

The Corporation of the City of Kawartha Lakes

Council Report

Report Number WWW2018-004

Date: January 30, 2018
Time: 2:00 p.m.
Place: Council Chambers

Ward Community Identifier: All

Subject: **A By-Law to Regulate Water & Wastewater Services in the City of Kawartha Lakes**

Author Name and Title: **Amber Hayter, Supervisor of Water & Wastewater Operations**

Recommendation(s):

RESOLVED THAT Report WWW2018-004, **“A By-Law to Regulate Water & Wastewater Services in the City of Kawartha Lakes”**, be received;

THAT the by-law “A By-Law to Regulate Water & Wastewater Services in the City of Kawartha Lakes”, substantially in the form attached as Appendix ‘A’ to Report WWW2018-004, be approved and adopted by Council; and;

THAT a by-law to repeal By-Law 2011-260 “A By-law to Govern Water & Wastewater Services in the City of Kawartha Lakes” be brought forward for adoption.

Department Head:_____

Financial/Legal/HR/Other:_____

Chief Administrative Officer:_____

Background:

At the Council Meeting of December 13, 2011 Council adopted the following resolution:

**Moved by Councillor Dunn, seconded by Councillor Macklem,
RESOLVED THAT** a by-law to govern water and wastewater services in the City of Kawartha Lakes be read a first, second and third time, passed, numbered, signed and the corporate seal attached.

CARRIED CR2011-1418

By-law 2011-260 is a by-law that governs the water and wastewater services within the City of Kawartha Lakes. Since 2011, the by-law has had a number of amendments and consolidations, generally annually to update the water and sewer rates. The by-law has not undergone a comprehensive review since 2011.

The by-law describes both an owner's (occupier) and the City's responsibility surrounding the operation, installation, maintenance, use and payment for municipal water and wastewater services. The by-law also identifies processes to be followed, for example how to connect to the system.

The by-law also includes the water and sewer rates, which are set annually at budget time. Previously the by-law also included other fees that have recently been moved to the City's Consolidated Fees By-law.

At the Council meeting of July 11, 2017 Council adopted the following resolution:

CR2017-644

Moved By Councillor Veale

Seconded By Councillor Miller

RESOLVED THAT Report CORP2017-020, **10-Year Financial Plan**, be received;

THAT the 10-Year Financial Plan, attached as Appendix B to Report CORP2017-020, be adopted as a guiding framework for future operating and capital budgets and the transition to long-term financial sustainability;

THAT a transitional increase in tax-supported debenture funding of \$25,000,000 be approved for the purpose of implementing the 10-Year Financial Plan, and be maintained and reported on separately from other debt until it is retired;

THAT the capital projects identified in Appendix C to Report CORP2017-020 be financed by this debenture whereby the resulting displaced tax levy and reserve financing is transferred to the Capital Reserve or another reserve as may be required; and

THAT the tax-supported Infrastructure Levy be collapsed into the General Tax Levy and the water and wastewater Infrastructure Levies be collapsed into their respective fixed user fees.

A recorded vote was requested by Mayor Letham.

Recorded	For	Against	Absent
Mayor Letham	X		
Councillor Breadner		X	
Councillor Dunn		X	
Councillor Elmslie	X		
Councillor James	X		
Councillor Jilesen	X		
Councillor Junkin		X	
Councillor Macklem		X	
Councillor Martin	X		
Councillor Miller	X		
Councillor O'Reilly	X		
Councillor Pollard	X		
Councillor Seymour-Fagan	X		
Councillor Stauble	X		
Councillor Strangway	X		
Councillor Veale	X		
Councillor Yeo	X		
Results	13	4	0

CARRIED

This resolution has an impact on the manner in which user rates are charged. Although the majority of the content of the by-law remains unchanged there have also been a number of new policies, procedures, and organizational changes that need to be reflected within the by-law.

Bulk Water Fees

The City currently owns and operates four bulk water stations (3 in Lindsay and 1 in Fenelon Falls) where private individuals and commercial water haulers can purchase water. Two stations are coin operated with the remaining two a pre-paid card-lock system. Currently, the rate is set at the annual water consumption rate of \$2.71720 (2017) as per Schedule 'B' of By-law 2011-260. The City's general water users pay both the consumption rate and fixed rate and capital levy as identified in the by-law.

A review of 30 Ontario municipalities has revealed that the majority of those that provide bulk water services have a higher rate for bulk water than their normal consumption rate. The range varies, with municipalities on the low end only charging 2% more than their consumption rate, to some municipalities charging over 200% more than their consumption rate. The rates were therefore reviewed and consideration was given to amending them to reflect the actual costs of providing bulk water service. This is further discussed in the rationale section.

High Water Bill Adjustment Appeals Committee

At the Council meeting of October 10, 2017 the following resolution was adopted by Council:

10.3.3 CORP2017-026

Angela Vickery, Manager of Revenue and Procurement
High Water Bill Adjustment Appeals Committee

CR2017-878

Moved By Councillor Breadner

Seconded By Councillor Dunn

RESOLVED THAT Report CORP2017-026, **High Water Bill Adjustment Appeals Committee**, be received;

THAT By-Law 2011-260, being a By-law to Govern Water and Wastewater Services in the City of Kawartha Lakes, be amended to include terms of reference for a High Water Bill Adjustment Appeals Committee by adding the following:

High Water Bill Adjustment Appeals Committee: A High Water Bill Adjustment Appeals Committee is established to hear and rule on appeals against High Water Bill Adjustment decisions.

Authority: The High Water Bill Adjustment Appeals Committee may

recommend to Council approval of high water bill adjustments without prejudice or precedent to any other similar matter.

