

The Corporation of the City of Kawartha Lakes
Council Report

Report Number WWW2017-009

Date: September 12, 2016
Time: 2:00 p.m.
Place: Council Chambers

Ward Community Identifier: All

Subject: Update on Mandatory Connection Compliance By-law Amendment

Author/Title: Rob MacPherson, Water and Wastewater Technician

Recommendation(s):

RESOLVED THAT Report, WWW2017-009, **Update on Mandatory Connection Compliance By-law Amendment**, be received;

THAT Section 2.06 of By-Law 2014-255 “A By-Law To Require Owners Of Buildings To Connect Such Buildings To Drinking Water Systems And/Or Wastewater Collection Systems In The City Of Kawartha Lakes” be added and read:

2.06 Subject to section 2.01, 2.02 or 2.03 of this by-law any Owner of a building on land that meets the requirements to connect to the municipal water and/or wastewater services shall be billed the Fixed Rate and Capital Levy charges for water and/or wastewater as per the provisions of By-law 2011-260 and the consolidated fees By-Law 2016-206, as amended following three (3) months of the mailing of a notice to the Owner shown on the current tax roll; and

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

Department Head: _____

Corporate Services Director / Other: _____

Chief Administrative Officer: _____

Background:

By-law 2014-255 “A By-Law to Require Owners Of Buildings To Connect Such Buildings To Drinking Water Systems And/Or Wastewater Collection Systems In The City of Kawartha Lakes”, referred to as the “Mandatory Connection By-Law” was amended in 2014 requiring property owners to connect to municipal water and sewer infrastructure if available and pay for the required connections from the water and/or sewer mains to their private residence or building.

Staff are continuing to implement the requirements of By-Law 2014-255 but residents can connect their building(s) at any time to the municipal infrastructure prior to receiving their notice to connect. Due to the large number of properties required to connect, the City’s various departments involved in the connection process do not have adequate resources to administer the immediate connection all eligible users to the municipal water and/or sewer mains. The implementation therefore is being completed in a phased-in approach. Following completion of the pilot program in Fenelon Falls the internal stakeholders involved in the process will review the program and update any processes deemed necessary. The full implementation may take many years to complete.

Council has made several decisions to temporarily exempt properties from the requirement to connect, but still collect the capital and fixed rate portion of the user rates. As a result, a report was brought forward to Council in July 2017 recommending that all those properties that are subject to the Mandatory Connection By-law pay the Fixed Rate and Capital Levy charges even prior to connection as their property is still receiving a benefit from the infrastructure being available.

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

Moved By Councillor Elmslie
Seconded By Councillor Yeo

RESOLVED THAT Report WWW2017-005, **Mandatory Connection Compliance and User Rate Cost Recovery**, be received; and **THAT** staff be directed to prepare the necessary amendments to By-Law 2014-255, A By-Law To Require Owners Of Buildings To Connect Such Buildings To Drinking Water Systems And/Or Wastewater Collection Systems In The City Of Kawartha Lakes, to begin charging qualifying properties the Fixed Rate and Capital Levy for Water and/or Sewer as per By-law 2011-260 following three (3) months’ written notice.

CARRIED: CR2017-643

This report addresses that direction.

Rationale:

The properties adjacent to but not connected to the existing water and/or sewer mains are currently benefitting from the infrastructure available to them with increased property values and in some cases readily accessible fire protection. Those properties within areas which are fire rated receive reduced insurance premiums. In addition the owners have a readily available source of safe and reliable drinking water. Although these properties are benefitting from the services available to them, they are not contributing financially to the operations, maintenance, or capital renewal of the infrastructure.

Endorsing the proposed Section 2.06 amendment of the “Mandatory Connection By-law” will allow staff to provide three (3) month notice to all those benefitting properties and begin charging the applicable Fix Rate and Capital Levy for Water and/or Sewer as set out in By-law 2011-260. This would result in approximately \$62,784 of additional revenue to the Water and Wastewater User Rate budget annually. The revenue collected would help reduce the financial pressures on the current users, would offset any required increase to the user rates and would support Council’s initiative to make our municipal systems financially sustainable.

Other Alternatives Considered:

Council has passed a resolution requesting Staff present the proposed amendment to the By-law, however if Council decides not to accept the proposed amendment to the By-Law, staff will continue with the application of the Mandatory Connection Program as originally planned. It must be stressed that the City will miss out on significant monthly revenue if the amendment is not endorsed.

Financial/Operational Impacts:

There are approximately 160 properties within the City that front along a municipal right-of-way that has municipal water and/or sewer infrastructure available. Of the 160 properties, 94 have only municipal water available to them and 31 have only municipal sewer available to them. The remaining 35 properties have both water and sewer available. Below is a summary of the estimated additional monthly revenue that would be received if the Mandatory Connection By-law is amended as recommended. These estimates are based on the fees included as Schedule B to By-law 2011-260 “Water and Wastewater Services in the City of Kawartha Lakes” for a 5/8” – 3/4” meter size.

Estimated Monthly Revenue			
Water Fixed Rate	Water Capital Levy	Sewer Fixed Rate	Sewer Capital Levy
\$2668.00	\$871.00	\$1284.00	\$410.00

Because the properties are currently not serviced it is unknown what the actual size of water meter they would require. Once properties are serviced they would be billed according to the meter size they install.

The total estimated monthly revenue to the Water & Wastewater Budget would be \$5,232.00 per month, which is \$62,784 per year. This equals approximately 0.3% of the total User Rate Budget.

Based on the 2017 rates and based on a standard water service size, the annual cost to residents would be \$329.16 for water and \$307.80 for sewer. If a building is serviceable by both there would be a charge of \$636.96 for the year. Once connected the property owner would also be responsible for the consumption portion of the rates.

Relationship of Recommendation(s) to the 2016-2019 Strategic Plan:

The recommendation to Council is consistent with the Council Adopted Strategic Plan in two ways:

Goal 1 “Vibrant and Growing Economy” – will be met through the proper servicing and collection of appropriate user fees to fund the maintenance, capacity and growth of the municipal water and wastewater systems.

Goal 3 “Healthy Environment” - will be met by through community preparedness by ensuring that the necessary funds are secured in order to sustain water and wastewater infrastructure necessary to protect the health of the Environment.

This Report is also in line with the City’s values, specifically continuous improvement and excellence, as this amendment will aid in the improvement of the municipal drinking water and wastewater systems as well as provide excellent, efficient, and safe services for the public of Kawartha Lakes.

Review of Accessibility Implications of Any Development or Policy:

There are no accessibility implications from this report.

Servicing Implications:

The report focuses on the financial impacts of implementation of mandatory connection to the municipal servicing of water and wastewater. There are no changes in physical servicing requirements resulting from this report.

E-Mail: brobinson@kawarthalakes.ca

Department Head: Bryan Robinson