

6. SEWER CONNECTION BY-LAW AMENDMENT – FRONTAGE CHARGES
MODIFICATION AU RÈGLEMENT MUNICIPAL RÉGISSANT LE
RACCORDEMENT AUX ÉGOUTS – REDEVANCES PAR PIED DE FAÇADE

COMMITTEE RECOMMENDATIONS

That Council approve that:

- 1. By-law 130 of 1996 of the former City of Gloucester be amended such that by-law, section 5, does not apply where no cost has been incurred by the municipality, and;**
- 2. By-law 20-90 and By-law 21-90 of the former City of Nepean be amended such that by-law, section 2(1), does not apply where no cost has been incurred by the municipality.**

RECOMMANDATIONS DU COMITÉ

Que le Conseil approuve :

- 1. Que le Règlement municipal n° 130 de 1996 de l'ancienne Ville de Gloucester soit modifié de sorte que l'article 5 dudit règlement ne s'applique pas lorsqu'aucun coût n'a été engagé par la municipalité, et ;**
- 2. Que les Règlements municipaux n° 20-90 et 21-90 de l'ancienne Ville de Nepean soient modifiés de sorte que l'article 2(1) desdits règlements ne s'applique pas lorsqu'aucun coût n'a été engagé par la municipalité.**

DOCUMENTATION / DOCUMENTATION

1. Acting Deputy City Manager's report, Planning and Infrastructure, dated 28 September 2015 (ACS2015-PAI-INF-0005).

Rapport du Directeur municipale ajoint par intérim, Urbanisme et Infrastructure, daté le 28 septembre 2015 (ACS2015-PAI-INF-0005).

**Report to
Rapport au:**

**Environment Committee
Comité de l'environnement
5 October 2015 / 5 octobre 2015**

**and Council
et au Conseil
14 October 2015 / 14 octobre 2015**

**Submitted on September 28, 2015
Soumis le 28 septembre 2015**

**Submitted by
Soumis par:**

**John L. Moser, Acting Deputy City Manager, Planning and Infrastructure Portfolio/
Directeur municipal adjoint intérim, Portefeuille de l'Urbanisme et Infrastructure**

**Contact Person
Personne ressource:**

**Wayne Newell, General Manager, Infrastructure Services Department, directeur
général des Services d'infrastructure**

613-580-2424 x16002, Wayne.Newell@ottawa.ca

**Report Author : Alain Gonthier, Manager, Asset Management and Business and
Technical Services, Infrastructure Services, Gestionnaire, Gestion des actifs et
Services techniques et opérationnels, Direction des services d'infrastructure**

613-580-2424 x21197, Alain.Gonthier@Ottawa.ca

Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2015-PAI-INF-0005

**SUBJECT: SEWER CONNECTION BY-LAW AMENDMENT – FRONTAGE
CHARGES**

**OBJET: MODIFICATION AU RÈGLEMENT MUNICIPAL RÉGISSANT LE
 RACCORDEMENT AUX ÉGOUTS – REDEVANCES PAR PIED DE
 FAÇADE**

REPORT RECOMMENDATIONS

That Environment Committee recommend Council approve that:

- 1. By-law 130 of 1996 of the former City of Gloucester be amended such that by-law, section 5, does not apply where no cost has been incurred by the municipality; and,**
- 2. By-law 20-90 and By-law 21-90 of the former City of Nepean be amended such that by-law, section 2(1), does not apply where no cost has been incurred by the municipality.**

RECOMMANDATIONS DU RAPPORT

Que le Comité de l'environnement recommande au Conseil d'approuver :

- 1. Que le Règlement municipal n° 130 de 1996 de l'ancienne Ville de Gloucester soit modifié de sorte que l'article 5 dudit règlement ne s'applique pas lorsqu'aucun coût n'a été engagé par la municipalité; et,**
- 2. Que les Règlements municipaux n° 20-90 et 21-90 de l'ancienne Ville de Nepean soient modifiés de sorte que l'article 2(1) desdits règlements ne s'applique pas lorsqu'aucun coût n'a été engagé par la municipalité.**

BACKGROUND

In 2003, Council approved By-law 2003-513, a by-law regulating sewer connections and sewage works. This by-law harmonized the practices of the former municipalities under a single by-law. This by-law regulates how connections are made to the City's existing sanitary and storm sewer systems.

