

<p><b>7. CARLSBAD SPRINGS TRICKLE-FEED SYSTEM – FRONTAGE CHARGE</b></p> <p><b>RÉSEAU DE DISTRIBUTION DE L'EAU À FAIBLE DÉBIT DE CARLSBAD SPRINGS – FRAIS DE FAÇADE</b></p>
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**COMMITTEE RECOMMENDATIONS**

That Council approve:

1. A water system frontage charge (excluding the connection itself, private property work and plumbing costs) of \$3,765 to be indexed annually for new water services within the extents of the existing Carlsbad Springs Trickle-Feed System;
2. Waiving the specific frontage charge for properties on Farmers Way previously charged on the basis of their full assessable frontage, and;
3. Amending relevant sections of the Water Bylaw (2013-360) to document the value of this area specific charge, the extent of the properties to which the charge applies and any exemptions to the charge.

**RECOMMANDATIONS DU COMITÉ**

Que le Conseil approuve:

1. Des frais de façade pour le réseau de distribution de l'eau (ne comprenant pas les frais du branchement lui-même, des travaux sur la propriété privée et des travaux de plomberie) d'un montant de 3 765 \$ indexé chaque année pour les nouveaux services d'eau sur le territoire du réseau de distribution de l'eau à faible débit de Carlsbad Springs ;
2. D'exonérer de ces frais de façade propres au secteur les propriétés de la voie Farmers facturées auparavant de frais basés sur toute la façade taxable, et ;

3. **Une modification aux articles pertinents du Règlement municipal sur l'eau (no 2013-360) afin d'indiquer le montant de ces frais propres au secteur, l'étendue du territoire auquel ils s'appliquent et les exonérations éventuelles.**

DOCUMENTATION / DOCUMENTATION

1. Acting Deputy City Manager's report, Planning and Infrastructure, dated 28 September 2015 (ACS2015-PAI-INF-0004).

Rapport du Directeur municipale ajoint par intérim, Urbanisme et Infrastructure, daté le 28 septembre 2015 (ACS2015-PAI-INF-0004).

**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**

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**Ward: CUMBERLAND (19)**

**File Number: ACS2015-PAI-INF-0004**

**SUBJECT: CARLSBAD SPRINGS TRICKLE-FEED SYSTEM – FRONTAGE  
CHARGE**

**OBJET: RÉSEAU DE DISTRIBUTION DE L'EAU À FAIBLE DÉBIT DE  
CARLSBAD SPRINGS – FRAIS DE FAÇADE**

## **REPORT RECOMMENDATIONS**

**That the Environment Committee recommend Council approve:**

- 1. A water system frontage charge (excluding the connection itself, private property work and plumbing costs) of \$3,765 to be indexed annually for new water services within the extents of the existing Carlsbad Springs Trickle-Feed System;**
- 2. Waiving the specific frontage charge for properties on Farmers Way previously charged on the basis of their full assessable frontage; and**
- 3. Amending relevant sections of the Water Bylaw (2013-360) to document the value of this area specific charge, the extent of the properties to which the charge applies and any exemptions to the charge.**

## **RECOMMANDATIONS DU RAPPORT**

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

- 1. Des frais de façade pour le réseau de distribution de l'eau (ne comprenant pas les frais du branchement lui-même, des travaux sur la propriété privée et des travaux de plomberie) d'un montant de 3 765 \$ indexé chaque année pour les nouveaux services d'eau sur le territoire du réseau de distribution de l'eau à faible débit de Carlsbad Springs;**
- 2. D'exonérer de ces frais de façade propres au secteur les propriétés de la voie Farmers facturées auparavant de frais basés sur toute la façade taxable;**
- 3. Une modification aux articles pertinents du Règlement municipal sur l'eau (no 2013-360) afin d'indiquer le montant de ces frais propres au secteur, l'étendue du territoire auquel ils s'appliquent et les exonérations éventuelles.**

## **BACKGROUND**

The trickle-feed water system for the Carlsbad Springs area (Document 1) was installed to address well-water quality and quantity issues. The trickle-feed water system provides a reliable supply of water from the City's central treated-water network to rural residences. It provides for potable water for in-house use through a small diameter pipe system with constant water flow rates. Peak demands are met through the use of

individual storage tanks and meter sets, including a pump and backflow prevention system, installed in each home.

