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Friday, June 24, 1983

Financing for water treatment plan backfires

By CHRIS AAGAARD
Herald Staff Writer

A proposed financing agreement between Halton region and private developers to pay for a water treatment facility in Burlington has backfired and it may mean the region will have to borrow money to finish paying for the project.

The treatment plant opened May 24, culminating a three-year construction project which, when financing is complete, is expected to total about \$10 million.

Halton has already paid \$7 million for the first two phases of the enormous project, but it had hoped that the developers most likely to benefit from it would "front-end" the remaining money needed to expand the water treatment plant itself.

Under the front-ending agreement, the developers would collect their initial contribution from other developers who link up with the treatment plant's services later.

But when the third phase was being considered about two years ago, the developers, Rosart Properties Ltd., Shell Canada Ltd., George Wimpey Canada Ltd. and Costain Ltd. offered another solution to the funding problem, suggesting that they loan the region the money to complete the job.

The region would pay back the loan as building permits for new houses were issued.

Although the developers had not signed the financing agreement, Halton, at the beginning of 1982 issued debentures for \$3.45 million to start the third phase while the financing agreement was finalized.

Once the agreement was closed, the debenture bylaw was to have been repealed.

TROUBLE
But later that year, the financing scheme ran into trouble, a report from Halton's chief administrative officer recalls.

Dennis Perlin says that there was some doubt that Ontario Municipal Board (OMB) could endorse a "financing agreement" between developers and the region.

And then Wimpey-Shell and Costain refused to sign the agreement. Dev-

eloper reps at the region's finance and administration committee meeting last Wednesday argued that the housing market is just picking up, but is still too low for their firms to sustain a large outpouring of funds to pay for the treatment plant.

ABOUT THE HILLS

Car avoids deer

Swerving to avoid a deer, a Georgetown driver ended up in the ditch on Sideroad 15 near Fourth Line Wednesday at 6 a.m. There was \$3,000 damage to a 1980 Toyota, and Paul Steenhuis, 20, was taken to Georgetown Memorial Hospital by police for minor injuries received in the accident.

Burning tires

A man burning tires on his property raised the ire of neighbors displeased with the smoke and the odor being produced, Friday.

Impaired driver

A 17-year old man was charged Saturday at 1:41 a.m. with drinking under age and careless driving after Halton regional police stopped him on Main Street in Georgetown.

Report hinders contractor

A report from Halton's public works department criticizing work done on Georgetown's Dayfoot Drive may have cost a contractor a sizeable project planned for the community's McNabb Street neighborhood.

Last Wednesday, Halton's planning and public works committee chose Agnew-Baillie contracting to carry out a \$674,745.10 sewer and watermain project for the McNabb Street drainage area, even though a bid

submitted for the project by Pelar Construction was \$30 cheaper.

But, the report on the project alleges, Pelar's performance as a sub-contractor on a watermain project along Dayfoot Drive in late 1980 and a sewer main project in 1981 led to problems with residents.

While the work has turned out satisfactory, when the projects were underway the region says there were complaints about how the job site was

maintained.

This, the author of the report, Bruce Kitchen, says, led to unsafe road conditions, as well as complaints that equipment damaged private property and a lawsuit filed by one family.

Mr. Kitchen's report supports a recommendation from the consultants on the project, R.E. Clipham Ltd. of Georgetown, which maintains that Agnew-Baillie has handled a larger number of similar projects for Halton and "more experience" in dealing with complicated servicing problems.

But lawyer Paul Murphy, representing Pelar Construction, said his firm has ample experience handling servicing contracts and feels its reputation may be damaged by the reasons why the region is rejecting their bid.

Pelar has worked on other streets in the area, Mr. Murphy said.

"We really take exception to complaints raised

In this recommendation," he said. "We feel that Pelar's work is equal to or better to Agnew-Baillie's."

Councillors voted 4 to 3 in favor of having Agnew-Baillie do the work.

And while he was one of the supporters of the staff recommendation, Halton Hills Mayor Pete Pomeroy cautioned staff on wording public reports which are sharply critical of a private firm's performance.

Although the region has reservations about the quality of work done by Pelar on Dayfoot Drive and on Derry Road where it laid water mains for contractor Fernar Paving and Construction, that doesn't mean Pelar won't be considered for future contracts.

"We will always accept bids from Pelar," chief administrative officer Dennis Perlin said. "But this is a difficult situation in an old part of town."

The decision was upheld by regional council Wednesday (June 22).

4 injured in car crash

Four people were injured in a two-car collision Saturday at 7:45 p.m. and taken to Georgetown Memorial Hospital by ambulance.

Campbellville driver Joanna Wilson, 59, was treated for minor injuries as were Acton driver Barbara Durham, 35, and passengers Andrew Durham, 3, and Laura Masales, 7.

There was \$8,000 damage in the incident. A westbound driver on Sideroad 22 stopped for a stop sign then started to make a left turn. The driver didn't see a northbound vehicle on Fourth Line until too late. The driver was charged with failing to yield to traffic.



GALA OPENING

The Pine Valley Squares were at Pioneer Days Thursday night for the opening night dancing up a storm for Main St. spectators. After the ceremony, in which Mayor Pomeroy presented the "Oldest Pioneer" award and Kentner's Catering handed out pieces of cake, onlookers browsed through stores and watched the dancers.

(Herald photo)

Can't convince town

A Concord, Ontario firm was unable to convince town council that it should be chosen to do the town's share of a major road reconstruction project in Georgetown's McNabb Street area.

Last week, Pelar Construction Ltd. lost the region's share of the contract to Agnew-Baillie Contracting Ltd. of Burlington whose bid was \$30 higher.

But Halton public works officials argued before the planning and public works committee that the Burlington firm has more experience in the sewer and watermain work planned. They add that there have been public relations problems with some other projects Pelar has been involved with in the region.

Dominic Alfieri, Pelar's general manager, stressed that council should uphold the tendering process and award the contract to the lowest

bidder.

One project which concerned regional staff was

the reconstruction of Dayfoot Drive which Pelar worked on extensively.

Barbecue brings firemen

It was a smoky barbecue on the floor below that confused 62 Park Avenue residents on the fifth floor Thursday at 11:25 p.m.

Firefighters were called to the scene where they reassured residents that the smoke in their living room was coming from a lower floor balcony barbecue.

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\$858 FROM LIONESSES

The Lioness Club of Georgetown have done their part in helping out the hospital in buying a heart rate monitor for the children's nursery. Bowl-a-thon chairman Lena Connors is seen here with Georgetown Memorial District Hospital administrator Fred Morris presenting a cheque for \$858 raised during a March bowl-a-thon.

(Herald photo)