

**Committee of the Whole Working Session  
November 17, 2020**

**Report #FIN-2020-32 – Additional Information Memorandum**

**Additional Information Memorandum to Item W.S.1 Committee of the Whole Working Session November 17, 2020 Draft 2021 Budget: Amend project scope and revise budget within Capital Budget Sheet ENG-2021-01- Hillcrest Well and Pumping Station Improvements - Phase 3 - Detail Design**

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**Recommendation**

That the Additional Information Memorandum to item W.S.1 dated November 17, 2020 be received;

And further it is respectfully requested that Council adjust the multiyear Capital Budget Sheet ENG-2021-01- Hillcrest Well and Pumping Station Improvements - Phase 3 - Detail Design to reflect \$905,900.00 in 2021 budget for the detail design, utilities coordination and development of a new production well at the Hillcrest Site in accordance with the letter from CIMA+ dated November 11, 2020 and remaining balance of \$2,117,100.00 in 2022 budget for construction and contract administration.

**Objective**

The purpose of this report is to seek approval from Council to amend the cash flow within Capital Budget Sheet ENG-2021-01- Hillcrest Well and Pumping Station Improvements - Phase 3 - Detail Design (hereafter referred as Capital Budget Sheet ENG-2021-01) to include for the development of a new production well and utilities coordination as part of the detailed design phase in 2021.

**Background**

The 2016 Water Supply and Distribution Master Plan identified the need to increase localized groundwater well supply within the Town by 3,900 Cubic Meters/ day (approximately 45 Liters / second).

Council approved Report #ENG-2017-43 for a Municipal Class EA study for New Production Well investigations and awarded the work to CIMA+ Inc. The Municipal Class EA Study for the New Alliston Production Well is nearing completion and it identifies the redevelopment of the Hillcrest Well site along with construction of a larger well as a preferred alternative.

As part of the Draft 2021 Town budget, Capital Budget Sheet ENG-2021-01 currently includes for undertaking the detail design of a new pump house and treatment facility.

**Comments and Considerations**

The Draft Municipal Class EA study has identified the redevelopment of the Hillcrest Well site in Alliston along with construction of a larger well as one of the recommended preferred alternatives.

The current Budget Sheet ENG-2021-01 includes for detail design of the pump house and the treatment facility. However, the consultant undertaking the Municipal EA study strongly recommends that the development of the production well and coordination with utilities be completed as part of the detailed design phase, as per CIMA+ correspondence attached as Attachment No.1

Therefore, Staff recommend that the project scope and cost of Capital Budget Sheet ENG-2021-01 be amended to reallocate funds from the 2022 funding period to the 2021 funding period. It is worth noting that no new funds are being requested, but rather it is an adjustment to the annual project cashflow.

### Financial Considerations

Capital Budget Sheet ENG-2021-01 includes for the detail design and construction budget related to the redevelopment of the Hillcrest Well site phased over 2021 and 2022. Staff support the recommendation of the consultant and request that \$758,700.00 from the 2022 budget be reallocated in 2021 to include for utility coordination services and development of a new production well. The amended budget in Capital Budget Sheet ENG-2021-01 would be \$905,900.00

The details for the project cost related to the development of the new production well and utility coordination is noted below;

Item Description	Cost
<b>Current budget noted in Capital Budget Sheet # ENG-2021-01</b>	
Engineering Fees for Detailed Design phase for Redevelopment of Hillcrest Well site and pump station	\$ 147,200.00
<b>Scope and Budget Reallocation</b>	
Reallocated Scope - Development of New Production Well and utilities coordination	\$ 630,000.00
Additional Engineering Fees associated with development of new Production Well and utility coordination	\$ 47,500.00
Sub-Total	\$ 677,500.00
Project Contingency (10%) - rounded up	\$ 68,000.00
Sub-Total	\$ 745,500.00
Net HST Impact	\$ 13,120.80
Net Reallocated Scope Cost - rounded up	\$ 758,700.00

Total Amended Budget in Capital Budget Sheet #ENG-2021-01	\$ 905,900.00
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Budget Sheet ENG-2021-01 - Hillcrest Well and Pumping Station Improvements - Phase 3 - Detail Design is currently being funded in combination by Water Services DC Reserve and Long Term Debt Proceeds.

As noted in Report #FIN-2020-30, the Town has moved steadily towards long-range financial planning and as a result, large capital projects are developed leveraging anticipated annual cashflows. This is necessary to optimize reserve planning and project funding allocations. As a result, this project in the 2021 Capital Budget, will have costs that extend beyond 2021. In all cases, department staff will be engaging in the procurement process in 2021 and committing the Town to the full project costs. Therefore, the entire multi-year budget will require approval. As a result, Staff are recommending to Council the approval of the full multi-year budget for this project.

Respectfully submitted:



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Kamran Khurshid, EIT  
Engineering Coordinator

Attachments:

- [Attachment No. 1 - Correspondence from CIMA+, Nov 11, 2020](#)

<b>Approved By:</b>	<b>Department:</b>	<b>Status:</b>
Rick Vatri, C.E.T., Director of Engineering and Development	Engineering	Approved - 12 Nov 2020
John Henry CPA, CMA, Director, Financial Services / Treasurer	Finance	Approved - 12 Nov 2020
Bruce K. Hoppe, MCIP, RPP, Interim GM, Infrastructure & Development	Planning	Approved - 12 Nov 2020
Blaine Parkin, P. Eng., CAO	CAO	Approved - 13 Nov 2020



November 11, 2020

The Corporation of the Town of New Tecumseth  
Engineering Department  
10 Wellington St. East  
Alliston, Ontario  
Canada L9R 1A1

**Attention: Mr. Kamran Khurshid, EIT, Project Manager, Capital Engineering,**

**RE: Alliston New Well Development Fees**

Dear Mr. Khurshid:

The following presents CIMA+'s recommendation and fee estimate to complete the development of a new production well at the existing Hillcrest site, which has been identified as the preferred recommended groundwater supply solution in the Alliston New Well Class Environmental Assessment Study, currently being completed by CIMA+.

Through discussions with the Town and the project team, it has been identified that there are significant project schedule benefits in proceeding with the development of the new production well as part of the detailed design phase. Development of the new production supply well will provide reasonable assurance to the Town of the maximum allowable yield of the new well, which will be subsequently used to confirm the treatment capacity requirements and sizing of equipment and footprint needs. In addition, having the new production well in place will help to expedite the associated source water protection work that needs to follow to amend the existing Permit to Take Water for the system, which will be necessary.

The proposed scope of work and associated fees, excluding applicable taxes, are summarized in Table 1. The fees shown in Table 1 have been developed to account for the anticipated effort to develop the new well, which is expected to take approximately 12 months.

**Table 1 Well Development Fees Breakdown**

Activity / Item	Fees
Well development – includes well contractor, well construction, testing, permits and approvals	\$600,000
Engineering fees – includes engineering services for project management, subs coordination, engineering review and disbursements.	\$47,500
Utility coordination	\$30,000
<b>Total Fees =</b>	<b>677,500</b>

Please contact the undersigned at (647) 895-6114 if you require additional clarification pertaining to this matter.

Sincerely,

**CIMA Canada Inc.**

Sandra Rodriguez, M.Eng., P.Eng.  
 Associated Partner / Manager Water Planning  
 Infrastructure  
[Sandra.rodriguez@cima.ca](mailto:Sandra.rodriguez@cima.ca)

cc: Troy Briggs, CIMA+  
 Bruce Hietkamp, Geo Kamp Limited