Part of the by-law makes reference to frontage and sewer capital charges. Specifically, Section 38(1) states that "any person applying for a Sewer Permit shall be required to pay a frontage charge or sewer capital charge as levied in accordance with the by-laws in effect on December 31, 2000". The by-law defines frontage charges as "the charge

applicable and payable when a severance is granted or a Sewer Connection Permit is issued for a connection to a sewer installed and financed by the City”.

The former municipalities of Nepean and Gloucester had provisions to impose sewer frontage charges for connections to storm or sanitary sewers regardless of whether the construction cost was paid for by, or was a liability of the municipality. This is not consistent with the definition for frontage charge in By-law 2003-513, nor is it consistent with current *Municipal Act* provisions stating that a municipality is not permitted to impose charges for amounts not incurred by the municipality.

The purpose of this report is to address this inconsistency.

DISCUSSION

The current practice is when the City installs sewers to service existing properties (e.g. not part of a subdivision process), costs are recovered in one of two ways: through the local improvement process where the cost of servicing is recovered from benefiting property owners; or, by adding a charge to the sewer connection by-law to be paid by the property owner at the time of connection. In both instances, the City is recovering costs it has incurred.

There are also three by-laws regulating sewer frontage charges that were implemented prior to December 31, 2000, that remain in effect. These include:

- Former City of Gloucester By-law 130 of 1996 amending By-law 21 of 1994 entitled “a by-law regulating sewers and sewage works”;
- Former City of Nepean By-law 20-90 amending By-law 75-76 with respect to “imposing a rate for use of sanitary sewers”; and
- Former City of Nepean By-law 21-90 amending By-law 103-81 with respect to “imposing a rate for use of storm sewers”.

Unlike the charges that are imposed through the local improvement process or those added to the sewer connection by-law, these by-laws could impose charges where the City may not have incurred the cost to install the sewers. While the former City of Gloucester by-law provides that authority, it is noted that based on the current provisions of the *Municipal Act*, the City would not be able to enact such a by-law today.

In addition, other than former Nepean, such a frontage charge is not applicable in any of the former municipalities, raising the question of equity.

As an interim measure, it is therefore recommended that the former Gloucester and Nepean by-laws be amended such that assessing frontage charges not apply where no cost has been incurred by the municipality. While this may raise the perception of losing revenue opportunities, the City would be recovering costs it has not incurred. Where the City has incurred costs, it will retain the ability to recover these costs.

Environmental Services Department will be undertaking a thorough review of the sewer related by-laws and expects to bring forward a report to Committee and Council in 2016. As part of that process, frontage charges will be explored in more detail to establish a process that will be applicable on a city-wide basis. This process will be subject to broader consultation.

RURAL IMPLICATIONS

This report applies to properties having frontage on municipal sewer services.

CONSULTATION

Consultation will take place as part of the broader review of the sewer connection by-law to be undertaken by Environmental Services Department in 2016.

COMMENTS BY THE WARD COUNCILLOR(S)

This is a city wide report.

LEGAL IMPLICATIONS

As noted in the report, adoption of the recommendations is in accordance with the current language of the *Municipal Act*.

RISK MANAGEMENT IMPLICATIONS

There are risk implications. These risks have been identified and explained in the report and are being managed by the appropriate staff.

FINANCIAL IMPLICATIONS

The recommended By-law amendments are consistent with the *Municipal Act* provisions on cost recoveries and do not impact the City's ability to recovery when actual costs are incurred.

ACCESSIBILITY IMPACTS

There are no accessibility impacts associated with this report.

TERM OF COUNCIL PRIORITIES

This proposal is consistent with the following City Council objectives:

ES – To provide sustainable environmental services that balance protection of our natural resources and support the planned growth of the city with the duty to ensure fiscal sustainability and meet legislative requirements in the delivery of municipal services.

GP2 – Advance management oversight through tools and process that support accountability and transparency.

Continues implementation of new tools and practices for project management, business cases, procurement, and contract management oversight.

DISPOSITION

Upon approval by Council, Legal Services will prepare the amending by-laws to address the recommendations of this report.