

REPORT TO COUNTY COUNCIL

Extension of Municipal Water and Wastewater Services Policy

To: Warden and Members of County Council

From: Director of Corporate Services

RECOMMENDATION

1. That amendments to Extension of Municipal Water and Wastewater Services Policy (formerly Water and Sewer Services Financing Policy) 6.05, as set out Attachment 1 to Report CS 2025-03, be approved effective January 22, 2025.

REPORT HIGHLIGHTS

- Policy 6.05 is updated to reflect the end-to-end process the County undertakes for service extension projects.
- Three standard options are proposed related to the deferral of capital billing fees and/or the mandatory connection date, in response to Council direction provided at the September 11, 2024 Council meeting.

IMPLEMENTATION POINTS

Upon Council's approval of the recommendation in this report, the amended Extension of Municipal Water and Wastewater Services Policy 6.05 will be updated in the General Policy Manual.

Financial Impact

Approval of the recommendation in this report will have no financial impact beyond what has been approved in the current year's budget.

Communications

Staff will work with the communications team throughout each water and wastewater services billing project to meet the public consultation requirements identified in the amended Policy.

2023-2026 STRATEGIC PLAN

Oxford County Council approved the [2023-2026 Strategic Plan](#) on September 13, 2023. The Plan outlines 39 goals across three strategic pillars that advance Council’s vision of “Working together for a healthy, vibrant, and sustainable future.” These pillars are: (1) *Promoting community vitality*, (2) *Enhancing environmental sustainability*, and (3) *Fostering progressive government*.

The recommendation in this report supports the following strategic goals.

Strategic Plan Pillars and Goals

PILLAR 1	PILLAR 2	PILLAR 3
		
Promoting community vitality	Enhancing environmental sustainability	Fostering progressive government
<p>Goal 1.2 – Sustainable infrastructure and development</p> <p>Goal 1.3 – Community health, safety and well-being</p>		<p>Goal 3.4 – Financial sustainability</p>

See: [Oxford County 2023-2026 Strategic Plan](#)

DISCUSSION

Background

Water and Sewer Services Financing Policy 6.05 was last updated in January of 2015. The policy regulates how costs related to the extension of water and sewer services are recovered from the consumer of the services. In addition, the policy provides direction for public consultation during the process.

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 of October 31st in the year following the billing year is established to connect to the new

service. 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 they are required to connect at the time of development.

At the County Council meeting on September 11, 2024, Council directed staff to bring back a report containing policy options related to different opt-in options regarding sewer connections within the County.

Comments

In response to the direction provided, staff researched information available on municipal websites and reached out directly to a number of municipalities to obtain related policy and process information. Based on this review a fulsome update to the policy is proposed to ensure it appropriately documents the key aspects of the end-to-end process for water and wastewater extension projects. Highlights on the key areas of change are noted below.

Public Consultation

The public consultation process has evolved over the years based on feedback received from property owners impacted by capital billing projects. It is important to ensure benefitting property owners are appropriately informed throughout the process. This section has been expanded to identify the various communication points including anticipated form and content which is reflective of the current process followed by staff.

Cost Allocation Methodology

This section is based on the County's current practice and has been added to the Policy as it was noted that similar information was included in other municipal policies. By including the cost allocation process in a document accessible by the public, it demonstrates to benefitting property owners that growth pays for growth, and that only the costs applicable to the extension of services for exiting benefitting property owners is included in the calculation.

Financing

Financing repayment terms varied between the municipalities reviewed and ranged from 5 to 20 year terms, with some allowing for early payment and others not allowing pre-payment, which is the County's current practice. Staff are not proposing any changes to the County's existing practice related to financing options and repayment terms.

The County's current practice is to provide 30 days from the date of the billing letter for benefitting property owners to select their preferred financing option. The amendments propose a change to allow 60 days from the date of the billing letter for selecting of the preferred financing option. Other municipalities offered 30 or 60-day periods or were silent on the time allotted. This change provides benefitting property owners with time to apply for a deferral option (further details below) or seek alternative financing arrangements and allow staff with appropriate review time before the deadline.

Mandatory Connection

Staff are not proposing any changes to the current process of the mandatory connection date being established at a minimum of one full construction season after the billing process. Excluding the deferral options (noted below), mandatory connection timing from other

municipalities ranged from 6 to 24 months, with some municipalities not having a mandatory connection policy.

Deferral Options

Based on the review of other municipal documents deferral options available were related to age of existing private system, exorbitant costs to complete the private side connection and financial hardship. The County's current practice limits deferrals to financial hardship and is an application-based process. The proposed amendments expand on the current process to three options for deferral, which would remain application based. Staff feel these options are in line with other municipal policies and have been demonstrated in some form through past County practice. Deferral options are available to existing property owners at the time of billing and will not be extended to future property owners.

Financial Hardship

There is no change proposed to the County's current practice for offering deferrals based on financial hardship. The benefiting property owner may continue to request deferral of the capital billing fee and/or mandatory connection date based on their circumstances. It should be noted that other municipalities would accrue interest on deferrals of the capital billing fee, however staff are not proposing this change as it conflicts with the reason for deferral under this option.

Replacement of private services within 10 years

Other municipalities offer a deferral of mandatory connection where a private service (water or wastewater) was installed within 10 years. The review did not note any instances where a deferral was offered in excess of 10 years under this option. The Mount Elgin wastewater servicing project provided for a longer connection date under By-Law 5509-2013. This is the only instance where the County has offered a longer deferral based on age of private services. The Policy updates propose adding a standard deferral option based on the age of private services, limited to the 10-year period as noted in other municipal policies. The deferral would be limited to the mandatory connection date only, and benefiting property owners would still be required to select the preferred financing option for the capital billing fee.

Properties set-back over 50 meters

Recognizing that longer set-backs generally result in increased costs for private side connections, the County provided a 3-year period to connect for properties set-back in excess of 50 metres, for the Ingersoll Mutual St and Park Ave Sanitary Sewer and Watermain Project approved under By-Law 5933-2017, as amended.

While other municipal policies reviewed were silent on deferral options based on setbacks, one policy spoke to a deferral for private side connection costs in excess of a prescribed amount.

The Policy updates propose adding a standard deferral option of up to 3-years for properties with setbacks over 50 meters. The deferral would be limited to the mandatory connection date only, and benefiting property owners would still be required to select the preferred financing option for the capital billing fee.

CONCLUSIONS

Connecting to municipal services offers a number of benefits to property owners. The proposed amendments to the Policy update the end-to-end process for extending services to previously unserved areas. The amendments expand on the standard deferral options offered through existing County practices, providing benefitting property owners with additional opportunity to manage costs allocated to their properties, while still contributing to the County's overall financial sustainability.

SIGNATURES

Report author:

Original signed by

Jennifer Lavalley, CPA, CGA
Manager of Capital Planning

Departmental approval:

Original signed by

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

Approved for submission:

Original signed by

Benjamin R. Addley
Chief Administrative Officer

ATTACHMENTS

Attachment 1 – Extension of Municipal Water and Wastewater Services Policy 6.05 (proposed)
Attachment 2 – Water and Sewer Services Financing Policy 6.05 (existing)