong>Total Upset Fee (plus applicable taxes)</strong></td>
<td></td>
<td>$417,120</td>
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Region of Waterloo
Transportation and Environmental Services
Transportation

To: Chair Jim Wideman and Members of the Planning and Works Committee

Date: September 9, 2014

File Code: L04-20/GEN

Subject: Maintenance of Regional Roads within the Cities of Cambridge, Kitchener and Waterloo

Recommendation:

That the Regional Municipality of Waterloo authorize the Commissioner of Transportation and Environmental Services to execute Maintenance Agreements with the Cities of Cambridge, Kitchener and Waterloo for the maintenance services described in this report for the Regional Roads within their respective municipal limits, for the period of January 1, 2015 to December 31, 2019, with an option to renew for one additional five (5) year term, in a form satisfactory to the Regional Solicitor as outlined in Report E-14-094, dated September 9, 2014.

And that the remaining summer maintenance activities on Regional roads in the three cities starting in 2015 be procured using regular Regional practices as outlined in Report E-14-094, dated September 9, 2014.

Summary:

The general maintenance of Regional roads in the Cities of Cambridge, Kitchener and Waterloo has been provided by these Cities since the inception of the Region in 1973. This service was paid for on a time and material basis for the years 1973 to 2005 and 2009 and under a Maintenance Agreement for years 2006 to 2008 as well as the current Maintenance Agreement for 2010 to 2014. Regional and City staff have had ongoing discussions on various options over the last year on how to proceed with Regional roads maintenance for 2015 and beyond and have reached a tentative Maintenance Agreement as outlined in this report. Regional staff is recommending that the Region enter into a new Maintenance Agreement with the Cities for all road...
maintenance activities excluding grass/weed summer maintenance, which would be contracted out as outlined in this report. With this approach the Region’s Transportation Operations base budget would increase by $500,000 plus inflation in 2015 to maintain the Regional roads in the Cities.

Report:

The Region of Waterloo has a road system comprised of approximately 1710 lane kilometers and includes a mixture of both urban and rural roads. Since the inception of the Region in 1973, general maintenance of Regional roads within the municipal boundaries of Cambridge, Kitchener and Waterloo has been provided by the Cities and paid for by the Region. The total length of Regional roads maintained by the Cities is approximately 918 lane kilometers. Specialized maintenance such as signals, signs and pavement marking is provided by the Region in the Cities.

Prior to 2006, payment to the Cities was on a time and material basis plus an overhead charge of 7 percent. Regional Council and the three City Councils approved a Maintenance Agreement for a three year period commencing on January 1, 2006 and ending on December 31, 2008 in which payment was based on a lump sum amount per lane kilometer. The Cities reported that this approach did not cover their actual winter maintenance costs during that period. In September 2009 Regional Council and the three City Councils approved a new Maintenance Agreement for a five year period commencing January 1, 2010 and expiring December 31, 2014 that provided payment for actual winter maintenance costs and payment for summer maintenance based on a lump sum amount per lane kilometer.

Staff from the Cities and the Region commenced discussions in January 2013 for renewing the Maintenance Agreement for 2015 and beyond. The Cities reported that the current Maintenance Agreement did not cover their minimum costs to keep staff and equipment available for winter maintenance in 2011 and 2012, which were very light winters compared to the average winter. The Cities requested changes to the Maintenance Agreement for 2015 and beyond to cover their minimum costs to keep staff and equipment available for winter maintenance in light winters. The Cities also identified that they have been providing services to the Region including added lane kilometers, dead animal removal, supervision and overhead charges but were not previously charging the Region for these services.

Regional and City staff have had ongoing discussions regarding a new Maintenance Agreement that would start on January 1, 2015 and have reached a tentative Maintenance Agreement at this time. Therefore, both Regional and City staff are recommending approval of the proposed Maintenance Agreement to their respective Councils.
The proposed Maintenance Agreement is similar to the previous Maintenance Agreement and the key features and revisions are noted below:

- Several summer maintenance activities will no longer be covered by the Maintenance Agreement with the Cities and will instead be undertaken by the Region or tendered out to a private contractor commencing in 2015. Activities such as curb and gutter repairs, shrub/tree maintenance and safety device maintenance will be undertaken by the Region while the grass, weed, landscaping and tree maintenance on all Regional roads in the Cities will be tendered out. The remaining summer activities such as surface and shoulder maintenance, street sweeping, spring cleanup and right-of-way drainage will continue to be completed by the Cities under the Maintenance Agreement and payment would be based on a lump sum amount per lane kilometer.

