

1.0 CALL TO ORDER

A Special Meeting of the Council of The Corporation of the Municipality of Kincardine will be called to Order at 5:00 p.m. on Monday May 11, 2015, in the Council Chambers at the Municipal Administration Centre.

The special meeting was called to consider the tenders for the Inverhuron Water and Sewer Project.

2.0 ROLL CALL

Mayor Anne Eadie
Deputy Mayor Jacqueline Faubert
Councillor Gordon Campbell
Councillor Maureen Couture
Councillor Laura Haight
Councillor Mike Leggett
Councillor Linda McKee
Councillor Randy Roppel
Councillor Andrew White

Staff Present

Murray Clarke, Chief Administrative Officer
Jennifer Lawrie, Deputy Clerk
Michele Barr, Director of Building and Planning
Roxana Baumann, Treasurer/Director of Finance

3.0 DECLARATION OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF

| <u>Name</u> | <u>Item of Business</u> | <u>Nature of Interest</u> |
|-------------|-------------------------|---------------------------|
|-------------|-------------------------|---------------------------|

4.0 BUSINESS FOR WHICH THE SPECIAL MEETING IS CALLED

4.1 Move into Committee of the Whole

Motion #05/11/15 -

Moved by:
Seconded by:

THAT Council move into Committee of the Whole and upon completion return to Council.

4.2 PL 2015 – 08

Subject: Water and Sanitary Sewage Servicing Community of Inverhuron, Building Canada Fund 2009 – Tender and Project

Attachments: [Notice of Application for Judicial Review dated May 4, 2015](#)
[BM Ross Council Update presentation.](#)

Report Summary: Information report for discussion purposes regarding the tender and additional project details for the Water and Sanitary Sewage Servicing project for the Community of Inverhuron. Further discussion to take place at Committee of the Whole meeting Wednesday, May 13, 2015 with recommendation to Council to be finalised at that time.

The tender for the Inverhuron project was broken down into two contracts. Contract one was lands south of County Road 15, contract two for lands north of County Road 15. Contractors had the opportunity to bid one or both contracts.

Tenders were opened on May 4, 2015 with two tenders being received for both contract one and contract two.

In addition, on Monday May 4, 2015 the Municipality received a Notice of Application for Judicial Review, Inverhuron Watershed Concerned Citizens Association v. Municipality of Kincardine.

Origin: Building Canada Fund 2009 (BCF)

Existing Policy: Resolution #07/06/11-03, Resolution #07/06/11-11, Resolution#12/14/11-06, #12/14/11-07

Analysis: The Municipality of Kincardine submitted an application for the Water and Sanitary Sewage Servicing Community of Inverhuron project with an estimated cost of \$9,114,600.

In March 2009 the Building Canada Fund Communities Component 2/3 grant was approved in the amount of \$6,076,400. A copy of the agreement between Her Majesty and Municipality was previously sent to Council.

In December 2014 approval was given by Ministry of Environment and Climate Change allowing the Municipality to proceed with the project. The Environment Assessment document has a life span of 10 years. Permits have been approved by Saugeen Valley Conservation Authority. Permit to take water is in process.

The tender was advertised in the local papers, on the municipal website, BM Ross website and in The Daily Commercial News with plans, specification and tender forms available on April 14, 2015.

The tender was broken down into two contracts. Contract one was lands south of County Road 15, contract two for lands north of County Road 15. Contractors had the opportunity to bid one or both contracts.

The tenders were opened on May 4, 2015 by Councillor Laura Haight, CAO, Director of Building and Planning and the Treasurer.

Two tenders were received for contract one and two tenders received for contract two as follows:

Contract One – Inverhuron South

| Contractor | Tender Amount |
|------------------------|----------------------|
| OMEGA Contractors Inc. | \$7,068,870.61 |
| Moorefield Excavating | \$7,370,721.52 |

Contract Two – Inverhuron North

| Contractor | Tender Amount |
|------------------------|----------------------|
| Moorefield Excavating | \$8,724,480.30 |
| OMEGA Contractors Inc. | \$8,824,281.42 |

Combined total for lowest tenders = \$15,793,350 (includes 13% HST)

Estimated cost of \$33,675 per property.

In consideration of the tender results, Municipal staff contacted OMAFRA to discuss options of scaling down the project in order to address the environmental issues that exist in the core area of Inverhuron. OMAFRA will entertain the scope change and review in a timely manner, however a change would lead to a proportionate reduction in funding.

BM Ross will be presenting further details of the tender and construction options.

In addition, on Monday May 4, 2015 the Municipality received a Notice of Application for Judicial Review, Inverhuron Watershed Concerned Citizens Association v. Municipality of Kincardine. The Municipality is working with Legal Counsel and the required actions have been taken. (report will be available for closed meeting)

Copies of the notice have been forwarded to Ontario Ministry of Agriculture, Farming, Rural Affairs (OMAFRA) and Ministry of Environment and Climate Change (MOE)

Community Plan and Integrated Community Sustainability Plan (ICSP)

Considerations: Direct future growth and development to be consistent with the principles of sustainable neighbourhood design (eg., affordable, accessible, protective of the environment and culturally sensitive)

Financial Considerations: To date the municipality has incurred approximately \$1,324,943 in expenses and has been reimbursed \$701,321 from OMAFRA.

The financial implications will vary depending on the path forward determined by Council and the corresponding grant allocation decisions made by OMAFRA.

Considerations include:

- Legal defence of the Class EA: While legal costs may be incurred in the short term to defend the Class EA, the long term costs associated with undergoing an entirely new EA process in the future will be significant.
- Project costs incurred to date: A decision on how to fund the project costs to date will need to be made. Funding options vary depending on whether the project proceeds as tendered, proceeds on a modified scope, or construction is deferred entirely. Assuming that funding is received for 2/3 of costs to date, the Municipality will need to address its unfunded portion of ~\$450K through various options including reserve funds, a per property charge, future development charges, etc.

It is important to note that each decision made by Council will have different implications on costs and funding. A more detailed report concerning these financial considerations will be brought back to Council at a later date once some of the uncertainties are addressed and Staff receives further direction on how to proceed with this project.

Options:

1. Award the project based on the tenders received.
2. Pursue an initial phase of the project, and /or
3. Take advantage of the value of the work to date in completing the Class EA, and pursue other funding opportunities in the future with “Shovel Ready Project(s)” for the area.

Preferred Option: Council decision

Date to be considered by Council: May 13, 2015

CAO’s Comments: I concur

Delegation: Don Stewart – Inverhuron Watershed Concerned Citizens Assoc. ([Delegation Request Form](#))

C O W RECOMMENDATION

4.3 Return to Council

Motion #05/11/15 C O W-

Moved by:

Seconded by:

THAT Committee of the Whole return to Council.

4.4 Closed Session

Motion #05/11/15 -

Moved by:

Seconded by:

THAT Council move into closed meeting for the purpose of considering advice that is subject to solicitor-client privilege, including communications necessary for that purpose and litigation or potential litigation, including matter before administrative tribunals (Inverhuron Water and Sewer), pursuant to Section 239 (2) of the *Municipal Act, 2001*, as amended.

AND FURTHER THAT Council return to regular open meeting upon completion.

4.5 Matters Arising from Open & Closed Sessions

5.0 ADJOURNMENT

Motion # 05/11/15 -

Moved by:

Seconded by:

THAT this Council adjourn at