



# **Implementation of a Stormwater Management Rate**

Council Presentation

June 5<sup>th</sup>, 2023

# Introduction

## What is a Stormwater Rate Charge?

A stormwater rate charge is a reliable and sustainable approach to ensuring a community's environmental and growth concerns may be handled in a financially responsible way. It is a charge levied by the Township on property owners to help maintain aging infrastructure and develop new ways of facilitating planned growth. It will help King to act in accordance with the Comprehensive Stormwater Management Master Plan.

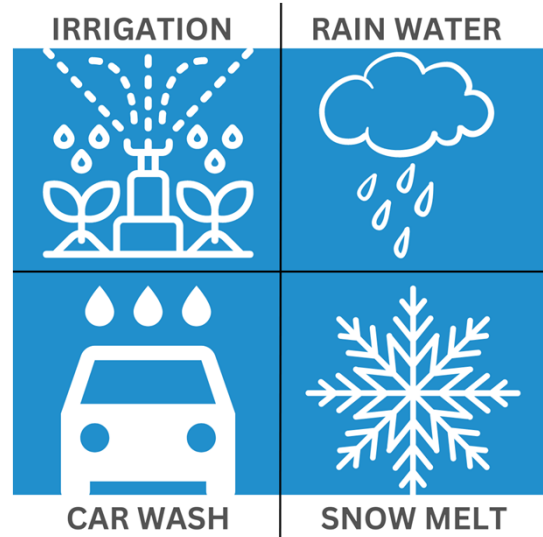
## The Stormwater Rate Assessment Considers the Following:

- Township of King context and character
- Overview of similar municipal programs in nearby communities
- Various program funding options
- Forecasting funding needs
- Evaluation of various approaches to funding
- Recommended approach moving forward



# Introduction

## What is Stormwater?



## Stormwater Terminology

- **Culvert:** A relatively short segment of pipe that is typically used to transport water underneath a roadway or other type of earthen embankment.
- **Catch Basin:** A curbside opening that collects rainwater from streets and serves as an entry point to the storm drain system.
- **Oil and Grit Separator:** Device that captures oil and sediments from stormwater runoff and snowmelt, preventing these contaminants from entering our creeks, rivers, and ponds.
- **Storm Sewer System:** A network of underground pipes and channels designed for flood control, which discharges into creeks, rivers, and ponds.
- **Outfall:** Discharge point by which stormwater leaves the pipe system and enters the water system (i.e. creek, river).
- **Pond:** A stormwater control structure into which storm runoff is directed. Dry ponds temporarily store incoming stormwater and wet ponds are permanent pools of water with additional capacity.



# Background

## The Township Owns:

- 28 stormwater management (SWM) facilities (ponds)
- 13 oil and grit separators
- 1,500 culverts
- 2,200 catch basins
- 100 km of storm sewers
- 350 km of roadside drainage ditches

## The Township Maintains:

- Catch basins (every 3 years)
- Culverts & ditches as issues arise - reactive

## Upcoming Projects:

- Stormwater asset inventory
- Stormwater asset condition assessment
- Kingscross and Kinsley channel clean-outs
- Nobleton culverts 2 & 3 rehabilitation
- Patricia Dr. and Dennison St. outfall area rehabilitation



# Why do we Need a Stormwater Charge?

## Studies, Policies, and Procedures Required to Meet Regulatory Requirements:



### Asset Management Requirements (O.Reg. 588/17)

- Approved asset management plan for core assets (2022)
- Approved asset management plan for all municipal infrastructure assets (2024)
- Fully financialized asset management plan (2025)



### Consolidated Linear Infrastructure – Environmental Compliance Approval (CLI-ECA):

- Significant Drinking Water Threat Assessment Report for Proposed Alterations
- Develop inspection procedures
- Annual performance report
- Updates to GIS mapping
- Operations & Maintenance Manual
- Install signage around stormwater management facilities
- Assessment of wet weather flows
- Update storm system sewer model

# Why do we Need a Stormwater Charge?

## What are the Risks of not proceeding?

### Asset Conditions

- Stormwater infrastructure deterioration – leading to failure and flooding
- Property damage insurance liability
- Stormwater system unable to adapt to climate change and severe weather

### Asset Management Regulations

- Loss of Gas Tax funding – Municipalities benefit from the flexibility of the federal Gas Tax Fund to support a wide range of local infrastructure priorities and projects.
- Loss of Ontario Community Infrastructure Fund (OCIF) – Municipalities benefit based on eligible asset management expenditures, such as stormwater infrastructure projects.