- Winter maintenance would be undertaken by the Cities and the overall payment for winter maintenance for each calendar year would be linked to a “baseline average” of the actual winter maintenance costs for each City for the past 5 years. This amount would be adjusted annually for inflation based on blended inflation rates for labour, equipment and materials and adjustments for changes to the number of lane kilometers in the work area for the duration of the Maintenance Agreement;

- The Region will pay the Cities individually based on their actual winter costs up to 100 percent of the baseline average and any costs exceeding the baseline average, up to 105 percent of the baseline average, would be paid solely by the Cities. Any costs exceeding 105 percent of the baseline average would be paid by the Region provided that the Cities’ and the Region’s own winter costs are consistent or the additional costs are the documented result of unique or exceptional circumstances;

- If the actual costs incurred by a City are less than the baseline average in any winter, the Region will track the value of the savings. In any given year, the Region could pay costs incurred by a City between 100 percent and 105 percent of the baseline average up to the equivalent value of any savings in other years; and

- The Region will pay each City a minimum of 65 percent of the monthly baseline average amount for each winter month (January, February, March, November, December) based on the Cities’ minimum costs to keep staff and equipment available for winter maintenance.

Regional and City staff believe that this Maintenance Agreement represents a fair and equitable solution for all parties and are recommending their respective Councils’ approval. The Maintenance Agreement includes provisions to address unforeseen issues to the satisfaction of all parties. Section 21(1)(h) of the Purchasing By-law allows for acquisition by negotiation for the ongoing maintenance of Regional Property.
Corporate Strategic Plan:

This report addresses the Region’s Strategic Focus Area 5.3 “Ensure Regional programs and services are efficient and effective and demonstrate accountability to the public”.

Financial Implications:

For comparison, the Region’s 2014 budget under the current Maintenance Agreement for the overall maintenance of the Regional roads in the three Cities is $4,800,000 excluding summer maintenance work to be removed from the Maintenance Agreement in 2015. Under the proposed agreement, the 2015 Budget allocation would need to increase by $500,000 plus estimated inflation of $100,000 to $5,400,000 in 2015. The cost increase is required to reimburse the Cities for work that will continue to be completed for the Region but was not previously being charged to the Region, including added lane kilometers, dead animal removal, supervision and overhead charges.

The table below summarizes the cost differences between the 2014 maintenance budget under the current Maintenance Agreement and the draft 2015 maintenance budget under the proposed Maintenance Agreement:

<table>
<thead>
<tr>
<th>Description of Budget Items</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 Maintenance Agreement cost</td>
<td>$5,200,000</td>
</tr>
<tr>
<td>Value of summer maintenance work being deleted in 2015</td>
<td>$(400,000)</td>
</tr>
<tr>
<td>Restated 2014 Maintenance Agreement cost after deletions</td>
<td>$4,800,000</td>
</tr>
<tr>
<td>Cost increases for 2015 (before inflation) (see table below)</td>
<td>$500,000</td>
</tr>
<tr>
<td>2015 Maintenance Agreement cost (before inflation)</td>
<td>$5,300,000</td>
</tr>
<tr>
<td>Inflation for 2015 (estimated at 2 percent)</td>
<td>$100,000</td>
</tr>
<tr>
<td>Total 2015 Maintenance Agreement cost</td>
<td>$5,400,000</td>
</tr>
</tbody>
</table>

The following table provides a breakdown of the cost increases for 2015 that are required to reimburse the Cities for work that will continue to be completed for the Region but was not previously being charged to the Region:
### Description of Cost Increases

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional lane kilometers</td>
<td>$160,000</td>
</tr>
<tr>
<td>Road patrol costs</td>
<td>$30,000</td>
</tr>
<tr>
<td>Dead animal pickup</td>
<td>$30,000</td>
</tr>
<tr>
<td>Supervision and overhead charges (summer)</td>
<td>$120,000</td>
</tr>
<tr>
<td>Supervisory and overhead charges (winter)</td>
<td>$160,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$500,000</strong></td>
</tr>
</tbody>
</table>

Summer work related to grass and weed maintenance with an estimated value of approximately $400,000 that is included in the current Maintenance Agreement will be removed from the new Maintenance Agreement and will be tendered in the fall of 2014 for work starting in the spring of 2015. Since this work was a part of the maintenance budget under the current Maintenance Agreement, it is already included in the existing base budget and no further budget adjustments are required at this time.

