

NO: **R178**

COUNCIL DATE: **OCTOBER 20, 2014**

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **October 9, 2014**

FROM: **General Manager, Engineering** FILE: **1211-901**
General Manager, Finance and Technology

SUBJECT: **Local Area Service - Water Main Extension along 176 Street from the BC Railway to the Nicomekl River and along 48 Avenue from 176 Street to 17188 - 48 Avenue - Final Costs and Apportionment Bylaw No. 17488**

RECOMMENDATIONS

The Engineering Department and the Finance & Technology Department recommend that Council:

1. Approve amendments to “Local Area Service (LAS) Water Main Extension (Project # 1211-901) By-law, 2011, No. 17488” to reflect the final costs of construction of the works covered by the By-law and the apportionment thereof among the benefiting properties all as detailed in Appendix II attached to this report; and
2. Authorize the City Clerk to bring forward the necessary amendment By-law, a copy of which is attached as Appendix I to this report, for the required readings and final adoption.

INTENT

The purpose of this report is to advise Council of the final project costs related to “Local Area Service (LAS) Water Main Extension (Project # 1211-901) By-law, 2011, No. 17488” and to obtain Council approval to forward an amendment By-law to apportion the final costs of construction of the project across the benefiting properties.

DISCUSSION

At its Regular Meeting on October 3, 2011 Council approved the recommendations of Corporate Report No. R182;2011 thereby approving the use of a Local Area Service (LAS) initiative as the means by which to finance the construction of a water main extension across the frontage of lots fronting 176 Street and 48 Avenue as illustrated specifically in Appendix III attached to this report.

Following a successful property owner petitioning process, which is a necessary part of the LAS procedure, Council approved the LAS by way of Council Resolution No. R11-1837. Subsequently, “Local Area Service (LAS) Water Main Extension (Project # 1211-901) By-law, 2011, No. 17488” was given the required readings.

The LAS project was then issued for tender. Tenders for the subject contract were opened on February 15, 2013. The lowest bid received by the City was \$1,032,305.71, while the estimate that the LAS petition was based on was \$763,000. In accordance with Engineering Department Practice, any LAS project whose cost exceeds 110% of the original estimate can only proceed if the majority of the benefiting properties do not oppose the new costs. As such, a new petition asking property owners within the benefiting areas if they oppose the new project costs was issued. The results of the new petition confirmed that the owners did not oppose the increased project cost and as a result the project proceeded.

Now the construction work has been completed and final costs of construction have been determined. The final cost of the works is approximately 2% lower than the revised estimate that was provided to the owners of the properties within the benefiting areas.

Based on the Completion Certificate, included in Appendix IV to this report, the works authorized under the Construction By-law No. 17488 were completed at a cost of \$1,014,529.18.

Appendix II attached to this report details the apportionment of the final costs of the project to the benefiting properties.

CONCLUSION

Based on the above discussion, it is recommended that Council:

- Approve amendments to “Local Area Service (LAS) Water Main Extension (Project # 1211-901) By-law, 2011, No. 17488” to reflect the final costs of construction of the works covered by the By-law and the apportionment thereof among the benefiting properties all as detailed in Appendix II attached to this report; and
- Authorize the City Clerk to bring forward the necessary amendment By-law, a copy of which is attached as Appendix I to this report, for the required readings and final adoption.

Fraser Smith, P.Eng., MBA
General Manager,
Engineering

Vivienne Wilke, CGA
General Manager,
Finance & Technology

VL/FS/JA/MZ/ras

Appendix I - Bylaw No. 17488 that will act to amend “Local Area Service (LAS) Water Main Extension (Project # 1211-901) By-law, 2011, No. 17488”

Appendix II - Cost Apportionment Report

Appendix III - Local Area Service Map

Appendix IV - Completion Certificate

APPENDIX I

CITY OF SURREY

BY-LAW NO. 17488 Amendment

A by-law to amend the provisions of “Local Area Service Water Main Extension (Project # 1211-901) By-law, 2011, No. 17488”.

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The Council of the City of Surrey, in open meeting assembled, ENACTS AS FOLLOWS:

- 1. “Local Area Service Water Main Extension (Project # 1211-901) By-law, 2011, No. 17488” is hereby amended as follows:

Schedule B is deleted in its entirety and new Appendix II Engineer's Report, Final Costs & Apportionment, attached hereto and forming a part of this by-law is inserted in its place.

