

REGIONAL MUNICIPALITY OF OTTAWA CARLETON
MUNICIPALITÉ RÉGIONALE D'OTTAWA CARLETON

REPORT
RAPPORT

Our File/N/Réf. W.1.2.92
Your File/V/Réf.

DATE 28 April 1997

TO/DEST. Co-ordinator
 Corporate Services and Economic Development Committee

FROM/EXP. Environment and Transportation Commissioner

SUBJECT/OBJET **CARP COMMUNAL WATER AND FORCEMAIN SYSTEM
IMPOSITION OF CHARGES**

DEPARTMENTAL RECOMMENDATIONS

That the Corporate Services and Economic Development Committee and Council approve:

- 1. The additional amount payable in respect of new development within the existing Village of Carp for the Carp Communal Water System be \$925 for the first equivalent unit and \$51 for each additional equivalent unit and that such amounts shall increase in accordance with accrued interest;**
- 2. The additional amount payable in respect of new development within the existing Village of Carp for the Carp Regional Forcemain System be \$625 for the first equivalent unit and \$213 for each additional equivalent unit and that such amounts shall increase in accordance with accrued interest;**
- 3. Parts 4.4 and 5.5 of the Regional Regulatory Code be amended to reflect the actual number of present units (344) in the existing Village as at the date the system is expected to be commissioned;**
- 4. The format of the report for the future imposition of charges in the expansion area of Carp be in the format attached as Annex A.**

BACKGROUND

The Carp Communal Water and Sewer System includes a Regional communal well, a Regional Water Distribution system, a local sanitary sewer collection system and a Regional forcemain. The original communal water system and sewer system project budget, including the local sewers installed by the Region on behalf of West Carleton, was \$21.4M. At the time of the adoption of the Environmental Study Report for these projects, it was anticipated that the cost to an existing homeowner for the Carp Communal Water and Sanitary Sewer Systems would be approximately \$10,000. Through the efforts of Regional and West Carleton Councils and their staff, the Region and West Carleton were successful in having the subsidy level from the province increased from 60% to 80%. As a result, the total cost to an existing homeowner for the local sewer and Regional Communal Water and Forcemain systems will be less than \$5,000.

The Department now forecasts that the final cost of the project to be \$17.6M, including a well-plugging program which was added after the original estimate of the cost of the program had been prepared. The taxpayers of the Province of Ontario have provided funding for the Carp Communal Water and Sewer System in the approximate amount of \$13.6M. Through Executive Committee Report 101, Item 5 and Executive Committee Report 116, Item 9, approved on 26 January 1994 and 13 July 1994 respectively, Regional Council adopted a financing scheme for the Regional aspects of the Carp Communal Water and Sewage System not funded by the Province of Ontario.

This scheme provided that after deducting the monies provided by the Province, 37.5% of the cost would be borne by existing residents and businesses whereas 62.5% of the cost would be borne by growth. These amounts are then to be divided individually amongst growth and existing units on the basis of equivalent units. Each structure (i.e. a single residential unit or a business) on a separately assessed parcel of land is to pay a base charge representing the first equivalent unit (1.4 m³ of wastewater capacity for users of its class). For a multi-unit residential building, a business or an institutional use which has a capacity to utilize more than one equivalent unit, an additional charge, representing the costs to oversize the water and sanitary sewer works is imposed for the additional equivalent units, or part thereof, of wastewater capacity for that class of user.

The statutory mechanism for the charge for existing buildings is the Municipal Act, sub-section 221(2) while that for growth in the new areas of the village will be the Municipal Act, sub-section 221(13). Growth within the existing village is to be a charge under the Public Utilities Act (water) and the Regional Municipalities Act (regional forcemain) representing the difference between the charges under the Municipal Act. The intent of these additional charges is to ensure that all growth after the formal commissioning of the new systems will pay the same regional rate whether they are in the existing or new areas of the Village of Carp.

REGIONAL REGULATORY CODE

At the time of the original reports, there were 329 units in the existing Village of Carp. As of the present date there are 344 units. The additional 25 units are entitled to the rate to be charged against the other existing owners. This will not increase the rate that would have otherwise had to have been paid by the original 329 units but will marginally increase the rate to be paid by growth. In order to reflect the additional 15 units, an amendment to Parts 4.4 and 5.5 of the Regional Regulatory Code will be necessary.