**Other Department Consultations/Concurrence:**

Staff from Finance and Legal has been involved in the preparation of this report.

**Prepared By:** Phil Bauer, Acting Director of Transportation

**Approved By:** Thomas Schmidt, Commissioner of Transportation and Environmental Services
Region of Waterloo

Transportation and Environmental Services

Water Services

To: Chair Jim Wideman and Members of the Planning and Works Committee

Date: September 9, 2014

File Code: E05-02 MWTP

Subject: Sole Source Purchase of Hidden Valley Low Lift Pumping Station – Pump Acquisition

Recommendation:

That the Regional Municipality of Waterloo purchase a submersible pump from Xylem Water Solutions for the Hidden Valley Low Lift Pumping Station, City of Kitchener, for the amount of $156,887.85 excluding all applicable taxes.

Summary:

Nil

Report:

The Mannheim Water Treatment Plant (MWTP) supplies water to approximately 25% of the Region’s Integrated Urban system (IUS). The MWTP treats water from the Grand River, which is pumped approximately 10 km from the Grand River raw water intake near Hidden Valley Road, City of Kitchener, to the water treatment plant. Water collected at the Grand River intake is pumped by the Hidden Valley Low Lift Pumping Station (HVLL) to a four-cell open-air reservoir. From the reservoir, water is pumped by the Hidden Valley High Lift Pumping Station (HVHL) to the MWTP.

The HVLL was commissioned in 1992 as part of the MWTP water supply system. The pumping station consists of two wet wells, each one equipped with one travelling screen to remove debris from the river water and two submersible pumps (“pumps”) to feed the Hidden Valley reservoirs. One pump has been installed in each wet well.
The existing pumps were manufactured by Xylem, the parent company to Flygt, each one with a capacity of 72.6 ML/day (415 HP motor) capable of supplying the current MWTP.

Most of the minor preventative maintenance on the pumps (oil change, sensor replacement, etc.) can be done at the station by lifting the pump out of the wet well. Major maintenance work would require removing the pump and shipping it to the manufacturer located in Toronto, Ontario. Major maintenance is normally done every 5 years and can take up to 12 weeks to complete. In 2007, Regional staff recommended and Regional Council approved (Report C04-30/P&W/WS.06) the acquisition of a standby pump for the HVLL pumping station of the same model and manufacturer.

In spring 2014, major maintenance was scheduled for both of the original pumps. The first pump was shipped to the manufacturer for maintenance. After a 20 week period, the pump was returned and restored to service. Maintenance was estimated at $11,707. Subsequently, the second pump was shipped offsite and the manufacturer provided a quote of $73,000 for the repair or $156,900 for replacement.

The two original pumps at the HVLL pumping station are approximately 22 years old and the newer pump is 7 years old. It is expected that the lifespan of this type of equipment is between 20 and 25 years. Past maintenance involved two rebuilds on the older pumps and the newer pump has been rebuilt once. Based on the assessment for the pump and reliability for this pump system, the replacement of the second pump is recommended.

Few manufacturers fabricate a pump the size of the HVLL pumps. Each pump requires proprietary supporting structures and specialty fittings for installation. Therefore, once a pump brand has been acquired, future replacements should consider the same model and brand or substantial changes will need to be made to the assembly (supports, piping, connections, etc.). Using a different manufacturer would dramatically increase the costs, as new supporting structures and fittings would have to be acquired and installed at one of the wet wells. Moreover, standardizing equipment type and manufacturers streamlines maintenance activities, spare parts and maintenance resources.

Section 21(1)(i) of the Purchasing By-law allows for acquisition by negotiation where the acquisition is beneficial for the standardization of goods for the Region. Regional staff have negotiated a purchase price of $156,900 excluding all applicable taxes and are satisfied that this price is fair, reasonable, and competitive based on historical costs for pumps.
Corporate Strategic Plan:

The project supports the Region’s Corporate Strategic Plan Objective of ensuring adequate infrastructure capacity to meet current needs and planned growth under Strategic Focus Area 1: Environmental Sustainability.

Financial Implications:

The approved 2014 Water Capital Program includes funding of $2,750,000 for Facilities Upgrades in 2014 (Project #04893) to be funded from the Water Reserve Fund. The cost of the new submersible pump of $156,900, excluding all applicable taxes, for the Hidden Valley Low Lift Pumping Station can be accommodated within the planned expenditures for this capital project. The installation will be completed by Water Operations employees.

