

Appendix 'A'

Public Utilities Commission
For the
Municipality of Chatham-Kent

Waterline and Sanitary Sewer Assessment Policy for Un-serviced area June 16, 2005

1: General

The assessment will be based on the Net Project Cost which will be calculated by totaling specific project costs, less the cost of any deferred benefits, (such as water main or sanitary sewer over-sizing) and will include, but not be limited to the following:

- i. Progress payments to contractors and subcontractors,
- ii. Costs related to the design and construction of the local sewers or waterlines,
- iii. Laterals from the local sewers to the property lines,
- iv. Construction materials,
- v. Engineering fees and disbursements,
- vi. Approval, permit and licence fees,
- vii. Legal fees and disbursements,
- viii. Internal PUC management costs ,
- ix. Project management fees,

Assessment will be based on the cost to provide a Normal Water or Sanitary Sewer Connection.

- A Normal Connection for Water will be a $\frac{3}{4}$ " (19mm) in urban areas and 1" (25 mm) service in rural area.
- A Normal Connection for a Sanitary Sewer will have a diameter of 125mm (5 inches).

The Net Project Cost will be apportioned over each property to be assessed, in accordance with the level of benefit derived, to determine an equal cost per property, known as the Normal Connection charge, for all properties receiving a Normal Connection.

See Schedule A attached for Waterline Assessment Schedule.

See Schedule B attached for Sanitary Sewer Assessment Schedule.

In the calculation, a property to be assessed 100% will be counted as 1 property. A property to be assessed 25% will count as 25% of a property.

Part XII Charges for waterlines or sanitary sewers will be added to the Normal Connection charge. The amount of the Part XII charge will be equivalent to the Development Charges in place at the time of the project;

Agreements will be made for deferred charges for developable lands or with property owners who have intentions of developing their lands in the servicing area

2: Assessment for the Waterline Projects is to be applied as follows:

- a) To all occupied lots, a Normal Water Connection charge (residential or commercial);
- b) To all vacant residential or commercial properties, a Normal Water Connection charge;
- c) To all institutional uses, a Normal Water Connection charge (e.g., schools, churches, etc.);
- d) Occupied farm properties to be assessed for connections to residential units, a Normal Water Connection charge;
- e) Vacant farm properties to be assessed at 25% (no connection) of the Normal Water Connection charge;
- f) Connections will only be made to Vacant lands at the owner's written request;
- g) In the case of corner lots, or lands that are abutting two municipal rights-of-way, assessment (or connection) will be made only once, on the frontage. The frontage will be the short side of the parcel and/or the side on which the buildings and driveway face and gain access to the roadway. In general terms, the frontage will be the most practical/efficient side to make the connection. The other side of the lot is the flankage. Connections, initial to the property, or additional, will only be made on the flankage side of the lot at the owner's written request;
- h) No assessment for farm parcels (deemed not buildable) that remain after a severance has been granted;
- i) Connection charges for Normal Water Connections, after the watermain is installed, to be assessed at a rate equal to 100% of the Normal Water Connection charge that the occupied lots paid during the waterline installation;
- j) After the waterline has been installed, future connections to agricultural parcels that paid 25% of the Normal Water Connection charge, will be assessed an additional 75% of the Normal Water Connection charge;
- k) After the waterline has been installed, future connections to agricultural parcels that were initially exempted because of sterilization of the property, are to be assessed at a rate equal to 100% of the Normal Water Connection charge;

- l) During the ballot process, a vote from any property that is assessed 100% will be counted as a full vote. Votes from any property that is assessed 25% will be counted as 25% of a vote;
- m) Exemptions to be handled by appeal process;
- n) The current policy of separate water servicing for each dwelling, building, multiple or semi-detached dwelling or building divided into separate units remains in place in the urban areas;
- o) Any requests for service over-sizing, will be assessed at the following rates:
 - 1 1/2" (37 mm) service to be assessed at 1.33 times the Normal Water Connection cost.
 - 2" (50 mm) service to be assessed at 1.5 times the Normal Water Connection cost.
 - Greater than 2" (50mm) service to be assessed the Normal Water Connection cost plus all oversizing costs, to be determined at the time.
- g) Vacant agricultural/farm properties will not be assessed the Normal Sanitary Sewer Connection charge and therefore will not receive a connection;
- h) Connections will only be made to vacant agricultural/farm lands at the owner's written request upon which the appropriate assessment will be charged;
- i) In the case of corner lots, or lands that are abutting two municipal rights-of-way, assessment (or connection) will be made only once, on the frontage. The frontage will be the short side of the parcel and/or the side on which the buildings and driveway face and gain access to the roadway. In general terms, the frontage will be the most practical/efficient side to make the connection. The other side of the lot is the flankage. Connections, initial to the property, or additional, will only be made on the flankage side of the lot at the owner's written request;
- j) No assessment for agricultural/farm parcels (deemed not buildable) that remain after a severance has been granted and no connection will be installed;
- k) Connection charges for normal sanitary sewer connections, after the sanitary sewer system is installed, to be assessed at a rate equal to 100% of the Normal Sanitary Sewer Connection charge that the typical lots paid during the sanitary sewer system installation.

