

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

**From: Director of Corporate Services**

## Oxford County Tanager Drive and Falcon Road Services Extension Project

### RECOMMENDATION

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1. That By-law No. 6472-2022, being a by-law to authorize the funding sources and mandatory connection for the Oxford County Tanager Drive and Falcon Road 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 Rolling Meadows Phase 1 reconstruction project, which included an extension on Tanager Drive and Falcon Road in Tillsonburg, completed between April and November 2021.
- Total cost for the sanitary sewer portion of the project is \$228,870
- Total cost for the watermain portion of the project is \$301,953
- In addition to the total cost of the project the following costs are added in accordance with the 2022 Fees and Charges By-law No. 4889-2007
  - \$275 billed to each of the development properties with new water connections for a water meter
  - \$50 billed to each of the existing and development properties for the sanitary application to connect review fee
  - \$50 billed to each of the 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 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 taxes.

### **Financial Impact**

Between April and November 2021, the Town of Tillsonburg, on behalf of the County, installed watermains and sanitary sewers to serve properties in the Rolling Meadows subdivision in Tillsonburg. At the time, the project was funded from the Water – Tillsonburg and Wastewater – Tillsonburg Reserves respectively. 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.

Table 1 – Project Funding

<b>Description</b>	<b>Project Cost</b>	<b>Attributed to Benefitting Properties</b>	<b>CSAP</b>	<b>Reserve Funded Replacements</b>
Sanitary Sewer	\$228,870	\$167,746	\$37,671	\$23,453
Watermain	\$301,953	\$15,492	\$0	\$286,461

Note: 2021 CSAP Maximum Threshold (cost to existing single family residence) is \$15,679 for sanitary sewer and \$11,917 for water.

### **Communications**

County Policy 6.05 Water and Sewer Services Financing 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. Indicated below are the various communication points that occurred with the impacted property owners.

The Town of Tillsonburg sent pre-construction communication notices to impacted residents as part of the Rolling Meadows Phase 1 reconstruction project. Included as Attachment 1 is a copy of the Information letters dated September 29<sup>th</sup>, 2020 and March 17<sup>th</sup>, 2021. These letters indicated the work being completed, including watermain and sanitary sewers, however does not specify that a cost will be allocated to serviced residents.

Included as Attachment 2, are copies of the daily work summary from Town of Tillsonburg project staff for April 28 and May 3, 2021. These work summaries contain information on the installation of the services, including discussions and agreement from residents on the service location.

Communication was mailed to impacted property owners in October of 2021 informing them that the connection fees associated with the project would be calculated once confirmed, and that County staff would offer an information session in 2022. A copy of this notice is included as Attachment 3. County staff did not receive any inquiries from impacted property owners at the time of this notice.







Subsequently, a notice was mailed in June of 2022, included as Attachment 4, notifying affected property owners that public consultation was being offered on August 10, 2022, to provide additional information, and inform affected existing homeowners of cost implications.

On August 24, 2022, a letter was mailed to each landowner informing them that a by-law to bill this project to benefitting property owners would be passed in the near future. Included as Attachment 5 is a sample of the letter that was sent to existing developed properties and to development properties. This notice cited project costs specific to the extension area of the project, whereas this report refers to total project costs which includes replacement mains and services to properties with previous connections.

County staff are committed to continuously improving communication practices, demonstrated by a number of process improvements implemented over the past year. Annual notices are now being sent where project billing is delayed for any reason, such as the one included as Attachment 3. County and Town of Tillsonburg staff will issue joint communication for any future reconstruction projects containing an extension component, ensuring that potential cost implications are mentioned as early in the process as possible. Additional clarification has been provided within letters to clearly identify the rate that residents would be charged if not connected by the mandatory connection date.

Upon enactment of By-law No. 6472-2022 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)**

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

**DISCUSSION**

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**Background**

Between April and November 2021, the Town of Tillsonburg, on behalf of the County of Oxford, installed sanitary sewers and watermain to serve properties along Tanager Drive and Falcon Road 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 to it. 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 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 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.

On September 14, 2022 County staff received resolution # 2022-299 from the September 12, 2022 Town of Tillsonburg Council meeting regarding the petition for sewer costs for Tanager Drive and Falcon Road. Of the 23 names on the petition, five are related to two properties that are not part of the billout area as they had pre-existing services that were replaced. The remaining 18 names on the petition represent the 11 developed properties included in the billing area.

The purpose of the petition was to indicate a lack of communication throughout the project, and to oppose the cost assigned to each of the benefitting property owners. Communication efforts undertaken by the Town of Tillsonburg and the County of Oxford are as indicated in the communications section of this report. Total project costs have been analysed and all costs assigned to replacement infrastructure were subtracted from the total project cost to determine the extension only costs allocated to 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 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, 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 eleven existing residential properties serviced by this project with each being billed \$13,694 of the total sanitary costs less \$3,424 in CSAP funding, plus \$50 for the application to connect review fee, for a net cost of \$10,320 per property.

There are four development properties serviced by this project with each being billed \$13,694 of

the total sanitary costs, \$3,873 of the total watermain costs, plus \$275 for a water meter and \$100 for the watermain and sanitary application to connect review fees, for a total cost of \$17,942 per property.

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 the sanitary sewer services by October 31, 2023 – 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 6 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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### **Report Author:**

Original signed by

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Jennifer Lavalley, 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  
Interim Chief Administrative Officer

## **ATTACHMENTS**

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Attachment No. 1 – Oxford County Tanager Drive and Falcon Road Services Extension Project  
Tillsonburg Communication Notices

Attachment No. 2 – Oxford County Tanager Drive and Falcon Road Services Extension Project  
Daily Work Summaries

Attachment No. 3 – Oxford County Tanager Drive and Falcon Road Services Extension Project  
Resident Update October 2021

Attachment No. 4 – Oxford County Tanager Drive and Falcon Road Services Extension Project  
Resident Update June 2022

Attachment No. 5 – Oxford County Tanager Drive and Falcon Road Services Extension Project  
Pre-Financing Letter August 2022

Attachment No. 6 – Oxford County Tanager Drive and Falcon Road Services Extension Project  
Area Map