Other Department Consultations/Concurrence:

Finance (Procurement & Supply Services) were consulted during the preparation of this report.

Attachments

Nil

Prepared By: Olga Vrentzos, Manager, Water Operations and Maintenance, Water Services

Approved By: Thomas Schmidt, Commissioner of Transportation & Environmental Services
Region of Waterloo
Transportation and Environmental Services
Water Services

To: Chair Jim Wideman and Members of the Planning and Works Committee

Date: September 9, 2014

File Code: L04-20

Subject: Wastewater Operations and Maintenance Contract Proposed Terms and Conditions

Recommendation:
For Direction

Report:
The Region’s wastewater treatment plants are currently managed, operated, and maintained by a third party agency, the Ontario Clean Water Agency (“OCWA”). The existing contract with OCWA expires on December 31, 2015. The service agreement contains a renewal provision which requires the Region to provide written notice of its intent to renew the agreement not later than December 31, 2014.

Prior to the expiry of the existing contract, a review of three service approaches (internal operations, continuance of external operations with OCWA, or external operations with a formal tender) was completed earlier this year. The key recommendation from this review (detailed in E-14-085) was to exercise the clause in the current agreement to renew the contract for a five-year period until December 31, 2020. The terms of the service agreement will remain substantially the same with the exception of the annual fixed price for service. Pursuant to Council’s previous direction, Regional staff advised OCWA of the Region’s intent to renew the existing agreement and OCWA submitted a pricing proposal for the period January 1, 2016 to December 31, 2020. This report provides an outline of the proposed five-year renewal agreement.
OCWA Services

OCWA is a crown agency of the province of Ontario with a mandate to provide safe and reliable water and wastewater services. OCWA has the largest share of the contract operating services in Ontario and recently was awarded the operation of the London water system in which the City of London and the Elgin – Huron Joint Municipal Service Boards conducted a formal tender. In response to the London tender, four firms were short listed (Veolia Water Canada Inc., CH2M Hill Operations Business Group, America Water Services and OCWA) with only two compliant bids having been considered. OCWA was awarded the contract based on the best quality proposal and lowest price.

Through comparison with benchmark pricing of OCWA service in other Ontario municipalities, Regional staff believe the Region will receive fair value for service by electing to continue the existing contract structure as proposed in this report.

The proposed contract renewal would result in an increase in the base price in keeping with inflation or less for each of the next five years. Regional staff negotiated a change to the staff complement to address additional workload resulting from capital improvements made to wastewater infrastructure within the last five years. Currently there are no other underlying issues or significant concerns with OCWA’s prior operational performance that would warrant procurement at this time.

The extension of the OCWA contract for a second five (5) year term would bring continued compliance, stability and quality service to the Region. As a crown agency, OCWA is well aligned with similar values and culture to the Region. OCWA’s collective agreement with its unionized employees includes “an essential service clause” which mitigates operational concerns resulting from the bargaining and contract renewal process.

As a private agency created by the Province of Ontario, OCWA meets Canadian investment priorities and provisions and its undertaking and operation is financially guaranteed by the Province of Ontario. Also, with the ongoing capital upgrades at the wastewater facilities, the continuation of the current operator provides intimate technical knowledge of the treatment facilities to maintain operations during construction.

OCWA –Region Service Agreement

Under the terms of the existing five year operating agreement, OCWA is responsible for the day-to-day operations and maintenance of the 13 wastewater treatment facilities, six pumping stations and two collections systems. The scope of this responsibility includes compliance with the legislative requirements and reporting, wastewater treatment, asset protection, site security, insurance coverage, and procurement of chemicals and specialty services.

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In 2010, the Region and OCWA undertook a lengthy renegotiation of the entire contract under the scrutiny of an independent auditor. As a result of this process, the current agreement was comprehensively updated and the language was strengthened to improve and fully meet the Region’s objectives for the wastewater systems. A summary of the agreement follows in Attachment A.

In general, the financial provisions of the existing contract consist of two categories which are reflected in the annual budget for wastewater treatment within the Region of Waterloo. These categories are:

1. The annual fixed or base fee charged by OCWA as per the operating agreement which includes all personnel, training, equipment, oversight and administration by OCWA for the operation of the Region’s wastewater treatment plants. The base fee also includes an annual estimate of chemical usage which is reconciled on an annual basis against actual expenditures;

2. Provisional fees including repairs, replacement and maintenance of civil and on site-related assets, contract adjustments caused by increased staffing levels beyond the base requirements, a change in effluent or compliance criteria or impacts outside of OCWA’s control (construction impacts) and fees paid for service delivery for temporary services or services outside the scope of the original contract.