- 2. This Bylaw shall be cited for all purposes as “Local Area Service Water Main Extension (Project # 1211-901) By-law, 2011, No. 17488, Amendment Bylaw, 2014, No. XXXXX”

PASSED FIRST READING on the _____ day of _____, 2014.

PASSED SECOND READING on the _____ day of _____, 2014.

PASSED THIRD READING on the _____ day of _____, 2014.

RECONSIDERED AND FINALLY ADOPTED, signed by the Mayor and Clerk, and sealed with the Corporate Seal on the _____ day of _____, 2014.

_____ MAYOR

_____ CLERK

SCHEDULE B

CITY OF SURREY

ENGINEER'S REPORT (*)

LOCAL AREA SERVICE - WATER MAIN EXTENSION By FORMAL PETITION

Pursuant to Section 212 of the Community Charter, I wish to advise in regard to the following work resolved to be undertaken as a Local Area Service.

Location: Water Main Extension along 176 Street from BC Railway to Nicomekl River and along 48 Avenue west of 176 Street to #17188 – 48 Avenue, as shown in Schedule A.

Total Estimated Cost	\$ 763,000(*)
Estimated Service connection Cost per property	\$4,000(*)
Total Frontage of the Properties in the Local Service Area	3,933.54 m
Cost Per Linear Metre for the LAS Cost Share	\$170.58(*)
Amortization Period	15 years

Cost Distribution

Address			Adjusted Frontage (m)	Total Costs Per Lot	Annual payment over 15 years
House	Road	PID			
5333	176 ST	024-697-893	57.35	\$ 13,783.01	\$1,442.41
5243	176 ST	025-420-780	118.62	\$ 24,234.71	\$2,536.19
5193	176 ST	005-378-885	293.44	\$ 54,056.27	\$5,657.06
5015	176 ST	005-378-893	211.36	\$ 40,054.79	\$4,191.78
17571	48 AVE	013-009-001	352.05	\$ 64,054.22	\$6,703.35
17353	48 AVE	013-008-943	100.43	\$ 21,131.79	\$2,211.47
17325	48 AVE	002-612-445	92.07	\$ 19,705.36	\$2,062.19
17305	48 AVE	010-821-856	251.46	\$ 46,895.14	\$4,907.63
17137	48 AVE	008-643-601	207.19	\$ 39,343.37	\$4,117.33
17188	48 AVE	007-843-542	163.40	\$ 31,873.65	\$3,335.62
17240	48 AVE	013-259-245	414.75	\$ 74,749.17	\$7,822.59
17456	48 AVE	013-259-172	124.95	\$ 25,314.09	\$2,649.15
4793	176 ST	013-259-211	247.43	\$ 46,207.34	\$4,835.66

Address			Adjusted Frontage (m)	Total Costs Per Lot	Annual payment over 15 years
House	Road	PID			
4654	176 ST	013-254-618	121.05	\$ 24,648.89	\$2,579.54
4720	176 ST	011-031-484	165.41	\$ 32,216.36	\$3,371.48
4752	176 ST	005-875-901	50.00	\$ 12,529.22	\$1,311.20
17614	48 AVE	011-031-476	50.00	\$ 12,529.22	\$1,311.20
17607	48 AVE	001-348-426	50.00	\$ 12,529.22	\$1,311.20
4860	176 ST	011-105-691	197.69	\$ 37,721.97	\$3,947.65
4966	176 ST	011-105-674	202.97	\$ 38,622.65	\$4,041.91
5066	176 ST	011-105-569	203.36	\$ 38,690.20	\$4,048.98
5168	176 ST	011-105-704	195.26	\$ 37,307.96	\$3,904.32
4674	176 Street	013-254-626	63.32	\$ 14,801.40	\$1,548.98
			3,933.54	\$ 763,000.00	

(*) All costs are estimates only. A revised Engineer's Report with the actual final cost and the appropriate interest rate for amortization will be prepared upon completion of the work.

ENGINEER'S REPORT - FINAL COST & APPORTIONMENT
LOCAL AREA SERVICE - Water Main Extension
PROJECT 1211-901

Pursuant to Section 11 of the 'Local Area Service (LAS) Water Main Extension along 176 Street from the BC Railway to the Nicomekl River and along 48 Avenue from 176 Street to 17188 – 48 Avenue (Project # 1211-901) By-law, 2011, No. 17488' the following provides the final costs and apportionment thereof.

