



Report to Council

Department: Infrastructure Services
Division: Infrastructure Services
Date: June 21, 2021
Prepared by: Kevin Girard, P.Eng., MBA
Director, Infrastructure Services
Report Number: Infrastructure Services-2021-06
Subject: Ward 1 Water Supply West of Highway 3 – Cost Recovery
Number of Pages: 6

Recommendation(s)

That Infrastructure Services – 2021 – 06 entitled, “Ward 1 Water Supply West of Highway 3 – Cost Recovery” prepared by Kevin Girard, Director of Infrastructure Services dated June 21, 2021 be received, and

That Council direct Administration to develop a by-law in accordance with Part 12 of the Municipal Act to impose a special charge on benefitting property owners to fully recover the costs of the watermain crossing Highway 3 at the 14th Concession Road upon connection to municipal water supply as identified in Infrastructure Services Report 2021-06.

Purpose

To present Council with a recommendation for the allocation of costs for the watermain installation crossing Highway 3 at the 14th Concession approved on March 1st, 2021.

Background and Discussion

At the March 1, 2021 Regular Council meeting, Council provided the following direction to install the watermain across Highway 3 at the 14th Concession. It was further identified in the associated report (Infrastructure Services 2021 – 05) that administration would research potential cost recovery strategies and bring a strategy forward for Council consideration.

R21-03-075

Moved by Joe Garon

Seconded By Steve Bjorkman

That Infrastructure Services-2021-05 entitled Ward 1 Water Supply West of Highway 3 prepared by Kevin Girard, Director, Infrastructure Services dated March 1, 2021 be received;

That Council approve the sole sourcing to Dillon Consulting and Coco Paving Inc., acting as the **Design-Build Team for the Ministry of Transportation's Highway 3 Widening Project** (Contract 2020-3006), to design and construct a new watermain crossing Highway 3 as described in this report; and

That Council authorize the expenditure of \$148,569.60 including applicable taxes from **the Town's water reserves to design, construct and administer the installation of the** watermain crossing Highway 3 at the 14th Concession.

Carried

After review of current legislation, it was determined that the best means to recover these costs are through Part 12 of the Municipal Act. This part of the Act and specifically Section 391 authorizes a municipality via by-law to impose fees or charges on persons for services or **activities provided or done by or on behalf of it. Specifically Section 391 (2) provides that "a fee or charge imposed for capital costs related to services or activities may be imposed on persons not receiving an immediate benefit from the services or activities but who will receive a benefit at some later point in time"**.

In this case, the benefitting properties would be those that would be able to connect or potentially able to connect to said municipal water now or in the future. Future developable

lands that would be eligible were reviewed in accordance with the Town's Official Plan. All benefitting property owners are identified in Figure 1.



Figure 1: Benefitting Properties

In order to equitably determine the benefit to each property and its associated share of the expense, a number of alternatives were assessed. Since the lands identified in Figure 1 are all lands designated in the Official Plan as Industrial with a variety of permitted uses, it is difficult to estimate the actual benefit that each property will gain as a result of connecting to the municipal water supply. Therefore, it was determined that larger parcels would have more to gain from municipal water supply than smaller parcels based on the ability to sever or subdivide, potential development opportunities, and the ability to accommodate larger industrial facilities. Using this strategy to assess the cost of the watermain crossing Highway 3, Table 1 was prepared to assess each parcel its portion of the cost.

Table 1: Watermain Assessment

Address	ARN	Area of Parcel (m ²)	Percentage of Benefitting Land	Assessed to Property (including applicable HST)
0 County Road 8	375457000003150	17,939.8215	4.21%	\$ 6,248.64
0 County Road 8	375457000003150	171,591.0282	40.23%	\$ 59,767.10
14028 Pinkerton Road	375457000003450	39,426.6105	9.24%	\$ 13,732.73
14016 Pinkerton Road	375457000003480	62,246.7224	14.59%	\$ 21,681.24
14978 14 th Concession	375457000003500	135,338.3816	31.73%	\$ 47,139.89
Total		426,542.5642	100.00%	\$ 148,569.60

The assessments provided in Table 1 include only the costs associated with crossing Highway 3 at the 14th concession. The extension of the watermain from its termination at the most easterly end of the 14th concession to the benefiting property owners would be borne by future development of said lands.

In addition, since the benefit to property owners will not be realized until connection to municipal water supply, it is recommended that the by-law imposing these special fees and charges be imposed **on these properties upon connection to the Town's municipal water supply.**

Financial Impact

The total cost to install the watermain crossing was \$148,569.60 including applicable HST which was approved by Council to be funded by Water Reserves. As identified in the Discussion section of this report, it is intended that the full cost (100%) of the watermain crossing Highway

3 be recovered from the benefiting properties west of Highway 3 upon connection to municipal water supply.

As previously discussed, this watermain crossing was funded by Water Reserves and since the special charge associated with the watermain crossing will be collected upon connection to the municipal water supply, this means that the costs for the watermain will be funded by Water Reserves until the connection of the properties identified in Figure 1. Therefore, there is **a risk that the Town's Water** Reserves will not be reimbursed for a significant amount of time, or ever, in the event that development does not occur west of Highway 3.

Consultations

Jeffrey Morrison, Director, Corporate Services/Treasurer

Kate Giurissevich, Manager, Finance and Business Services/Deputy Treasurer

Robert Auger, Town Solicitor, Legal and Legislative Service/Clerk

Lori Chadwick, Director, Development Services

Andy Graf, Manager, Environmental Services

Link to Strategic Priorities

- ☒ Manage, invest and plan for sustainable municipal infrastructure which meets current and future needs of the municipality and its citizens.
- ☐ Create a safe, friendly and inclusive community which encourages healthy, active living for people of all ages and abilities.
- ☐ Provide a fiscal stewardship and value for tax dollars to ensure long-term financial health to the municipality.
- ☐ Manage responsible and viable growth while preserving and enhancing the unique rural and small town character of the community.
- ☐ Improve the experiences of individuals, as both citizens and customers, in their interactions with the Town of Essex.
- ☐ **Improve the Town's capacity to meet the ongoing and future service needs of its citizens** while ensuring the corporation is resilient in the face of unanticipated changes or disruptions.

Report Approval Details

Document Title:	Ward 1 Water Supply South of Highway 3 - Cost Recovery - Infrastructure Services-2021-06.docx
Attachments:	
Final Approval Date:	Jun 15, 2021

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

A handwritten signature in black ink, appearing to read "Chris Nepszy". The signature is stylized with a large, sweeping "C" and a long, horizontal stroke at the end.

Chris Nepszy, Chief Administrative Officer - Jun 15, 2021 - 1:52 PM