Composition and Appointment: The High Water Bill Adjustment Appeals Committee shall be comprised of three members of Council appointed by Council.

Term: The Term of the Appointment of the High Water Bill Adjustment Appeals Committee shall be the same as the term of Council.

Administration: The High Water Bill Adjustment Appeals Committee shall ensure that a member of City staff is assigned the role of secretary to the Committee with duties and obligations required in accordance with the Municipal Act.

Governance: The High Water Bill Adjustment Committee shall be governed by this by-law and the City's Procedural By-Law, as amended from time to time by Council.

And;

THAT the necessary amending by-Law be brought forward for adoption.

CARRIED

This report addresses this resolution along with the required updates included in the by-law.

Rationale:

Considering the number and the significance of the changes a new by-law is being brought forward for adoption. The new by-law will simplify and clarify water and wastewater requirements and fees by ensuring they are consolidated in one document. As well the new by law will incorporate all of the new changes and relevant content from the current 2011-260 by-law.

The key changes made to the by-law are as follows:

- Section 2.00 Administration – With organizational changes that took effect January 1, 2016, responsibilities for design and construction of water and wastewater systems and the service connection process moved from the Director of Public Works to the Director of Engineering and Corporate Assets. The administration of the by-law has been updated to reflect the shift in responsibilities.

- Section 5.00 Water and Sanitary Sewer Service Connections and Applications – updated to reflect new process for connection which is administered by Engineering and Corporate Assets.
- Section 8.00 Construction Water – Updated to accurately reflect process to include for collection of fees at building permit stage.
- Section 15.00 Water for Fire Extinction – inclusion of requirement for installation of Backflow Prevention Device on fire line based on site specific criteria.
- Section 17.00 Cross Connection and Backflow Prevention – update section to be consistent with the draft Water System Cross Connection Control Policy and Management Directive, removing some process based items from by-law to be included in policy and management directive. Enforceable clauses have been left in the by-law.
- Schedule 'A' of By-law 2011-260 has been removed from the by-law and all applicable fees were incorporated into the City's Consolidated Fees By-law to ensure fees were consistent across all departments and to make it easier to update as required with all other City user fees.
- Based on the Council Resolution CR2017-644 from the July 11, 2017 Council Meeting, the water and wastewater infrastructure levies have been collapsed into their respective fixed rates. This has been reflected in the revised Schedule 'A' to the new by-law and also requires the removal of Section 23.05 r.1) and 23.05 t.1) from By-law 2011-260.
- Addition of Section 24.00: High Water Bill Adjustment Appeals Committee as per Council Resolution CR2017-878.
- Revision of Section 26.00: Enforcement, Offence and Penalties to be consistent with the City's regulatory by-law template.

Bulk Water Fees

Based on the survey of surrounding municipalities, most other municipalities are charging a separate Bulk Water Rate that is typically more than the general consumption rate. The Water and Wastewater Division is recommending that an amended fee for Bulk Water be incorporated into the by-law. The consumption rate is considered the revenue collected to support the production of drinking water. Fixed Rates are collected to fund the ongoing maintenance, replacement, renewal and upgrades to the infrastructure required to produce safe drinking water. Infrastructure is still required to produce and transport the water dispensed at the bulk water stations, including the continual maintenance required on the specialized dispensing equipment at each station. Currently these users are not contributing to this maintenance, upgrades, or replacement of the infrastructure. With such a wide range on percentages of other municipalities, the Water & Wastewater Division is confident an initial 20% bulk water surcharge over the consumption rate for 2018 would help support the maintenance and infrastructure upgrades at the facilities. This would be a proposed bulk water fee of \$3.26064/m³, which is \$0.54344/m³ over the current consumption rate. It is also recommended that two further phased in increases

to the surcharge are approved which will increase the bulk water rates to 30% surcharge over the consumption rate for 2019 and a 40% surcharge over the consumption rate for 2020.

Other Alternatives Considered:

Council could choose not to approve the new by-law, however it would remain outdated and may not accurately reflect current policies.

Council could choose not to approve a new Bulk Water Fee and keep the rate the same as the Consumption Rate already included in the by-law.

Financial/Operation Impacts:

Financial impacts related to the proposed new Bulk Water Fee could potentially result in additional revenue of approximately \$19,000 based on quantities of water sold from the bulk water stations in 2017. This additional revenue would help support the ongoing maintenance and upgrades required for both the bulk water dispensing equipment and facility infrastructure required to produce and transport the drinking water.

Relationship of Recommendation(s) To The 2016-2019 Strategic Plan:

Ensuring that the by-law is kept current with various legislation, guidelines, policies and procedures will further help the City's Goal of A Healthy Environment, specifically protecting and enhancing water quality.

The by-law helps support Enabler 4.3: Environmentally efficient municipal infrastructure with the development of operations and procedures that foster environmentally efficient municipal infrastructure.

Consultations:

Manager, Environmental Services
Chief Building Official
Manager, Municipal Law Enforcement
Director, Engineering & Corporate Assets
Senior Engineering Technician, Development
Senior Accounts Clerk

Attachments:

Appendix A – By-Law 2018-XXX “A By-Law to Regulate Water and Wastewater Services in the City of Kawartha Lakes



2018- By-law to
Regulate Water and \

Appendix B – By-Law 2011-260 Consolidated “A By-Law to Govern Water & Wastewater Services in the City of Kawartha Lakes”



Appendix B - By-Law
2011-260 Consolidated



Appendix B - By-Law
2011-260 Consolidated

Department Head E-Mail: brobinson@kawarthalakes.ca

Department Head: Bryan Robinson