The Region has monitored OCWA’s performance against established benchmarks, specified conditions in the agreement, and to legislative requirements. Two of the main areas of focus related to OCWA’s performance are level of wastewater treatment and maintenance program. The Ministry of Environment objectives and effluent requirements are reported on a monthly and annual basis. OCWA has complied with the terms of the current agreement to provide a level of treatment in line the MOE objectives and has maintained this compliance at greater than 95% even during the ongoing capital upgrades satisfying Region staff (Regulatory compliance achieved greater that 99.5 % of the time).

The maintenance activities have also been benchmarked using specific performance targets and national benchmarking standards. OCWA delivers monthly and annual reports and implements internal procedures to track maintenance performance. The benchmarks for maintenance have consistently confirmed a continued and increased performance in the maintenance of the wastewater infrastructure. Region staff are satisfied with the level of maintenance and resources OCWA has committed to this area of the contract. The energy plan and program currently resides with Region staff as the lead with OCWA as a key contributor providing the necessary support and input.

In recognition of the increase in work load related to the future upgrades at Waterloo
and Kitchener WWTPs and the more stringent compliance resulting from Ministry of Environment enforcement, Region staff negotiated a change to the staff complement. This staffing change is needed to ensure continued compliance to regulatory compliance, process control for upgraded treatment (nitrification) and new operating and maintenance activities related to new infrastructure.

**Key Benefits**

The Region realizes a number of benefits through continuation of the service with OCWA. During a period of significant capital upgrade, OCWA brings continuity of service, stability and quality service. The existing agreement focuses on improved protection of the environment as treatment quality is upgraded through both operational and capital improvements. OCWA has demonstrated over the past contract term a commitment to meeting these objectives on the treatment and maintaining compliance during construction activities. Maintenance practices in the agreement were extended to include new infrastructure and strengthened to meet best management practises. OCWA has achieved the desired benchmarks and targets to date for the maintenance system.

Reporting requirements were also strengthened through the agreement and OCWA has continued to demonstrate improvement in this area over the initial five year term since 2010. OCWA is in the process of updating their operating reporting systems and maintenance management systems. They have provided training to Region’s staff on these new systems. They have also complied with all the new and more stringent provincial reporting requirements.

The agreement also recognizes the ongoing capital program and properly allocates risk with operational responsibility under OCWA and various key components (utilities and biosolids) remaining under the Region’s direct control as these expenditures have historically been more difficult to forecast.

Regional staff recommend OCWA’s proposal to renew the existing contract for a further five years be accepted and that a contract renewal be signed with OCWA for continued operation and maintenance until the end of 2020.

**Corporate Strategic Plan:**

This initiative support Corporate Strategic Plan Focus Area 3: Protect and Enhance the Environment and Focus Area 5: Ensure Operational Effectiveness and Efficiency.

**Financial Implications:**

In 2010, the original OCWA contract bid was approved by council in Report E-10-054. The financial provisions in the existing agreement consist of four categories a base fee,
repair and maintenance fee, contract adjustments for costs outside the scope of the contract or the control of OCWA, and fee for service delivery. A summary of the original bid and expenditures is provided for 2013 - 2015:

### Summary of Contract and Provisional Items

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<thead>
<tr>
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<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Contract</td>
<td>$7,210,518</td>
<td>$7,289,222</td>
<td>$7,355,687</td>
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<tr>
<td>Actual Contract Fee</td>
<td>$7,024,930</td>
<td>$6,925,100 *</td>
<td>$7,112,435 *</td>
</tr>
<tr>
<td>Provisional Fees</td>
<td>$1,653,313</td>
<td>$2,250,000 *</td>
<td>$2,300,000 *</td>
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<tr>
<td>Total Actual and Provisional Fees</td>
<td>$8,678,243</td>
<td>$9,175,100</td>
<td>$9,412,435</td>
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</tbody>
</table>

* 2014 Budget

At the end of each year, chemical costs are reconciled based on market conditions and have resulted in savings. The provisional fees are budgeted annually and administered according to the contract terms.

OCWA has submitted a bid proposal to the Region for 2016 to 2020 contract base (operation and maintenance services) and Region staff have confirmed that the bid proposal is competitive and provides value to the Region.

