

4

FUNDING FOR ENGINEERING POSITION FOR YDSS PROJECTS

The Transportation and Works Committee recommends the adoption of the recommendations contained in the following report dated January 22, 2009, from the Commissioner of Environmental Services.

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council authorize an agreement with The Regional Municipality of Durham (Durham Region) to fund a professional engineering position to support York Durham Sewage System (YDSS) projects for a term of five (5) years with an estimated funding of \$130,000.00 in 2009, and an estimated funding of \$690,000.00 over the five-year period.
2. The Commissioner of Environmental Services be authorized to sign the agreement subject to approval of Legal Services.

2. PURPOSE

The purpose of this report is to seek authorization to enter into an agreement with Durham Region to fund a full-time professional engineering position for an individual to work on YDSS projects benefiting York Region on behalf of Durham Region.

3. BACKGROUND

Staff from York and Durham Regions are working collaboratively on YDSS projects

York Region and Durham Region have been working cooperatively on several significant engineering projects required for the YDSS. Since August 2007, Hatch Mott MacDonald has been retained by York Region on a temporary basis to provide engineering support on behalf of Durham Region for the Southeast Collector Trunk Sewer (SEC) project. The total amount expended to date is \$168,060.03 and a total amount of \$286,060.03 will be disbursed to continue this arrangement to the end of March 2009. Because of the continuing nature of the YDSS projects, it is proposed that Durham Region hire a professional engineer on a contract basis for a term of five (5) years. This individual will be dedicated to work on YDSS projects benefitting York Region. It is proposed that York Region will reimburse Durham Region in full for the cost of this contract position.

4. ANALYSIS AND OPTIONS

Hiring a full-time engineer will be more cost effective than continuing with the temporary retainer for external resources

There are several projects currently being undertaken by York Region and Durham Region in connection with the YDSS. These include the ongoing individual environmental assessment, design and construction of the Southeast Collector project (\$515M), upgrading the existing odour control facility on the existing Southeast Collector Trunk Sewer (\$5M) and implementing additional capacity at the Duffin Creek Water Pollution Control Plant (\$510M).

The following additional projects are anticipated in the near future: twinning of the primary trunk sewer from the Southeast Collector to the Duffin Creek Water Pollution Control Plant and rehabilitation on the existing Southeast Collector Trunk Sewer.

These immediate and longer term projects require continuous resources to coordinate the management of the YDSS projects and provide project review and technical input on behalf of Durham Region. To date, Hatch Mott MacDonald has been retained by York Region to work on behalf of Durham Region in providing engineering support on the Southeast Collector project. A total of \$286,060.00 will be expended to pay for the services of Hatch Mott MacDonald to March 2009.

As an alternative, it has been proposed that Durham Region create a full-time contract position to assume these responsibilities and place an advertisement to recruit a qualified candidate in early 2009. This position has been approved in Durham Region's 2009 budget. The contract will be for a term of five (5) years. The total estimated annual cost, including salary and benefits, is \$130,000.00 in 2009, plus a cost of living adjustment in subsequent years.

This position will coordinate the involvement of the various engineering and operational staff within Durham Region, attend stakeholder meetings, meet with regulatory agencies and provide project sign offs from Durham Region at the various key milestones during the design and construction phases of the project.

It is proposed that the individual will be hired by Durham Region with involvement from York Region staff and report through Durham's management system. It is proposed that York Region enter into an agreement with Durham Region to reimburse Durham Region for the salary and benefits related to this position. The funding would be terminated in the event that York Region is not satisfied with the individual's performance in working on YDSS projects that directly benefit York Region.

5. FINANCIAL IMPLICATIONS

The total estimated annual cost of funding this position is \$130,000.00 in 2009, which would be funded through the various YDSS Capital Projects found in *Water and Wastewater 10 Year Capital Plan*.

The total cost over the five-year period is estimated at \$690,000.00. These costs will form part of the overall project costs and are typically funded through development charges for growth related projects.

6. LOCAL MUNICIPAL IMPACT

There are no direct local municipal impacts associated with this report.

7. CONCLUSION

It is recommended that, to achieve greater efficiency and cost savings, a full-time professional engineer be retained by Durham Region and funded by York Region to provide project review and technical input on YDSS projects that directly benefit York Region. It is further recommended that York Region reimburse Durham Region for the costs of this position and that an agreement be entered into by the two Regions setting out the terms and conditions of this arrangement.

For more information on this report, please contact Bala Araniyasundaran, Director of Capital Planning and Delivery Branch, Environmental Services, at extension 5131.

The Senior Management Group has reviewed this report.