### MECP Approvals

- Fines – The Ministry of Environment, Conservation, and Parks (MECP) can issue penalties to municipalities if assets do not meet proper conditions.
- Loss of MECP approvals – In turn, the municipality would then need to spend more time and money to file Individual Environmental Compliance Approvals (ECAs)



# The Problem: Cost of Operation and Maintenance

## The Real Cost of Operation and Maintenance:

	Forecasted Annual Operation and Maintenance	Forecasted Annual Capital Costs	Forecasted Total Annual Cost
<b>2024</b>	\$ 300,000	\$ 400,000	<b>\$ 700,000</b>
<b>2025</b>	\$ 450,000	\$ 550,000	<b>\$ 1,000,000</b>
<b>2026</b>	\$ 450,000	\$ 500,000	<b>\$ 950,000</b>
<b>2027</b>	\$ 450,000	\$ 500,000	<b>\$ 950,000</b>
<b>2028</b>	\$ 450,000	\$ 600,000	<b>\$ 1,050,000</b>
<b>2029</b>	\$ 450,000	\$ 550,000	<b>\$ 1,000,000</b>
<b>2030</b>	\$ 450,000	\$ 700,000	<b>\$ 1,150,000</b>

- ✓ Better pond maintenance & cleaning
- ✓ Improved maintenance of LIDs
- ✓ Added oil and grit separator inspections
- ✓ Increased catch basin inspections
- ✓ Proactive culvert & ditch works
- ✓ New system investigations & assessments
- ✓ Fiscal responsibility and economic viability
- ✓ New ponds in uncontrolled catchments
- ✓ Upgrading ponds to a higher control level
- ✓ Update Stormwater Management policies
- ✓ Add/update stormwater details in Township Design Criteria

# Solution: Stormwater Rate

## What Did We Consider in Deciding on a Stormwater Rate?



**Compliance** with regulatory requirements



**Economic benefits**, as maintained storm system can attract new residents / businesses / tourists



**Cost-effectiveness** to identify required works early-on – rather than be reactive to major problems



**Funding** for maintenance and improvement costs



**Fairness** such that users of the system pay for the upkeep



**Environmental Protection** against contaminants from aging infrastructure



**Public health and safety** protection from pollutants and effects of unmaintained pipes, ponds, catch basins, etc.



**Resilience** to impacts of climate change



**Local municipalities** have adopted a stormwater rate charge based on their own asset conditions, resources, and experience, to deliver on their unique program goals



# Selected Approach for Funding



## General Revenue Approach

- Rate incorporates needs into tax program with distributions based on Current Assessment Value from Municipal Property Assessment Corporation (MPAC)
- Easy to implement & administer at current staff levels based on MPAC and tax roll systems
- Integrate into tax billing program as vehicle for collection
- Transparent as to methodology for conforming to tax ratios
- Will appear as a separate fee on the tax bill

Property Type	% Allocation	Amount per year
Residential	93%	\$ 933,694
Non-Residential	7%	\$ 66,306

