



The Corporation of the Municipality of Arran-Elderslie

Staff Report

Council Meeting Date: September 25, 2023

Subject: SRFIN.23.22 Consulting Services for Stormwater Rate Study

Report from: Tracey Neifer, Treasurer

Appendices: None

Recommendation

Be It Resolved that Council hereby,

1. Directs staff to engage the services of Hemson Consulting Ltd. for the preparation of a Stormwater Rate Study at a cost of \$43,234 inclusive of HST;
2. That the award of the consulting services be exempt from Article 9 of the Procurement Policy;
3. The 2023 project costs estimated to be \$13,187 shall be funded by 01-3018-4601; and
4. Council gives 2024 pre-budget approval of \$30,047 for completion of the project.

Report Summary

The purpose of the report is to engage the services of Hemson Consulting Ltd. for the preparation of a Stormwater Rate Study.

Background

On June 27th, 2022 the CAO provided Council with Report CAO.03 Stormwater Management Update as a response to Resolution 26-02-2022 (January 31, 2022):

Whereas, our storm sewer systems are used in our urban centres to divert surface water into an underground system much like tile drainage is used in the country;

Whereas, historically, the cost of these systems has been paid for by general taxation dollars even though the owner pays for all the tile drainage costs in the rural areas; and

Whereas, the cost of these stormwater sewers may increase in the future, whether through replacement or upsizing due to severe weather events;

Whereas, these systems are a true benefit to the affected properties;

Now therefore, Be it Resolved, that beginning in January 2022 the maintenance, engineering, and replacement of these systems be removed from general taxation and be borne by our Water and Sewer Division, so as to create a more equitable system.

The analysis of the report indicated that based on the Municipal Act and case law, any fees collected under the Municipality's sanitary and water user fees by-law cannot be used towards payment for repairs of the Municipality's stormwater management system. As a result, for a fee or charge to be valid it must be tied to what it is being collected for. Therefore, the Municipality needs to pass a Stormwater Fees and Charges By-Law pursuant to Sections 11 and 391 of the Municipal Act.

Analysis

Hemson Consulting Ltd. (Hemson) has prepared options for proceeding with the implementation of a stormwater user fee. There are generally three (3) types of fee structures to consider:

- Flat Fee
- Tiered Flat Fee – residential and non-residential rates
- Impervious Area – a more complex option that looks at the type of structure and surface runoff

Hemson has proposed a draft fourteen (14) step work plan that begins with an orientation meeting with a Steering Committee of key stakeholders, to ensure that the appropriate representatives are engaged with the process.

They will work with staff to gather and assess data that will lead to the development of Stormwater Programs and Funding Requirements, and an Implementation Strategy. An education session will be held with Council to discuss the draft results, implementation plan, and financing strategies available. A public meeting will provide the residents with information to understand the stormwater financing options available and preferred options. Additional public consultation sessions (4) can be planned to provide information on key project goals and study objectives, as well as to present all finds and recommendations of the Stormwater Rate Study.

The timeline for the study is approximately 10 months. Total project cost including the provision for four (4) public consultations sessions is \$43,234 inclusive of HST.

Link to Strategic/Master Plan

6.1 Protecting Infrastructure, Recreation and Natural Assets

6.4 Leading Financial Management

Financial Impacts/Source of Funding/Link to Procurement Policy

The approved 2023 operating budget for Stormwater (Dept. 01-3018) under strategic initiatives, included \$56,404 for a stormwater study. Part of these funds are committed to the completion of the Stormwater Management Study that is currently underway by GSS Engineering. On March 8, 2021 SRW.21.08 Stormwater Assessment Need Study was adopted by resolution 8-105-2021 supporting the cost to complete the study for all three communities, at a total of \$82,000. Costs to date (2021-2023 inclusive) are \$67,288 leaving a balance of \$14,712.

Based on the workplan for the Stormwater Rate Study, the costs related to 2023 are estimated to be \$13,187. There are sufficient funds available to support undertaking the work in 2023, with pre-budget approval required for the remaining 2024 costs.

Approved by: Sylvia Kirkwood, Chief Administrative Officer