

To: Warden and Members of County Council

From: Director of Corporate Services

Oxford County Lansdowne Ave Watermain Extension Project

RECOMMENDATION

- 1. That By-law No. 6549-2023, being a by-law to authorize the funding sources and mandatory connection for the Oxford County Lansdowne Ave Watermain Extension Project, be presented to Council for enactment.**

REPORT HIGHLIGHTS

- The purpose of this report is to authorize funding sources for the extension of watermain as part of the Lansdowne Ave watermain extension project in Woodstock, completed from 2019-2021
- Total cost for the watermain portion of the project is \$2,545,239
- In addition to the total cost of the project the following costs are added in accordance with the 2023 Fees and Charges By-law No. 4889-2007
 - \$300 billed to each of the existing and development properties for a water meter
 - \$50 billed to each of the existing and development properties for the water application to connect review fee

Implementation Points

Upon County Council's approval of this report and passing of the authorizing by-law, staff will proceed to bill the benefitting property owners, with existing connections, as set out in Schedule "B" of the by-law. Property owners will be presented options to pay a lump sum payment without interest or through a debenture with interest which will be collected with their property taxes. The final interest rate related to debenture financing will be confirmed at the time of debenture approval by Council.

Fees associated with development properties will be banked and collected at the time of future development or service connection.

Financial Impact

The project expenditures were funded from the Water – Woodstock Reserve and Water – Woodstock Development Charges Reserve.

The Community Servicing Assistance Program (CSAP) funds and amounts attributed to the benefitting property owners with existing connections will be contributed to the Water – Woodstock Reserve upon completion of the billing for this project.

The funding sources to be authorized by the project funding by-law are set out in Table 1.

Table 1 – Project Funding

Description	Project Cost	Attributed to Benefitting Properties	CSAP	Reserve Funded Replacements	Development Charges
Watermain	\$2,545,239	\$76,448	\$6,070	\$202,549	\$2,260,172

Note: 2021 CSAP Maximum Threshold (cost to existing single family residence) is \$11,917 for water.

Communications

County Policy No. 6.05 “Water and Sewer Services Financing Policy” includes a section on Public Consultation requirements, which states that the County will, to the best of its ability, ensure that property owners are informed of the intention to service and the potential impacts on property owners. Accordingly, the various communication points that occurred with impacted property owners related to this project are described below.







- Pre-construction communications was issued by County Public Works to impacted residents as part of the watermain extension project, as follows:
 - Community Update dated April 20, 2020;
 - Pre-Construction Notice dated June 16, 2021; and
 - Notice of Construction advertised in the local newspaper.
- Direct mail communication was sent to impacted property owners in October of 2022 informing them that connection fees associated with the project would be calculated once final project costs are confirmed, and to inform them that County staff would be offering an information session in 2023.
- A notice dated April 24, 2023, notifying affected property owners that public consultation was being offered on May 9, 2023 to provide additional information and inform affected existing homeowners of cost implications.
- Letters were sent to existing developed property owners and to the development property owner on May 12, 2023, informing them that a by-law to bill this project to

benefitting property owners was anticipated to be passed at the June 28, 2023 council meeting.

Upon enactment of By-law No. 6549-2023 a letter will be sent to each property owner with an existing connection providing them with payment options for the charges related to their property.

The letter sent to the development property will identify the amount banked for payment at the time of future development.

Strategic Plan (2020-2022)

					
<i>WORKS WELL TOGETHER</i>	<i>WELL CONNECTED</i>	<i>SHAPES THE FUTURE</i>	<i>INFORMS & ENGAGES</i>	<i>PERFORMS & DELIVERS</i>	<i>POSITIVE IMPACT</i>
		3.iii.			

DISCUSSION

Background

The County of Oxford designed and installed a watermain with services, along Lansdowne Ave in Woodstock during the years 2019 to 2021, to extend the existing Woodstock Water distribution system to serve properties in future development areas, along with servicing existing properties within the project area. This work was done in accordance with the County of Oxford water and wastewater strategy, as outlined in the Official Plan.

The County’s current practice is to require properties with access to a municipal sanitary and/or water system to connect. Through the capital billing project process, a mandatory connection date is established to allow a minimum of one full construction season before the deadline. This date may be extended depending on certain circumstances. Banked properties (those without buildings that require services, such as a building without plumbing and vacant lots) are not subject to the mandatory connection date, however are required to connect at the time of development.

Connecting to a municipal sanitary and water system offers a number of benefits:

- decommissioning private septic systems and sewage holding tanks provides environmental protection;
- adequate sewage flow decreases holding times that lead to odour;
- reduces the overall economic impact of the household as all routine maintenance costs currently borne by the homeowner would then be included in monthly fees;
- frees up valuable property from the existing septic bed footprint;
- reduces the risk of cross contamination with private water systems; and
- may increase property values within urban serviced boundaries.

Total project costs have been analysed and all costs assigned to replace existing infrastructure, or allocated to growth and funded by development charges, were subtracted from the total project cost to determine the extension only costs allocated to existing benefitting property owners.

The *Municipal Act, 2001*, as amended, gives Council the authority to defer or alter tax payments in certain situations. County of Oxford By-law No. 4825-2003 also provides tax relief for eligible landowners with disabilities and/or low income. Property owners that feel the financial obligations associated with this project will result in financial hardship are encouraged to contact County staff upon receiving the billing notice to discuss the process and their eligibility for a deferral.

Comments

With County Council approval of this report and adoption of the by-law, County staff will proceed to bill the benefitting property owners the amount noted within the by-law. Property owners will have the option to pay a lump sum payment without interest or through a debenture payment plan, paid through their annual property tax bill. The debenture payment plan options offer either 5 or 10 year repayment terms including interest with no option for early payout. Under the lump sum payment option, the County is paid up front. Alternatively, property owners may choose to arrange private financing with more personalized terms.

There are five existing residential properties serviced by this project with each being billed \$4,854 of the total watermain extension costs less \$1,214 in CSAP funding, plus \$300 for a water meter and \$50 for the application to connect review fee, for a net cost of \$3,990 per property.

There is one development property serviced by this project, with an equivalent of 12 future connections anticipated, being billed \$4,854 towards watermain extension costs, plus \$300 for a water meter and \$50 for the watermain application to connect review fees, for a total cost of \$5,204 per anticipated connection. The total fees banked against the property are \$62,448.

Schedule "B" of the authorizing by-law provides a list of benefitting properties by roll number having existing buildings that will be required to connect to water services by October 31, 2024, being the mandatory connection date as set out in the by-law.

Also forming part of the by-law is a map of the area serviced by the project - see Attachment 1 to this report.

Conclusions

The proposed funding model as described within this report is prepared in accordance with County policies and procedures. As such, staff recommends that Council authorize the funding sources to recover costs for this project.

SIGNATURES

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Departmental Approval:

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Approved for submission:

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ATTACHMENT

Attachment 1 – Oxford County Lansdowne Ave Watermain Extension Project Area Map