



Report to: Council

Meeting Date: August 7, 2025

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**SUBJECT:** Cost Sharing Agreement with Region of York – Church Street Watermain, Ward 4

**PREPARED BY:** Aaron Smith, Project Engineer, Infrastructure, Capital Delivery, Environmental Services - Ext 2495  
Jawaid Khan, Actg. Manager, Infrastructure, Capital Delivery, Environmental Services -Ext 2637

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**RECOMMENDATION:**

- 1) That the report entitled “Cost Sharing Agreement – Church Street Watermain, Ward 4” be received; and,
- 2) That the Mayor and Clerk be authorized to execute an agreement with the Region of York to govern cost sharing for the watermain upgrade on Church Street, provided that the form of such agreement is satisfactory to the Director of Environmental Services and the City Solicitor; and,
- 3) That the existing purchase order created as part of award 289-T-23 Markham Village Flood Control Phase 1A – Construction be increased by \$965,341.15 including HST impact as part of the cost sharing agreement whereby the City upfront the total cost and then the Region provide a full reimbursement; and further,
- 4) That Staff be authorized and directed to do all things necessary to give effect to this solution.

**PURPOSE:**

The purpose of this report is to obtain Council’s approval for an increase to the existing purchase order in relation to #23468 Markham Village Flood Control Phase 1A – Construction to be increased by \$965,341.15 to allow for additional work to the watermain on Church Street. The City will upfront the cost and will then receive reimbursement from the Region for the same. The report is also seeking to obtain Council’s approval for the execution of a cost sharing agreement with the Region of York.

**BACKGROUND:**

On February 27, 2024, Council endorsed the capital budget for #23468 the Markham Village Flood Control Phase 1A project (the “Markham Village Phase 1A project) - Construction of \$18,746,673.19. This budget amount included work for storm sewer upgrades to mitigate flooding impacts. The project is being implemented on Church Street from Maple Street to 300 m West of 9<sup>th</sup> Line including side courts. It also included portions of watermain realignment and upgrades to accommodate the storm sewer installation.

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The Region of York (the “Region”) has been undergoing design of replacing/upgrading the Region’s trunk distribution watermain that is located along Church Street. The watermain upgrade on Church Street was identified by the Region as they are planning to relocate their existing 450 mm diameter old ductile iron (DI) watermain from Church Street. Through their design process, the watermain will be relocated to Highway 7 for hydraulic purposes and to limit further impacts to the Church Street area. Old DI watermain on Church Street will be decommissioned by the Region. Through the Region’s consultant’s hydraulic modelling, the relocation of the York transmission watermain to Highway 7 will result in 408m of City of Markham 150mm diameter watermain requiring an upgrade to 300mm diameter for fire flow requirements. the Region’s consultant, Accardi Engineering Group, completed the design for this upgrade work.

**OPTIONS/ DISCUSSION:**

Through discussions with the Region, it was decided that it would be in the best interests of the Region and the City to encompass this upgrade work within the City’s existing Markham Village Phase 1A project that is currently under construction. As the work zones will overlap, the warranty for all restoration work will be under one contractor/contract.

Alternatively, if the Region completes this work in 2026 under a separate project, they would be disturbing portions of the newly constructed road infrastructure that will be completed by the City within the Markham Village Phase 1A project. The residents would also have to experience another year of construction on Church Street.

The cost of the upgrade work, to be completed by the general contractor for Markham Village Phase 1A project, Drainstar Contracting Ltd, is \$1,233,415.00 plus HST. The Region has agreed to fund the watermain replacement (\$921,513.12 including HST impact plus HST) and 50% of the consultant and inspection fees (\$43,828.03 including HST impact) associated with this work, for a total amount of \$965,341.15 The City will fund the cost of the water service replacements (\$245,953.92 including HST impact) and 50% of the consultant and inspection fees (\$43,828.03 including HST impact) through the existing approved budget for the Markham Village Project #23468.

The existing 150 mm watermain on Church Street between Roseway and 9<sup>th</sup> line is deficient in fire flow requirements according to hydraulic model. That is why Region is upgrading this section of watermain (at their cost) before they decommissioned their existing 450mm diameter ductile iron transmission main on Church Street. The existing watermain on Church Street between Rose Way and Elm Street is 300mm in diameter therefore does not require any upgrade.

Water services will be replaced to the residential properties where the watermain is upgraded to meet the modern standard of material and diameter.

**Project Schedule**

The scope of work adjustment proposed for the Markham Village Phase 1A project will not result in an extended project schedule. The general contractor has stated that they will

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supply the necessary resources to complete all works within the original working days agreed as part of contract 289-T-23 (Markham Village Phase 1A Construction), dependent on the date of executing the cost sharing agreement with the Region. Additional watermain upgrade work to be scheduled includes:

- Watermain Construction – Late July to August 2025
- Watermain Commissioning – Late August 2025
- Water Service Installation – September 2025
- Final Restoration – October 2025

## **FINANCIAL CONSIDERATIONS**

The cost sharing agreement will not require additional funding from the City of Markham, as although the City will upfront the total cost, the Region will reimburse the City in full. The City can replace the new water services through the existing contract contingencies and no additional fundings will be required.

## **HUMAN RESOURCES CONSIDERATIONS**

Not applicable.

## **ALIGNMENT WITH STRATEGIC PRIORITIES:**

The proposed watermain upgrade/replacement is aligned with City's goal to provide better quality services to the public and is consistent with the Building Markham's Future Together strategic program.

## **BUSINESS UNITS CONSULTED AND AFFECTED:**

Environmental Services, Financial Services and Legal were consulted and their comments have been addressed in this report.

## **RECOMMENDED BY:**

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Eddy Wu, P.Eng.  
Director, Environmental Services

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Morgan Jones  
Commissioner, Community Services

## **ATTACHMENTS:**

Attachment A – Phase 1A Location Map

Attachment B – Cost Sharing Agreement