



MANAGEMENT REPORT

Date: November 27, 2024
To: Infrastructure, Safety, and Transportation Sub-committee
From: Sean Beech, Manager of Environmental Services
Report Number: ITS24-020
Attachments: None

Title: Dunn Road Well Failure - Emergency Purchase Update Report

Objective: To provide an update for Council on the drinking water well emergency repair completed at the Dunn Road Well House.

Background: The 2024 approved Capital Budget included \$100,000 for repair and maintenance work on the City's drinking water wells. In April of this year, the Dunn Road Well, which is the City's second largest water supply pumping station, incurred a failure while undergoing minor rehabilitation work. During the removal of the pumping equipment, the aging submersible motor and pump infrastructure broke off and fell into the well. While mobilized onsite, City contractor, Lotowater Technical Services, successfully removed the pumping equipment from the well. Regrettably, the pump and motor were determined as unsuitable for reuse.

LotoWater was engaged to install a new pump and motor. They also performed cleaning and inspection of the well casing when the well was out of service. The intention was to competitively procure for the planned work after the minor repair work, but it made sense to have all work completed at the time. Compliance with all guidelines and regulations set out by the Ministry of the Environment, Conservation and Parks occurred during the period.

This situation met the criteria of an emergency purchase under the City's Purchasing Policy P.5.1, Section 39.1.b. Not having the City's second largest water supply pumping station operational could put the City at risk of inadequate supply if further failures in the system were to occur. At the April, ITS Sub-committee meeting Council was advised of the situation. This report provides additional details of the City's response and concludes the required communication with Council regarding the incident as per the City's Procurement Policy.

Analysis: Due to the severity of the situation, the City promptly retained Lotowater Technical Services as the single-source contractor to complete this work. Consideration was given to the risks and outcomes of having this well out of service for an extended period when making this decision.

In April, Staff moved forward with single sourcing the unplanned work to LotoWater, a trusted contractor who completed the emergency repairs for \$72,772.00 HST included. The planned work, originally scheduled for later in the year, was expedited due to the emergency, with costs totaling \$55,360.00, or \$52,545.50 including HST. This brought the total costs to \$135,317.50 before the HST rebate credits.

In addition to the repair budget, an additional \$200,000 for planned mechanical well upgrades and miscellaneous water repairs was available, both funded through R-R11-WATR reserve. The total costs of the emergency repair are \$119,751.02, after the partial HST Rebate. Accounting for these costs and other assigned expenses to the Mechanical Well Upgrades and Miscellaneous Water Repairs account, there remains approximately \$36,000 of available funds between these two budget accounts.

Financial Implications:

Financial impact to current year operating budget:

There is no anticipated impact on the current operating budget as these projects use existing reserve funds.

Financial impact on future year operating budget:

Ongoing maintenance and operating costs will be slightly lower due to the efficiency of the new pump and motors. Routine maintenance to the equipment will continue as recommended by the manufacturer and regulatory requirements and budgeted accordingly.

Link to asset management plan and strategy:

The completion of this project has resulted in the replacement of the motor and pump for the water supply station in advance of the scheduled life cycle. Consequently, the replacement timeline for these components will change to align with the 10-year forecast. The previously damaged motor and pump were slated for maintenance in 2026, and the cleaning and rehabilitation of the well casing in 2024. This maintenance work was completed while the system was out of service and will not be required in the coming two years.

Alignment with Strategic Priorities:

Enhance our Infrastructure

By replacing the motor, pump, while inspecting and cleaning the well casing, this water supply station ensures reliability and efficiency of water delivery to the residents of the City. Going forward, preventative maintenance will continue to ensure longevity and reliability of this critical infrastructure for drinking water.

Alignment with One Planet Principles:

Equity and Local Economy

Creating safe, equitable places to live and work which support local prosperity and international fair trade.

Sustainable Water

Using water efficiently, protecting local water resources and reducing flooding and drought.

Staff Recommendation: THAT the report titled, "Dunn Road Well Failure - Emergency Purchase Update Report" (ITS24-020), be received as per Section 39.1.b. of the City of Stratford's Purchasing Policy P.5.1.

Prepared by: Sean Beech, Manager of Environmental Services
Recommended by: Taylor Crinklaw, Director of Infrastructure Services
Joan Thomson, Chief Administrative Officer