



GENERAL POLICY MANUAL

SECTION:	Finance	APPROVED BY:	County Council
NUMBER:	6.05	SIGNATURE:	Original signed by Peter Crockett, CAO
PAGE:	1 of 4	DATE:	October 24, 2007
REFERENCE POLICY:		REVISED:	January 28, 2015

Water and Sewer Services Financing

POLICY

The County is responsible for municipally owned water and sewer services within its boundaries. Municipal services are constructed for two main reasons. New development is proposed providing lots that require municipal services because services do not exist, or previously developed lots require some form of municipal services.

New development happens continuously and a process to plan and manage municipal services is important. In Oxford County, development occurs in two ways either through consent approvals under the Planning Act for five or fewer lots, or by subdivision approvals for larger than five lots. Regardless of the approval process, services must be planned and the financing for the associated costs of such services must be determined.

Services can also be extended to a previously developed area. When this occurs, the financial impact on property owners will be addressed in a by-law to assess costs to properties applicable to each project.

This policy provides direction on the how the capital costs of water and sewer services are recovered from land developers and the consumers of such services.

DEFINITIONS

Developed Area Is an area where residential and commercial buildings already exist and were previously serviced with private wells and septic systems or one private service in combination with municipal services.

Personal Property Is property owned by an individual or corporation and not by the County of Oxford.



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PROCEDURE

The systematic planning and management of water and sewer infrastructure is an important function of local government. Residents depend on these services to improve the quality of life and expect that local government will have in place processes that can address their need for infrastructure.

The following procedures outline the financing options available, through the County of Oxford, to property owners where services are being proposed.

1.0 County Services to a New Development

The County is required to provide services to new development established by consent or subdivision approvals. In both cases, whether the new development is owned by individuals or corporate developers, the County's servicing costs associated with the development will generally not be financed long-term by the County. The preferred method of payment would be use of a prepaid deposit, corresponding to the estimated cost of providing the services, with eventual reconciliation to actual costs upon completion. The deposit would be received prior to services being constructed. The County shall incorporate these conditions in all documents related to the consent or subdivision approval processes. Projects listed in the County Development Charges Background Study may also receive funding from Development Charges collected in accordance with the County's Development Charge By-laws.

In cases where new development properties exist within a developed area that the County is servicing, costs associated with the new development may be financed long-term until such time as the consent or subdivision approvals are in place. Payment of outstanding costs associated with the servicing will be incorporated into any related development approvals.

In the case of subdivisions, the subdivision agreement is to contain adequate security for any infrastructure to be installed by the developer.

Where the servicing provided by the County benefits a large number of new development properties, the County may choose to add the costs associated with the servicing to the water and wastewater specific Development Charges for the community, in accordance with the local services policy in the Development Charges Background Study.

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2.0 County Services to a Developed Area

Sometimes the County is required to provide services to a previously developed area. This may occur in the following situations:

- Property owner(s) have requested County Council to provide services;
- the County is required to provide services as a consequence of a Ministry of Environment process; or
- County Council directs that services be installed.

In any of these cases, the costs associated with such services can be financed through the County of Oxford on a long-term basis, at the option of the property owner. The following conditions should be documented at all meetings and in any information provided to the public:

- 2.1 That the long-term financing has a set term (a minimum of five years) and cancellation or prepayment of the annual debt obligation cannot occur, during the term of the financing, by neither the current nor any future property owner.
- 2.2 That the interest rate related to the long-term financing provided is an estimate and that annual payments will be based upon actual rates negotiated at the time of debt issue by the County.
- 2.3 That when the long-term financing occurs by way of internal borrowing of County funds, the interest rate will be set in accordance with County of Oxford Debt Management Policy No. 6.19.
- 2.4 That the property owners be encouraged to find a third party source of financing as the County is limited to the above noted financing terms and conditions.

3.0 Private Services on Personal Property

The County will not offer financing options to any property owner for the cost of private services on personal property unless directed to do such by County Council in an exceptional circumstance.

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4.0 Public Consultation

Recognizing the evolving nature of servicing projects and the associated cost estimates, 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. Public Works, in consultation with Communications staff, shall develop a public consultation procedure to guide communications for each project, including the timing, method and content of notices and meetings. The procedure shall be consistent with the County's "Guideline for Effective Communication & Public Participation". The procedure shall also include strategies for interim updates on multi-year projects.

At a minimum, direct public consultation shall occur at the following stages and shall include cost estimates for property owners as set out in Section 2.0 of this policy:

- During the Servicing Study, prior to adoption by County Council,
- Following acceptance of the construction tender, and
- Upon finalization of project costs.