

To: Warden and Members of County Council

From: Director of Corporate Services

Oxford County North Street East Services Extension Project

RECOMMENDATION

- 1. That By-law No. 6348-2021, being a by-law to authorize the funding sources and mandatory connection for the Oxford County North Street East Services Extension Project, be presented to Council for enactment.**

REPORT HIGHLIGHTS

- The purpose of this report is to authorize funding sources for the extension of sanitary sewer, watermain and stormwater servicing on North Street East in Tillsonburg completed from 2014 to 2020
- Total cost for the sanitary sewer extension on North Street East is \$3,780,260
- Total cost for the watermain extension on North Street East is \$330,224
- In addition to the total cost of the project, \$260 will be billed to each of the existing benefitting properties with new water connections for a water meter, in accordance with the 2020 rates of the Fees and Charges By-law No. 4889-2007
- Total cost for the stormwater drainage channel on North Street East attributed to development properties is \$331,157

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 as set out in Schedule "A" 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 taxes.

Financial Impact

The sanitary sewer and watermain extension portions of this project were funded from Development Charges, the Tillsonburg Wastewater Reserve and the Tillsonburg Water Reserve, as costs were incurred. The Community Servicing Assistance Program (CSAP) funds and,

amounts attributed to the benefitting property owners will be contributed to the Tillsonburg Water and Wastewater Reserves upon completion of the billing for this project.

There are 68 properties included in the billout. New services to developed single lots are billed \$9,250 for sewer and \$6,247 for water services with the majority of properties having existing water services. Of the 68 properties, five are to be developed with servicing costs to be paid when connected to the system.

Table 1 – Sanitary Sewer and Watermain Funding

Description	Project Cost	Attributed to Benefitting Properties	CSAP	Reserve Funded Replacements	Development Charges
Sanitary Sewer	\$3,780,260	\$681,422	\$194,261	\$16,627	\$2,887,950
Watermain	330,224	143,691	23,944	0	162,589
	\$4,110,484	\$825,113	\$218,205	\$16,627	\$3,050,539

The stormwater drainage channel costs attributed to future development form part of the County's unfinanced capital. Collection of these amounts will be at the time of subdivision agreement approval, or when building permits are issued, whichever comes first. As funds are received they will be applied to the unfinanced capital balance.

Communications







Public consultation for this project began in fall of 2011 with a Class Environmental Assessment Notice of Study Commencement. A Public Consultation Centre (PCC) was held on September 14, 2011 to introduce the project and present possible alternatives. A second PCC was held on April 16, 2013 to present the recommended preferred alternatives for each of the different components of the study, along with proposed phasing strategies. PCCs regarding construction were held on April 22, 2014 for phase A&D property owners, on June 25, 2015 for phase B property owners and on May 24, 2017 for phase C property owners.

Phase A & D benefitting properties received a notice on December 5, 2014 regarding the sanitary sewer connection. This notice indicated that connection fees to the benefitting properties would be calculated once all construction was completed and the total project costs were confirmed. Phase B & C benefitting properties received a similar notice on March 10, 2020.

In accordance with procedures under the County Water and Sewer Services Financing Policy, public consultation was offered virtually to affected property owners on Tuesday June 1st and Thursday June 3rd, 2021. On May 25, 2021, a letter was sent to each landowner to further inform them of the billing process.

Upon enactment of By-law No. 6348-2021 a letter will be sent to each property owner providing them with payment options for the charges related to their property.

Strategic Plan (2020-2022)

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

DISCUSSION

Background

Through a phased construction plan from 2014 to 2020, Oxford County undertook road reconstruction along North Street East in Tillsonburg. Crews installed municipal services (watermains, sanitary sewers, forcemain, sewage pumping station, storm sewers and drainage channel improvements) for properties located along the North Street corridor and surrounding area. This work was done in accordance with the County of Oxford water and wastewater strategy, as outlined in the Official Plan.

In accordance with the terms identified in PW 2017-51 Storm Drainage Channel Cost Sharing Agreement between the Town of Tillsonburg and County of Oxford, the County is attributing, through this authorizing by-law, the future development contribution to specific development properties based on anticipated stormwater flows.

Table 2 – Cost Sharing Arrangement – Storm Drainage Channel

Description	Contribution	Amount
County Contribution	5.3%	\$30,955
Town Contribution	38.0%	221,940
Future Development Contribution	56.7%	331,157
Total Storm Drainage Channel Project Cost	100%	\$584,052

County staff received several inquiries from property owners upon receipt of the pre-financing letters. Upon investigation County staff confirmed that three properties were previously connected to the sanitary sewer, through connections that did not front to North Street. These three properties, along with the costs associated with their lateral replacements, were removed from the billout. This resulted in the charges to the remaining benefitting properties being re-calculated, increasing from the estimated amounts contained within the pre-financing letters by \$200.

The County's current practice is to require properties with access to a municipal sanitary and/or water system to connect to it. Through the capital billing project process a mandatory

connection date is determined allowing for a minimum of one full construction season before the deadline. This date may be extended depending on certain circumstances. Banked properties and vacant lots are not subject to the mandatory connection date until they are developed.

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. All routine maintenance costs currently on the homeowner would be included in the monthly fees
- Frees up valuable property from the existing septic bed footprint
- Reduces the risk of cross contamination with private water systems
- May increase property values within urban serviced boundaries

On June 3, 2021 County staff received a copy of a petition signed by residents of Tillsonburg regarding the North Street East servicing extension project requesting that the property owners that did not wish to be connected to municipal services be excluded from the financial obligation for the costs of installation, as well as the mandatory connection to the system. Of the 36 names on the petition, five are not registered property owners and three are related to properties that are not part of the billout area. The remaining 28 names on the petition represent 21 of the 68 properties included in the billing area.

Forgiving the financial obligation in its entirety under this billout would require the system to continue to bear the cost of installation. In addition, these properties would then be subject to the connection costs under the Fees and Charges By-Law when they do choose to connect. This would also pose the risk that property owners from several recent and anticipated bill-outs would request similar treatment.

For multi-year projects, such as this one, it is likely that some property ownership will change from the time of notice of construction to the time of billing. The onus is upon existing homeowners at the time of construction to inform prospective purchasers of the financial obligation. New property owners that feel they were not duly informed may submit a Freedom of Information Request to the County to obtain copies of all communication with prior property owners. This information can be used to support a claim through Title Insurance.

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. 5912-2017 also provides tax relief for eligible landowners with disabilities and/or low income. Property owners that feel the fees associated with this billout would 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 with their annual property tax bill. The debenture payment plan options offer either a 5 or 10 year repayment term 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.

Schedule “A” of the authorizing by-law provides a list of benefitting properties by roll number having existing buildings that will be required to connect to the water services by October 31, 2022 – 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 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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ATTACHMENT

Attachment 1 – Oxford County North St East Services Extension Project Area Map