



Staff Report

Report Title: Lake Range Dr. Hydro Servicing Expansion Agreement

Prepared By: John Yungblut, Director of Public Works

Department: Public Works

Date: Mar. 4, 2024

Report Number: PW-2024-03-12

File Number: C11 PW 24

Attachments: Hydro One Draft Servicing Agreement, Hydro One Servicing Drawing, Lake Range Expansion Map

Recommendation:

THAT the Township of Huron-Kinloss Committee of the Whole hereby receives for information Report PW-2024-03-12, prepared by John Yungblut, Director of Public Works;

AND authorizes entering into a hydro servicing agreement with Hydro One Networks Inc. for the expansion of hydro services on Lake Range Drive;

AND FURTHER authorizes Staff to proceed with Option A as outlined;

AND FURTHER authorizes recovering 25% of the total cost from the owner of PLAN M77 BLK A, BLK B SEC; M-77 PCL A-2, PCL B-5 RP;3R4736 PART 1 & 2;

AND FURTHER authorizes recovering 25% of the total cost from the owner of PLAN M77 PT BLK B RP 3R4736; PART 4 UNREG;

AND FURTHER authorizes entering into an easement agreement with Hydro One Networks Inc;

AND FURTHER authorizes any appropriate by-laws be brought forward to the next Council meeting.

Background:

In 2021, Township staff received a request from a property owner along the east side of Lake Range Dr. north of Tuscarora Rd. to extend hydro services to allow for the development of a vacant lot. (see attached map). The property has access to

municipal drinking water, so the only impediment to developing the property was the lack of hydro servicing. There is also a second vacant property that could be developed if hydro servicing is extended on Lake Range Dr.

Township staff looked into this request and determined that these properties should have been serviced with hydro at the time of the development of this area of Point Clark. Is it unclear why this was not done at the time. For this reason, staff began to explore the possibility of contributing to the cost of hydro servicing to allow for these lots to be developed.

The original design proposal submitted by Hydro One on behalf of the landowner was to install overhead hydro through the Township property where the Point Clark Pump House and Tuscarora Trail are located. This proposal would also result in the hydro being privately owned by the lot owners within an easement that would have to be granted by the Township. Due to the private hydro concerns and the proximity of the proposed hydro poles to the Point Clark Pump House, Township staff requested that Hydro One submit an option that would extend the overhead hydro on the Lake Range Dr. road allowance, which would be owned and maintained by Hydro One.

Township staff discussed the preferred design concept with the lot owner and we acknowledged that the construction cost would be higher than the original proposal, but it would be the best option over the long term. A potential cost sharing arrangement was discussed at that time, however, without a formal proposal from Hydro One, Township staff were unable to advance the process. We also attempted to contact the owner of the other vacant lot, but we did not receive a response.

After two years of no response from Hydro One on this project despite consistent inquiries from Township staff, we finally received a proposal in late December 2023. By this time the lot owner that originally requested the hydro expansion was no longer interested in developing the property, however, the other lot had been sold, and the new owner is interested in contributing to the cost of hydro expansion.

The Hydro One agreement includes two options for the construction of the primary hydro servicing:

Option A – Hydro One completes all the work at a cost of \$44,601.39.

Option B – the Township hires a contractor to complete the “contestable” work and Hydro One completes the work identified as “non-contestable”. The cost of the “non-contestable” work is \$26,898.26.

The Township will also be required to execute easement agreements along the primary hydro lines in favour of Hydro One. This is intended to provide access for future line maintenance.

Discussion:

After reviewing the agreement, Township staff would prefer to proceed with Option A. We don't anticipate there would be any savings from hiring another contractor to complete some of the work under Option B because Hydro One has deemed most of the work to be non-contestable in this case, even the forestry work. The schedule is also not a significant concern for this project, so there is no need to incur more costs by attempting to expedite the timeline.

Township staff recommend that we collect the assessed cost for both property owners at the building permit stage, which would be adjusted annual based on the Consumer Price Index (CPI).

The deadline to execute this contract is June 19, 2024.

Financial Impacts:

Due to the late submission by Hydro One, Township staff were unable to include this project in the 2024 draft budget. The Township's share will be \$22,300.70 plus HST, which staff propose to fund through a redistribution of the 2024 proposed Capital Budget.

Strategic Alignment / Link:

We are a prosperous community that continues to grow in a sustainable manner by investing in infrastructure.

Respectfully Submitted By:

John Yungblut, Director of Public Works, C.E.T.

Approved By:

Mary Rose Walden, Chief Administrative Officer