PUBLIC UTILITIES ACT (COMMUNAL WATER SYSTEM)

The total cost of the Carp Communal Water System, exclusive of interest, is estimated to be \$8.2M. This results in a base Regional charge of \$2,440 for the first equivalent unit in the existing area and \$67 for each additional equivalent unit. For the new areas of the village, these amounts will be \$3,380 and \$118 respectively. As shown, in the following chart, the amounts to be imposed to bring the rates for the Communal Water System for growth within the existing village up to the same level as that for growth for the new areas of the village will therefore be \$925 for the first equivalent unit and \$43 for each additional equivalent unit. To each of these amounts will be added further interest that accrues from 15 May 1997.

	First Equivalent Unit	Additional Equivalent Units
Growth - New Areas	\$3,380	\$118
Existing Village	\$2,440	\$67
Public Utilities Act Charges	\$940	\$51

REGIONAL MUNICIPALITIES ACT (REGIONAL FORCEMAIN)

The total cost of the Carp Regional Forcemain System is estimated to be \$4.4M. Similarly to the calculations for the Communal Water System, the charges under the Regional Municipalities Act necessary to bring the charges for growth within the existing village to the same level as that for growth in the new areas of the village are shown by the following chart:

	First Equivalent Unit	Additional Equivalent Units
Growth - New Areas	\$1,720	\$493
Existing Village	\$1,095	\$280
Regional Municipalities Act Charges	\$625	\$213

GROWTH AREA CHARGE

The Municipal Act, sub-section 221(13) permits a charge to be imposed to pay for the cost of existing sewer or water works but only when the lands to be charged can derive an 'immediate benefit' from such works. In essence this means where the works have been extended, either by the developer, the municipality or the Region, to the site where the development is to take place.

The result of this provision is that while it was permissible in 1994 to establish the policy basis upon which the charges for the new areas of the village will be imposed, the actual legal imposition must take place as each new area is developed. In order to expedite this process, staff recommend that a report in the format attached as Annex A be forwarded to Committee and Council for approval when each development proposal comes forward. The amount of the charges will be \$3,380 for the Communal Water System and \$1,720 for the Regional Forcemain plus interest from 15 May 1997 to the date of the reports adoption by Council. The total charge will continue to accrue interest until the charges are paid. The draft report at Annex A will be amended to reflect any changes made by Committee and Council in dealing with the present report.

*Approved by D. Brousseau
on behalf of
M.J.E. Sheflin, P.Eng.*

TCM/

Our File/N/Réf. W.1.2.92
 Your File/V/Réf.

ANNEX A

DATE 14 May 1997

TO/DEST. Co-ordinator
 Corporate Services and Economic Development Committee

FROM/EXP. Finance Commissioner

SUBJECT/OBJET **CARP COMMUNAL WATER AND FORCEMAIN SYSTEM
 IMPOSITION OF GROWTH CHARGES
 ABC INC. SUBDIVISION
 PROVINCIAL FILE NO. 06T-XXXXXX**

DEPARTMENTAL RECOMMENDATIONS

That the Corporate Services and Economic Development Committee and Council approve that:

1. **The applicable capital sewer rate for lands within Provincial File No. 06T- XXXXXX be \$1,720 for the first equivalent unit of each building and \$493 for each additional equivalent unit of each building, with such amounts to accrue interest at from May 15, 1997.**
2. **The applicable capital water rate for lands within Provincial File No. 06T- XXXXXX be \$3,380 for the first equivalent unit of each building and \$118 for each additional equivalent unit of each building, with such amounts to accrue interest at from May 15, 1997.**

BACKGROUND

Regional Council (Corporate Services and Economic Development Committee Report, Item) approved on **(date)** the base amounts that are to be charged for the regional communal water and forcemain systems serving the growth areas in Carp. The *Municipal Act*, subsection 221(13) requires that the charges be formally imposed each time that the services are being extended to service a new parcel of land or subdivision in such growth areas.

The sewer and water services are now being extended to service the lands owned by ABC Inc.. and being the plan of subdivision covered by provincial file no. 06T-XXXXXX. It is therefore appropriate at this time to impose the charges. The actual amount payable as development takes place will be the above charges plus interest at X¹ percent accruing from June 2, 1997, the date the system was formally declared complete.

The total number of units allocated for the expansion areas of Carp was 279 units. Y units have been allocated to date. This subdivision is expected to include Z units leaving an unallocated amount of (279-y-Z).

TCM

¹ Twenty year debenture rate as at May 15, 1997.