Works: Water Main Extension along 176 Street from the BC Railway to the Nicomekl River and along 48 Avenue from 176 Street to 17188 – 48 Avenue.

Location: Along 176 Street from the BC Railway to the Nicomekl River and along 48 Avenue from 176 Street to 17188 – 48 Avenue, as shown in Appendix III.

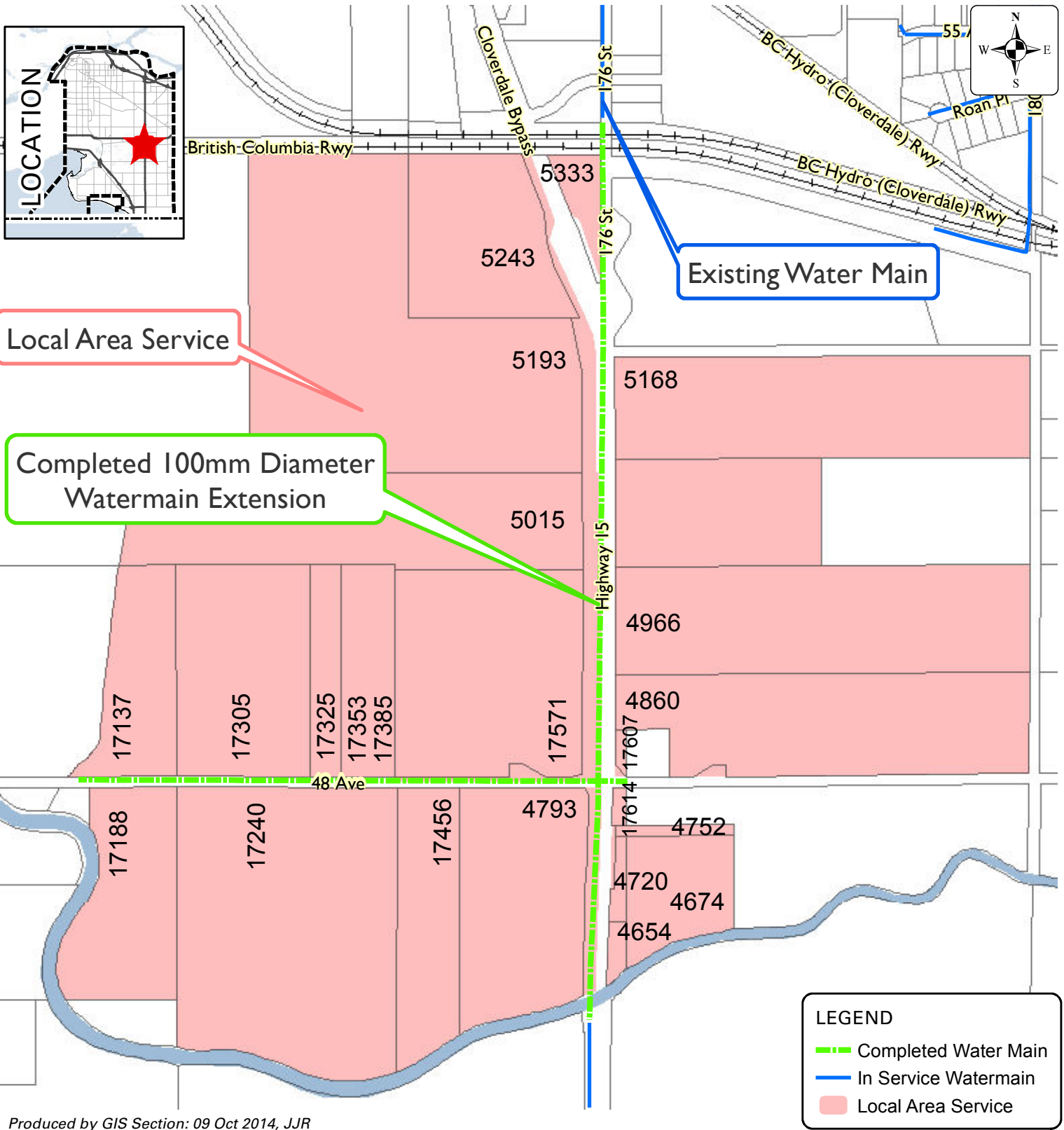
Total cost of the Works	\$1,014,529.18
Total frontage of the properties in the Local Service Area (l.m.)	3933.54
Cost for water main extension per linear metre of frontage	\$ 231.28
Number of existing lots in the Local Service Area	23
Number of service connection in the Local Service Area	24
Cost per service connection	\$4365.13
Amortization period	15 years
Interest rate	5.50%

