

# **The Corporation of the City of Kawartha Lakes**

## **Council Report**

**Report Number WWW2019-011**

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**Meeting Date:** December 10, 2019

**Title:** By-law Amendments for Mandatory Connection

**Description:** Amendments to By-laws 2014-255 (Mandatory Connection By-law) and 2018-039 (By-law to Regulate Water and Wastewater Services)

**Ward Number:** All

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

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### **Recommendation(s):**

**That** Report WWW2019-011, **By-law Amendments for Mandatory Connection**, be received;

**That** Section 2.05 of By-law 2014-255 be amended to read: “Any appeals or requests for exemptions from section 2.01, 2.02 and 2.03 of this By-law shall be forwarded to Council for consideration.”;

**That** Section 2.06 of By-law 2014-255 be amended to read: “Subject to section 2.01, 2.02 or 2.03 of this by-law any Owner of a building on land that meet the requirements to connect to the municipal water and/or wastewater services shall be billed the Mandatory Connect Fee – Water and/or Mandatory Connect Fee – Sewer as per the provisions of the By-law to Regulate Water and Wastewater Services in the City of Kawartha Lakes (By-law 2018-039, as amended) and the consolidated fees By-law 2018-234, as amended commencing January 1, 2020.”;

**That** Section 23.05(s) of By-law 2018-039 be amended to read: “The owner or occupier of each separately assessed parcel of land that fronts a watermain and is subject to the requirements of By-Law 2014-255 “Mandatory Connection By-Law” shall pay a Mandatory Connect Fee – Water as set forth in Schedule “A” of this By-Law, commencing January 1, 2020.”;

**Department Head:**\_\_\_\_\_

**Financial/Legal/HR/Other:**\_\_\_\_\_

**Chief Administrative Officer:**\_\_\_\_\_

**That** Section 23.05(v) of By-law 2018-039 be amended to read: “The owner or occupier of each separately assessed parcel of land that fronts a sanitary sewer main and is subject to the requirements of By-Law 2014-255 “Mandatory Connect By-Law” shall pay a Mandatory Connect Fee – Sewer as set forth in Schedule “A” of this By-Law, commencing January 1, 2020.”;

**That** Section 24.00 High Water Bill Adjustment and Mandatory Service Connection Appeals Committee of By-Law 2018-039 be deleted in its entirety;

**That** Schedule “A” of By-Law 2018-039 “A By-Law to Regulate Water & Wastewater Services in the City of Kawartha Lakes” be replaced by “Schedule “A” 2019 Water and Wastewater Rates” substantially in the form as attached as Appendix ‘C’ to Report WWW2019-011; and

**That** the necessary amending By-laws be brought forward for adoption.

## **Background:**

Amendments and reviews of the Mandatory Connection By-law have been ongoing over the course of 2018 and 2019, with a number of presentations and reports provided to Council.

At the Special Council Meeting of July 16, 2019, a presentation and report were provided to Council, whereby they adopted the following resolution:

### **CR2019-433**

**Moved By** Councillor Dunn

**Seconded By** Councillor Yeo

**That** Report WWW2019-010, **Review of Mandatory Connection By-law 2014-255**, be received; and

**That** staff be directed to report back in September 2019 with options for amending the Mandatory Connection By-law to provide relief from mandatory connections for the 134 properties not currently connected to municipal services, up to and including complete exemption from the by-law.

**Carried**

Staff brought forward a report to the Committee of the Whole meeting of September 10, 2019, in response to the above resolution. Staff recommended that the by-law remained as written and implemented using the current practices. Within the report staff provided two potential alternatives that could be considered by Council for amending the by-law, which included:

#### **Alternative 1**

This alternative considered the removal of Section 2.06 of the Mandatory Connection By-law, which requires property owners who meet the requirements for mandatory connection to pay the Fixed Rate charges for water and/or wastewater as per the provisions of the By-law to Regulate Water and Wastewater Services in the City of Kawartha Lakes (By-law 2018-039, as amended). There were no changes to the timing of connection proposed in this alternative. Staff did not recommend this alternative as removing the revenue collected from the 134 properties would place additional financial burden on the current water and wastewater users. The properties subject to mandatory connection still benefit from having services available to them with increase property values, potential reduced insurance premiums for fire protection, reduced risk from contamination and drought effects, and a guaranteed safe drinking water source. Exempting these properties from paying the Fixed Rate

would allow them to continue to benefit from the services without fairly contributing to the operations and maintenance of the infrastructure.

## Alternative 2

The second alternative provided to Council for consideration on amending the Mandatory Connection By-law was to exempt the currently identified properties from all requirements of the Mandatory Connection By-law, which includes paying the fixed rate and connecting to municipal services at the time their private infrastructure fails. Exempting properties that are realistically capable of connecting to municipal services and fall within the servicing boundaries is an inefficient use of the existing municipal services, is not in line with Provincial Planning policies and creates unequal requirements for dwellings benefitting from the services.