Operating budget increases were anticipated with the upgrades to the wastewater infrastructure in Waterloo and Kitchener WWTPs and provisions for these increases were included in the 2014 wastewater rate model forecast. This bid proposal is within the rate model forecast and does not impact the wastewater user rate.

### Other Department Consultations/Concurrence:

Human Resources and Finance departments have been consulted.

### Attachments:

Attachment A – Summary of Contract

### Prepared By: Nancy Kodousek, Director Water Services

### Approved By: Thomas Schmidt, Commissioner of Transportation and Environmental Services
Attachment A

Summary of Contract

- Contract term
  - Five year term expiring at end of 2020
  - Provision to allow the Region to terminate the agreement, if necessary, with notice and without cause in response to future unforeseen changes in circumstances
  - No changes proposed for this section

- Base Operations
  - Responsible for day to day operations of 13 treatment plants, 6 pump stations and collection systems in North Dumfries and Wellesley
  - Scope includes training, travel, services and expenses, compliance to legislative requirements, other supplies and equipment, repairs and maintenance, maintenance allowance (for items over $7,500), disposal of biosolids from Elmira WWTP and overhead/margin
  - 33 existing full time staff to meet needs of organization
  - Region Staff support minor change in staff to account for operation and maintenance of new infrastructure

- Commodities (Chemicals)
  - Commodities (chemicals) represent approximately 20% of the total base fee
  - Scope recognizes upgrades and expansions of infrastructure
  - Chemical market fluctuations are considered in agreement
  - No change proposed for this section

- Electricity & Other Utilities
  - With market fluctuations and future infrastructure impacts, the Region will continue to be responsible for all costs associated with all utilities.
  - Electricity is monitored through the Region’s Energy Plan with current and future projects targeting best management practices for energy reduction
  - No change proposed for this section

- Repairs and Maintenance
  - Scope includes new infrastructure related to capital upgrades and reflects best management practices
  - Increased investment in infrastructure renewal has appropriate benchmarks to ensure equipment reliability and reinvestment
  - Provision for third party inspection has been appropriate to allow for maintenance of new infrastructure
- Region staff support minor amendments to administrative process and will ensure contract language is added to comply with the recent certification of the Carpenters Union; such impacts are likely to be nominal.

- **Insurance**
  - OCWA provides Commercial General Liability and Professional Liability Insurance to the Region of Waterloo
  - Region’s boiler and machinery policy of $250,000 deductible is maintained
  - No changes proposed for this section

- **Fee for Service Delivery**
  - OCWA and Region have agreed that there are some additional services required that fall outside the current contract including asset management, support for SCADA and instrumentation, third party inspections, quality management system, possible work falling within the scope that the Carpenters Union is certified and to provide specialized operational programs (enhanced sampling).
  - No changes proposed for this section.
<table>
<thead>
<tr>
<th>Meeting date</th>
<th>Requestor</th>
<th>Request</th>
<th>Assigned Department</th>
<th>Anticipated Response Date</th>
</tr>
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<tr>
<td>18-Jun-13</td>
<td>Council</td>
<td>Operation of Raised Crosswalks Study</td>
<td>Transportation and Environmental Services</td>
<td>Mid 2014</td>
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<td>11-Dec-13</td>
<td>Budget</td>
<td>Business Plan for Waste Management</td>
<td>Transportation and Environmental Services</td>
<td>Early 2015</td>
</tr>
<tr>
<td>27-May-14</td>
<td>P&amp;W Committee</td>
<td>Staff to report back on Stop Sign installed at the intersection of Bridge St. (Regional Rd. 12) and Queen St. (Regional Rd. 12), Township of Wilmot</td>
<td>Transportation and Environmental Services</td>
<td>Jan-2015</td>
</tr>
<tr>
<td>12-Aug-14</td>
<td>T. Galloway</td>
<td>Staff report back on Big Music Fest held at McLennan Park</td>
<td>Transportation and Environmental Services</td>
<td>Early 2015</td>
</tr>
<tr>
<td>12-Aug-14</td>
<td>G. Lorentz</td>
<td>Staff report back on pothole filling and grass trimming maintenance</td>
<td>Transportation and Environmental Services</td>
<td>Sep-2014</td>
</tr>
<tr>
<td></td>
<td>J. Haalboom</td>
<td>Staff continue to lobby the Province for changes to the Highway Traffic Act providing right of way to pedestrians and on an as needed basis provide an update to Council</td>
<td>Transportation and Environmental Services</td>
<td>as required</td>
</tr>
</tbody>
</table>