The existing Carlsbad Springs trickle-feed service area limits were defined primarily on housing density along individual roadway sections and public input. The initial service area was formally established through Regional Official Plan Amendments (OPA) No. 57, 62 and 70. Construction was undertaken over the course of 1996 and 1997.

Funding for the original system was provided by the Regional Municipality of Ottawa-Carleton, and the Province of Ontario (70%), through the Municipal Assistance Program under the Ontario Clean Water Agency. The National Capital Commission (NCC) and the Ontario Realty Corporation (ORC) were the only exception as they covered the costs to service their properties in the area.

Approximately 43 kilometres of small-diameter mainline piping was installed as part of the original project work, with an allowance of 778 residential units accommodated by the trickle-feed water system extents. This number included the 25 existing properties owned by the ORC and the NCC.

Following the installation of the original 43-kilometre system, there was a petitioned request for an extension of the trickle-feed water system from homeowners along an 830 metre section of Farmers Way, located primarily near Thunder Road. Regional Official Plan Amendment (ROPA) No.13, approved in July 2000, allowed the 0.8 kilometre extension on Farmers Way (from Thunder Road) to be performed pursuant to the provisions of the *Local Improvement Act* in place in 2000.

In addition, a further 1.2-kilometre system extension was approved as ROPA No. 13 in order to fully complete Farmers Way to Piperville Road to provide additional integrity and security of supply. Recovery of project costs from identified properties subject to ROPA No. 13 was pursuant to provisions of the *Municipal Act* in place at the time. The 2.0 kilometre extension of the trickle-feed water system on Farmers Way between Piperville Road (then Eighth Line Road) and Thunder Road (then Ninth Line Road) was completed in 2001.

Over the years, there has been interest expressed by property owners that have access to the Carlsbad Springs trickle-feed water system for lot severances. Granting these severances would exceed the number of approved connections. Since the trickle-feed water supply system was installed in 1997, the City has monitored water use patterns

and confirmed that actual concurrent use is lower than originally planned. As a result, there is a potential for more connections.

In April 2015, Council approved (ACS2015-PAI-PGM-0072) the Official Plan Amendment (OPA) 152 allowing the creation of new residential lots upon the trickle-feed system. The report also recommended that the levy to impose on new connections be established as part of a separate report.

## **DISCUSSION**

To date, there have been two methods of charging property owners a frontage charge:

1. In November 1998, Regional Council approved a cost recovery for the system based on a charge of \$2,032, plus annual interest of 5.25%, starting from 1999 forward for properties provided service connections.
2. As part of the Farmers Way extension in 2001, a charge was established based on the total project costs that varied based on the extent of the frontage along the watermain but with a charge cap of \$9,000. With the exception of the capped charges, the charge resulted in individual amounts of approximately \$3,700 - \$7,000 per lot. There are unrecovered costs of approximately \$145,000 to the City.

In keeping with the City's current approach to collecting a water frontage charge from those who benefit from a City distribution system, it is recommended that any new water service connection applications for the extent of the trickle-feed system in place at the time of the approvals of OPA 152 be subject to a frontage charge. A system charge (excluding the connection itself, private property works and plumbing) of \$3,765 is recommended. The charge is to be indexed annually on April 1<sup>st</sup> by the increase in the Statistics Canada Non-Residential Building Construction Price Index for the preceding January 1 to December 31 period. This is consistent with the indexing approach identified by Bylaw 2010-330. The \$3,765 represents the present value of the 1998 approved charge from the original system; \$2,032 indexed from March 1, 1999.

The majority of connections were established in 1997. Since then, there have been approximately 14 requests per year. Based on this rate, cost recovery would be achieved by 2029.