Recommendations from the Committee of the Whole meeting of September 10, 2019 were brought forward to the Council Meeting of September 24, 2019, whereby Council adopted the following resolution:

### **CR2019-541**

**Moved By** Deputy Mayor Elmslie

**Seconded By** Councillor O'Reilly

**That** Report WWW2019-007, **Requirement to Connect to Municipal Services Review**, be received;

**That** Alternative 1 outlined within Report WWW2019-007 be endorsed;

**That** staff be directed to prepare the necessary amendment to By-law 2014-255, being the Mandatory Connection By-law, to reflect Alternative 1 within Report WWW2019-007; and

**That** staff be directed to prepare an amendment to By-law 2018-039, being the by-law to Regulate Water and Wastewater Services, to require property owners who meet the requirements for mandatory connection to pay a fixed rate of \$50.00 per quarter for water services and \$50.00 per quarter for wastewater services; and

**That** the revised fee structure be implemented effective January 1, 2020.

This report addresses that direction.

## **Rationale:**

Although staff had recommended to leave the by-law as currently written and implemented the program and fees as defined in the By-law, Council chose to

adopt Alternative 1 provided in staff report WWW2019-007, attached as Appendix D to this report. This amendment would see the removal of the requirement to pay the current Fixed Rate charges as defined in By-law 2018-039. This Fixed Rate is the same charge that all current water and wastewater users pay in addition to a consumption rate, to support the maintenance and replacement of the existing infrastructure. It was recognized however that the properties who although are not connected to the water and wastewater services, are still benefitting from the services being available to them. For these reasons Council decided that the property owners that meet the requirements for mandatory connection, should pay a special mandatory connected fixed rate in the amount of \$50 per quarter for water and \$50 per quarter for wastewater, whichever services are available to the particular property.

The implementation of the new Mandatory Connect Fee is a compromise, in that property owners are still contributing financially to the maintenance and replacement of the infrastructure available to their properties, and helping to pay for some of the benefits they may receive such as fire protection, but the reduced rate recognizes that they may not be receiving the full benefits as those already connected.

Amendments to both By-law 2014-255 and 2018-039 have also been made to reflect the changes as it relates to the dissolution of the High Water Bill Adjustment and Mandatory Connection Services Appeal Committee. The appeals process as it relates to certain sections in the Mandatory Connection By-law will now all be sent directly for consideration by Council.

Endorsing the proposed amendments to the sections within the by-law as listed in the recommendations above, will help alleviate some of the financial pressures on the affected property owners.

### **Other Alternatives Considered:**

No other alternatives are being considered at this time. Council has passed a resolution requesting Staff prepare the proposed amendments to the applicable By-laws. Should Council decide not to accept the proposed amendments, staff will continue implementation of the By-laws as currently written.

### **Financial/Operation Impacts:**

The current 2019 Fixed Rate charges are \$30.56/month for water and \$29.56/month for sewer, both based on a 5/8" – 3/4" water meter. The total cost per year is \$366.72 for water and \$354.72 for sewer. The newly proposed fixed rates for mandatory connection called the Mandatory Connect Fee – Water and Mandatory Connect Fee – Sewer are each \$200/year. For both services property owners will have an annual fee of \$400, which is a savings of \$321.44/year.

The total revenue based on 2019 rates for the 134 properties is \$58,381.92, the implementation of the new Mandatory Connect Fees will result in an annual revenue of \$32,400, which is a reduction of \$25,981.92 per year.

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

The recommendation to Council is consistent with the Council Adopted Strategic Plan in several 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 through community preparedness by ensuring that the necessary funds are secured in order to sustain water and wastewater infrastructure necessary to protect and prevent any adverse impacts towards the environment.

**Enabler 3 “Municipal Service Excellence”** - E3.3 Service Excellence – E.3.3.1 – Review and adopt best municipal practices (and continue to review operational efficiencies using lead methodology).

This Report is also in line with the City’s values, specifically continuous improvement and excellence, as the by-law aids in the sustainability of the municipal drinking water systems and wastewater systems as well as provides excellent, efficient, and safe services for the public of Kawartha Lakes.

## **Consultations:**

Director of Public Works, Public Works

Manager, Revenue & Taxation, Corporate Services

## **Attachments:**

Appendix A – 2014-255 Consolidated Mandatory Connection to Water and Wastewater Systems By-law – Amended Tracked Changes



Appendix A -  
2014-255 Consolidat

## Appendix B – 2018-039 Consolidated By-Law to Regulate Water and Wastewater Services – Amended Tracked Changes



Appendix B -  
2018-0.39 Consolida

## Appendix C – Schedule A 2019 Water and Wastewater Rates Tracked Changes



Appendix C -  
Schedule A 2019 Wa

## Appendix D – Council Report WWW2019-007 Requirement to Connect to Municipal Services Review



Appendix D -  
WWW2019-011 Req

**Department Head E-Mail:** [brobinson@kawarthalakes.ca](mailto:brobinson@kawarthalakes.ca)

**Department Head:** Bryan Robinson