

**To: Warden and Members of County Council**

**From: Director of Corporate Services**

## Oxford County Concession St Services Extension Project

### RECOMMENDATION

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1. **That By-law No. 6570-2023, being a by-law to authorize the funding sources and mandatory connection for the Oxford County Concession St West Services Extension Project, be presented to Council for enactment.**

### REPORT HIGHLIGHTS

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- The purpose of this report is to authorize funding sources for the extension of watermain and sanitary sewer services as part of the Concession St West extension project in Tillsonburg, completed from 2019-2020 – servicing 7 existing properties and 4 development properties
- Total cost for the sanitary sewer portion of the project is \$269,238
- Total cost for the watermain portion of the project is \$290,928
- 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 unconnected existing and development properties for a water meter
  - \$50 billed to each of the unconnected existing and development properties for the water application to connect review fee
  - \$50 billed to each of the unconnected existing and development properties for the sanitary 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**

Between 2019 and 2020, the Town of Tillsonburg, on behalf of the County, installed watermains and sanitary sewers to service properties on Concession St West in Tillsonburg. At the time, the project was funded from the Water – Tillsonburg, Wastewater – Tillsonburg and Water – Tillsonburg Development Charges Reserves respectively.

Developed properties receive a 25% grant from the Community Servicing Assistance Program (CSAP). Where the CSAP calculation exceeds the maximum, the amount exceeding the maximum threshold is also paid by CSAP. The 2020 CSAP maximum threshold (cost for each equivalent service) is \$11,570 for water and \$15,222 for sanitary.

The cost allocation to each equivalent service, related to the water servicing portion of this bill out, is \$15,108 after the 25% CSAP grant is applied. As this exceeds the maximum threshold an additional \$3,538 CSAP grant was provided for each equivalent service charged to existing developed properties, to bring the total allocated for each equivalent service to the maximum of \$11,570. There are 4 properties included in the bill out, that were not developed at the time of construction, and are not eligible for the CSAP grant.

The Community Servicing Assistance Program (CSAP) funds, and amounts attributed to the benefitting property owners will be contributed to the Water – Tillsonburg and Wastewater – Tillsonburg Reserves 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**

<b>Description</b>	<b>Project Cost</b>	<b>Attributed to Benefitting Properties</b>	<b>CSAP</b>	<b>Reserve Funded Expenditures</b>	<b>Development Charges</b>
Watermain	\$290,928	\$138,426	\$42,873	\$1,986	\$107,643
Sanitary Sewer	\$269,238	\$131,798	\$23,260	\$114,180	\$-

### **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.







- Tillsonburg and County staff received a letter in May of 2018 from 150 Concession St W requesting extension of services along Concession St W to service their property.
- Pre-construction communication was issued by the Town of Tillsonburg to impacted residents as part of the Concession Street West reconstruction project, as follows:
  - Notice of Public Meeting to be held June 19, 2019;
  - Information Letter dated August 9, 2019; and
  - Information Letter dated March 13, 2020.
- 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 June 27, 2023, notifying affected property owners that public consultation was being offered on August 3, 2023 to provide additional information and inform affected existing homeowners of cost implications.
- Letters were sent to impacted property owners on August 9, 2023, informing them that a by-law to bill this project to benefitting property owners was anticipated to be passed at the September 27, 2023 Council meeting.

Two residents attended the public consultation session on August 3, 2023, representing the interest of two of the impacted property owners. County staff subsequently reached out to 150 Concession Street W to provide additional information on the process and estimated fees assigned to the property.

Upon enactment of By-law No. 6570-2023 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 development properties will identify the amount banked for payment at the time of future development.

**Strategic Plan (2020-2022)**

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

## DISCUSSION

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### Background

Between 2019 and 2020, the Town of Tillsonburg, on behalf of the County of Oxford, installed sanitary sewers and watermain to service properties along Concession Street West in Tillsonburg. 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. Development 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 growth share of the watermain costs as determined through the 2019 Development Charges Background Study was 37%. Although the sanitary portion of this project was not included in the 2019 Development Charges Background Study, the sanitary extension has the same driving factor as the watermain extension, so an equivalent 'growth' portion was subtracted from the project costs and funded from the Wastewater – Tillsonburg reserve.

In accordance with the County's existing process for allocating costs to impacted properties, costs are allocated on an equivalent service basis. Properties with multiple uses or high-water usage are charged a higher fee based on a prorated comparison with a single-family residence. All impacted properties are charged the equivalent of 1 service, with the exception of 150 Concession St W, which is a non-residential property, and charged the equivalent of 3 services consistent with the size of the service and water meter for the property, and the approach used for similar properties on other capital billing projects.

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.

This bill out impacts a total of 8 properties. 150 Concession Street W was allocated an equivalent of 3 connections resulting from higher anticipated water usage, supported by a larger water meter and service connection, consistent with past practice on allocations to similar use properties. In addition, there are 2 existing properties receiving a water and sanitary charge, one existing property receiving only a sanitary charge and 4 development properties receiving both a water and sanitary charge.

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 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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### **Report Author:**

Original signed by

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Jennifer Lavallee, CPA, CGA  
Manager of Capital Planning

**Departmental Approval:**

Original signed by

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Lynn S. Buchner, CPA, CGA  
Director of Corporate Services

**Approved for submission:**

Original signed by

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Benjamin R. Addley  
Chief Administrative Officer

**ATTACHMENT**

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Attachment 1 – Oxford County Concession St W Services Extension Project Area Map