Costs associated with the Farmers Way extension (2001) are being recovered on assessable frontage, which is the full extent of the property abutting the watermain. Given the owners of property abutting the Farmers Way extension have paid the full extent of their frontage on the watermain, as opposed to a frontage charge for a service connection, the recommendation is to wave the \$3,765 charge for properties on Farmers Way.

Bylaw 2013 – 360 (Water Bylaw) documents the provisions and conditions that regulate the municipal water supply. The recommendation is to amend relevant sections of the Water Bylaw (2013-360):

- To provide that the frontage charge provisions (section 75 of the bylaw) include a reference to the charge that may be applied on the basis assessable frontage (as it provides currently) or an area specific charge as defined by Council; and
- Such that schedules A and B of the bylaw document the value of the area specific charge, the extent of the properties to which the charge applies and any exemptions to the charge.

Charges associated with any extension of the trickle-feed system beyond the extents of the trickle-feed system in place at the time of approval of OPA 152 should be established on the basis of the full cost recovery specific to that extension and documented as necessary in bylaw 2013-360.

## **RURAL IMPLICATIONS**

The Carlsbad Springs Trickle-Feed System is within Ward 19 (Cumberland) and was installed as a demonstration project to address widespread well water quality and quantity issues in the vicinity. This report addresses an outstanding item on connection levies (charges) identified in the report “Official Plan Amendment to Permit New Lots Connected to the Carlsbad Trickle System” (ACS2015-PAI-PGM-0072) from PGM related to OPA No.152.

## **CONSULTATION**

This report is an administrative follow-up to the report on the Official Plan Amendment (OPA) 152 (ACS2015-PAI-PGM-0072).

## **COMMENTS BY THE WARD COUNCILLOR(S)**

The Ward Councillor is in support of the report recommendations.

## **LEGAL IMPLICATIONS**

There are no legal impediments to the adoption of the recommendations in the report.

## **RISK MANAGEMENT IMPLICATIONS**

Risks have been identified in the report and are being managed by the appropriate staff.

## **ASSET MANAGEMENT IMPLICATIONS**

Comprehensive Asset Management (CAM) is an integrated business approach involving planning, finance, engineering, maintenance and operations geared towards effectively managing existing and new infrastructure to maximize benefits, reduce risk and provide safe and reliable levels of service to community users. This is accomplished in a socially, culturally, environmentally and economically conscious manner.

The implementation of the CAM program results in timely decisions that minimize lifecycle costs and ensure the long-term affordability of assets. To fulfill its obligation to deliver quality services to the community, the City must ensure that assets supporting City services are managed in a way that balances service levels, risk and affordability.

The recommendations documented in this report are consistent with the City's Comprehensive Asset Management (CAM) Program (City of Ottawa Comprehensive Asset Management Program) objectives. This is a cost recovery exercise that supports a consistent approach.

## **FINANCIAL IMPLICATIONS**

Based on the assumption of 14 connections per year, the implementation of the proposed frontage charge will result in cost recovery of the Carlsbad Springs Trickle-Feed System by 2029.

## **ACCESSIBILITY IMPACTS**

Accessibility is an important consideration for the City of Ottawa. Every effort will be made to ensure inclusiveness.



## **ENVIRONMENTAL IMPLICATIONS**

The Carlsbad Springs Trickle-Feed System is within Ward 19 (Cumberland) and was installed as a demonstration project to address widespread well water quality and quantity issues in the vicinity. This report addresses an outstanding item on connection levies (charges) identified in the report “Official Plan Amendment to Permit New Lots Connected to the Carlsbad Trickle System” (ACS2015-PAI-PGM-0072) from PGM.

## **TERM OF COUCIL 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.

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

## **SUPPORTING DOCUMENTATION**

Document 1 Carlsbad Springs Trickle Feed System

## **DISPOSITION**

Upon Council’s approval of the recommendations of the reports, Legal Services will work with Environmental Services and Infrastructure Services to amend bylaw 2013-360 (water bylaw) to adequately provide for documentation of this area specific charge and its recovery.

Document 1 – Carlsbad Springs Trickle-Feed System