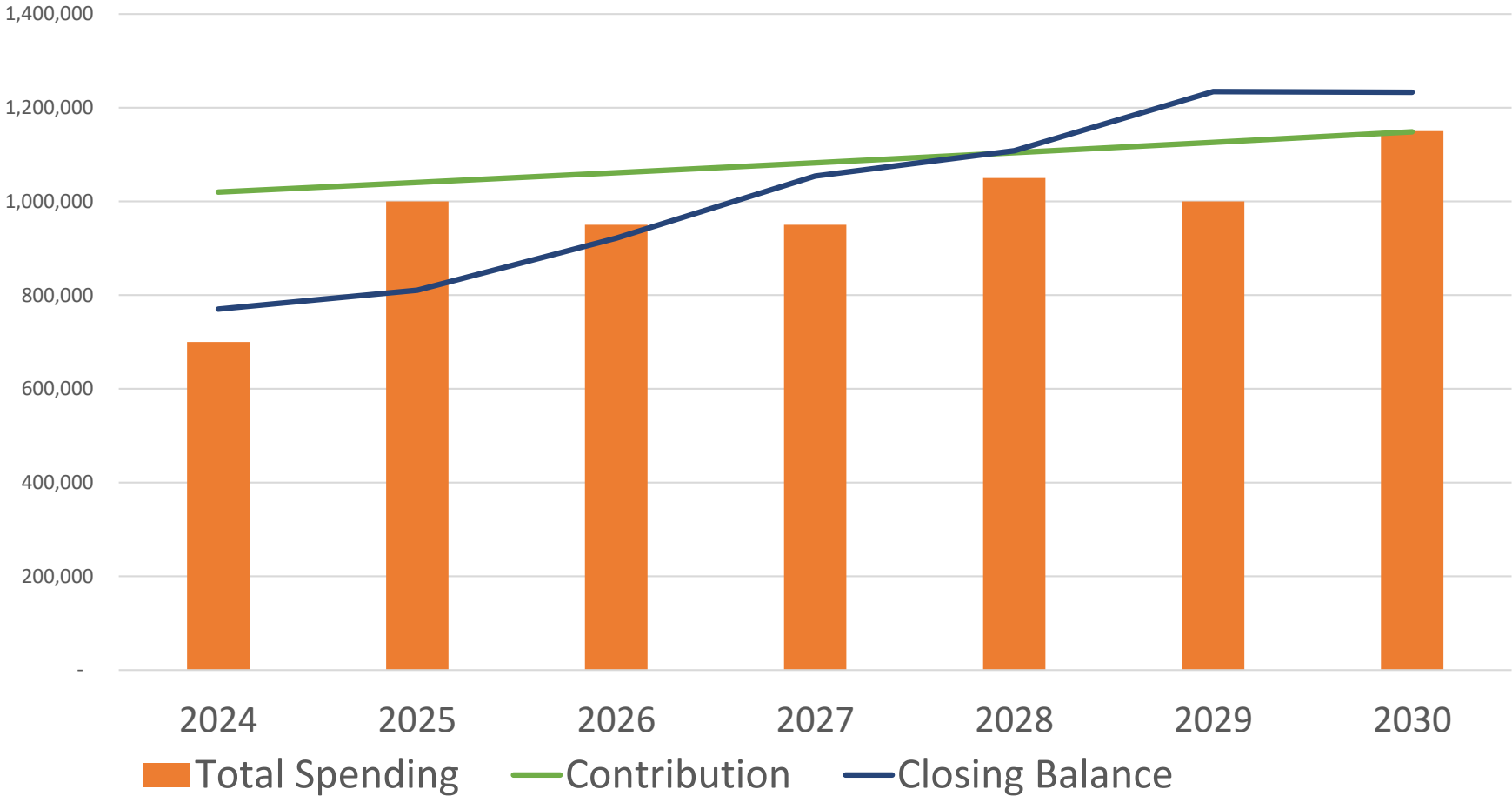


## Fees

- **\$97.21** for a residential property per \$1M in assessed value
- **\$129.50** for a commercial property per \$1M in assessed value
- **\$159.74** for an industrial property per \$1M in assessed value

Farmland and Managed Forest property classes are exempt from the stormwater management rate

# Stormwater Rate Model



# Next Steps

## Following approval of the recommendations:

- Implement SWM rate in first tax billing of 2024
- Notice of the SWM rate to be included in June 2023 interim tax bill
- Rate information to be added to [king.ca/propertytaxes](https://king.ca/propertytaxes)
- Project information to be added to [king.ca/majorprojects](https://king.ca/majorprojects)

 **Any Questions?**

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