



Subject: 2025 Watermain Rehabilitation Program Extension

To: Council

From: Public Works Department

Report Number: 2025-147

Meeting Date: July 8, 2025

Recommendation:

That Public Works Department Report 2025-147 be received; and

That Council direct the Chief Administrative Officer and Director of Public Works to execute the agreements to complete the 2026 watermain lining program on Hampton Avenue and Schofield Avenue with a budget of \$1.8 million; and

That Council pre-approve the inclusion of this project and the related financing costs into the 2026 water budget.

Purpose:

This report seeks Council's approval to accelerate the planned 2026 watermain rehabilitation work on Hampton Avenue and Schofield Avenue in 2025. Advancing the project timeline will allow the City to take advantage of 2025 construction pricing and mitigate the impact of escalating capital costs. The work is estimated at \$1.8 million and would be funded through long-term debt. Advancing the project also supports the City's strategic goals for improving core infrastructure and reducing risks associated with aging water assets.

Background

Both the City's Water Financial Plan and Infrastructure Needs Study recommended a multi-year Watermain Rehabilitation Program, based on system condition assessments to meet the long-term Strategic Plan goal of eliminating 'very poor' condition water assets by 2040. Both Hampton Avenue and Schofield Avenue were identified in the City's Infrastructure Needs Study due to the presence of aging cast iron watermain, low fire flow performance, and a growing risk of asset failure.

Discussion:

The City piloted watermain lining trenchless technology with Fer-Pal Construction Ltd. this year and the 2025 lining program has been very successful at delivering improved value for money, reducing construction impacts to residents while rehabilitating aging water assets.

By advancing this work into the 2025 construction season, the City can avoid inflation-related cost escalations anticipated in 2026. Fer-Pal Construction Ltd., the contractor currently engaged in the 2025 program, has agreed to hold its pricing for these additional streets, resulting in estimated cost avoidance up to \$120 thousand if completed in 2025 instead of 2026.

Utilizing trenchless lining methodology minimizes surface disruption and also reduces construction timelines and impacts to residents. Work on Hampton and Schofield Avenues could begin as early as September 2025 and be completed by mid-November 2025, allowing for a timely and low-impact installation compared to traditional open-cut methods.

Internal Consultations:

City staff have consulted with the Finance Department regarding the proposed extension of the Watermain Rehabilitation Program and the associated funding strategy. Discussions focused on ensuring alignment with the City's Water Financial Plan and maintaining continuity with projected investment levels, so that anticipated costs and financial targets remain on track.

Financial Implications:

The recommended funding source for this project is long-term debt financing. The financial cost to the water budget, if the whole amount is debt financed is estimated at \$128 thousand annually based on a budget of \$1.8 million, 20 years at 4%.

The financing cost for this project will be incorporated into the 2026 water budget.

Public Engagement:

Public engagement is critical to all construction projects. The general feedback from the City's ongoing watermain lining projects has been positive as there is less disruption and impact to residents. Staff leading future watermain lining projects will continue to prioritize communication to impacted residents.

Strategic Plan Alignment:

The initiative contained within this report supports the following pillars of the strategic plan:

- Environment and Climate Change
 - Welcoming, Livable, Healthy Community
 - Sustainable and Resilient Infrastructure
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Conclusion:

Proceeding with advancing the 2026 rehabilitation work to 2025 ensures the City can maintain momentum on its watermain renewal program, deliver value for money, and uphold its long-term infrastructure goals while prioritizing cost savings.

Respectfully submitted,

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Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.