Cost Distribution

Address			Adjusted Frontage (m)	Total Costs Per Lot	Annual payment over 15 years
House	Road	PID			
5333	176 Street	029-134-421	57.35	\$ 17,629.29	\$1,756.33
5243	176 Street	025-420-780	118.62	\$ 31,800.09	\$3,168.10
5193	176 Street	005-378-885	293.44	\$ 72,233.23	\$7,196.28
5015	176 Street	005-378-893	211.36	\$ 53,249.52	\$5,305.02
17571	48 Avenue	013-009-001	352.05	\$ 85,788.82	\$8,546.76
17353	48 Avenue	013-008-943	100.43	\$ 27,593.02	\$2,748.97
17325	48 Avenue	002-612-445	92.07	\$ 25,659.02	\$2,556.30
17305	48 Avenue	010-821-856	251.46	\$ 62,523.91	\$6,228.98
17137	48 Avenue	008-643-601	207.19	\$ 52,284.95	\$5,208.92
17188	48 Avenue	007-843-542	163.40	\$ 42,157.24	\$4,199.94
17240	48 Avenue	013-259-245	414.75	\$ 104,654.55	\$10,426.27
17456	48 Avenue	013-259-172	124.95	\$ 33,263.54	\$3,313.90

Address			Adjusted Frontage (m)	Total Costs Per Lot	Annual payment over 15 years
House	Road	PID			
4793	176 Street	013-259-211	247.43	\$ 61,591.37	\$6,136.08
4654	176 Street	013-254-618	121.05	\$ 32,361.65	\$3,224.05
4720	176 Street	011-031-484	165.41	\$ 42,621.89	\$4,246.23
4752	176 Street	005-875-901	50.00	\$ 15,929.35	\$1,586.97
17614	48 Avenue	011-031-476	50.00	\$ 15,929.35	\$1,586.97
17607	48 Avenue	001-348-426	50.00	\$ 15,929.35	\$1,586.97
4860	176 Street	011-105-691	197.69	\$ 50,086.59	\$4,989.91
4966	176 Street	011-105-674	202.97	\$ 51,307.77	\$5,111.57
5066	176 Street	011-105-569	203.36	\$ 51,399.36	\$5,120.69
5168	176 Street	011-105-704	195.26	\$ 49,525.26	\$4,933.98
4674	176 Street	013-254-626	63.32	\$ 19,010.06	\$1,893.89
			3,933.54	\$1,014,529.18	

APPENDIX III PROJECT 1211-901



Produced by GIS Section: 09 Oct 2014, JJR

LEGEND

- - - Completed Water Main
- In Service Watermain
- Local Area Service



Local Area Service 1211-901
Watermain Extension on 176 St from
BC Railway to Nicomekl River and West on 48 Ave

**ENGINEERING
DEPARTMENT**

The data provided is compiled from various sources and IS NOT warranted as to its accuracy or sufficiency by the City of Surrey. This information is provided for information and convenience purposes only. Lot sizes, Legal descriptions and encumbrances must be confirmed at the Land Title Office.



COMPLETION CERTIFICATE

Date: September 29, 2014

File: 1211-901

This is to certify that the Works authorized under the "Local Area Service (LAS) Water Main Extension along 176 Street from the BC Railway to the Nicomekl River and along 48 Avenue from 176 Street to 17188 - 48 Avenue [Project # 1211-901] By-law, 2011, No. 17488" are complete.

Fraser Smith, P.Eng, MBA
General Manager, Engineering

As required under the 'Local Area Service (LAS) Water Main Extension along 176 Street from the BC Railway to the Nicomekl River and along 48 Avenue from 176 Street to 17188 - 48 Avenue [Project # 1211-901] By-law, 2011, No. 17488', I hereby certify that the final cost of the Works has amounted to \$1,014,529.18.

Vivienne Wilke, C.G.A.
General Manager,
Finance & Technology

- c.c. - City Clerk
- Property Tax Manager
- Local Area Service Clerk