



Staff Report

Report To: Council Meeting
From: Magda Badura, CAO/Treasurer
Date: 2024-05-23
Subject: Sanitary Sewer and Water Connection Fees

Recommendation:

That West Elgin Council hereby receives the report from M. Badura, CAO/Treasurer; and That West Elgin Council approves the following fees:

West Lorne and Rodney Sanitary Sewer Connection fees as outlined in the By-Law 2024-42

And That; West Elgin Council approve revised Water fees as outlined in 2024 Fees and Charges Schedule.

Purpose:

The purpose of this report is to seek council approval of the sanitary sewer “new” connection fees as well as amended water connection fees.

Background:

1. Wastewater Connection Fees

On May 9, 2024, staff presented a report to the council proposing new connection fees for the Rodney and West Lorne wastewater systems. The council reviewed the report and agreed on the necessity of implementing the fees. The attached by-law outlines the policies and procedures for connection charges and payments for various property types, including residential, multi-residential, commercial, industrial, and institutional properties, based on the number of connections and water service size. The policy aims to allocate charges from sewer connections towards system improvements and future replacements.

During the May 9th presentation, the calculated sanitary sewer fees for West Lorne and Rodney were \$9,423.00 and \$9,559.00, respectively. Staff decided to round these fees up to \$10,000.00 due to their similarity. For clarification and justification, average people per unit ratios, from the official plan, and average dwelling square footage were used to determine fees for different property types. For instance, the connection fee is set at \$10,000.00 for a single-family dwelling, \$6,959.00 for a townhouse, and \$5,437.00 for an apartment building. Different water connection sizes, from 1” to 2” for residential/commercial properties, were also considered using the same methodology.

Fees for service area extensions and properties requesting a service stub could not be pre-calculated, as each request varies and requires individual assessment. These cases are typically addressed in the development agreement. The cost for connecting a sanitary sewer line to the property line also varies and must be addressed separately.

2. Water Connection Fees

Another fee that requires council's attention is the water connection fee. It was brought to our attention that the water connection fees outlined in the 2024 fees and charges by law are relatively low and only cover the cost of connection. Our water system is both expensive and subject to stringent regulations by the Ministry of the Environment (MECP). Given the high cost of supplying water and maintaining the infrastructure, the fees for connecting to the system should be appropriately adjusted. To address this, staff have developed a methodology similar to the one used for the wastewater connection fees. This methodology considers the value of the Water system, the current replacement cost, and planned capital upgrades, as detailed below:

Buildings -	\$ 3,078,392.00
Water Lines -	\$ 5,669,109.00
Connections –	1,738
\$/Connection for Buildings -	\$ 1,771.23
\$/Trunk Lines -	\$ 3,261.86
	\$ 5,033.09

The proposed fee for water connection is \$5,000.00, as outlined in the updated 2024 fees and charges schedule, awaiting council's review. It is important to take these factors into account to ensure that the adjusted fee structure effectively meets the financial requirements for maintaining and enhancing our water infrastructure.

Financial Implications:

None

Policies/Legislation:

2024 Fees and Charges By-Law
By-law 2024-42

Alignment with Strategic Priorities:

Infrastructure Improvement	Recreation	Economic Development	Community Engagement
<input checked="" type="checkbox"/> To improve West Elgin's infrastructure to support long-term growth.	<input type="checkbox"/> To provide recreation and leisure activities to attract and retain residents.	<input checked="" type="checkbox"/> To ensure a strong economy that supports growth and maintains a lower cost of living.	<input type="checkbox"/> To enhance communication with residents.

Respectfully submitted by,

Magda Badura
CAO/Treasurer

Report Approval Details

Document Title:	Sanitary Sewer and Water Connection Fees - 2024-15-Administration Finance.docx
Attachments:	- By-law 2024-42 WE Sanitary Sewer Connection Fee By-law.pdf - 2024 Fees and Charges Schedules.pdf
Final Approval Date:	May 21, 2024

This report and all of its attachments were approved and signed as outlined below:

Terri Towstiuc