3: Assessment for the Sanitary Sewer Project is to be applied as follows:

- a) To all occupied or vacant residential lots, a Normal Sanitary Sewer Connection charge;
- b) To all multiple residential uses, including trailer parks, an analysis of current water usage records will be performed in order to establish a fair and equitable Sanitary Sewer Connection charge. Assessment will be at least a Normal Sanitary Sewer Connection plus a charge for the additional units based on water consumption and MOE design criteria;
- c) To all occupied or vacant commercial or industrial properties, an analysis of current water usage records will be performed in order to establish a fair and equitable Sanitary Sewer Connection charge. Assessment will be at least a Normal Sanitary Sewer Connection charge.
- d) Small commercial/industrial properties that exceed the normal usage will be charged @ two times to three times (2x to 3x) the normal charge ;
- e) To all institutional (e.g., schools, churches, etc.) uses, an analysis of current water usage records will be performed in order to establish a fair and equitable Sanitary Sewer Connection charge. Assessment will be at least a Normal Sanitary Sewer Connection charge;
- f) To all occupied agricultural/farm properties (e.g. residential house on the land), a Normal Sanitary Sewer Connection charge;

4: Multiple Dwellings

- a) The first service will be provided at the Normal Connection Charge, provided that the owner does not request the service be enlarged from the Normal Connection. An owner may request that all dwellings on a single property be serviced from a single service (for a multiple unit building or semi-detached dwelling).

In that case, the assessment will be one Normal Sanitary Sewer Connection Charge (plus over-sizing charges) for the original unit.

For a water service, the assessment will be one Normal Water Connection (plus over-sizing charges) for the original unit plus the amount equal to 25% of the Normal Water Connection Charge for each additional unit.

Each request is subject to the approval of the PUC.

- b) Dwellings used for seasonal farm operations, not provided with a separate service connection, will not be assessed.
- c) Should a separate service be required for any of the dwellings in the future or when the dwelling is severed from the original parcel;

A charge of 75% of the original Normal Water Connection charge presented in the final By-Law will be assessed.

A rate equal to 100% of the Normal Sanitary Sewer Connection charge that the typical lots paid during the sanitary sewer system installation will be assessed

5: Petition Procedures

The PUC requires 50% of property owners within the proposed area sign a petition requesting a review and estimate for servicing in an area.

The municipality cannot collect the names for a proposed waterline or sanitary sewer, only residents can.

The residents can draw up their own petition or use a petition request form provided by the PUC. Residents making their own form, we ask for names, 911 addresses or lot & concession numbers, if there is no 911#.

There is no obligation to committing to the project by signing the petition form. The signatures collected are only to show interest for a proposed waterline or sanitary sewer in an area.

6: Criteria for Watermain or Sanitary Sewer Initiation

i. Local improvement Initiated by Local Area Residents

When there is public and neighbourhood interest in water main or Sanitary Sewer installation, but the presence of a water main or Sanitary Sewer is not required for general health and safety or Municipal interest, the project will be initiated by vote, and the criteria will be a definite 66 % count in favour before a project will proceed.

- The support criteria of 66% will be based on the number of ballots returned.
- a) Only the ballots returned will be used to determine support levels. The non-returned ballot will not be counted as a yes or no vote.

ii. Full Cost Recovery Project Initiated by Local Area Residents

When there is public and neighbourhood interest in water main or sanitary sewer installation where the project was defeated by a voting process and the presence of a water main or sanitary sewer is not required for general health and safety or Municipal interest, a new petition can be initiated as a full cost recovery project, subject to the approval of the PUC.

- Required support criteria: In order to ensure no more than a 10% variance from estimates presented to interested property owners, at least 90% of interested property owners must vote “Yes” on the returned ballots.
- a. Administration will present information to only the property owners who re-petitioned or contacted the PUC on the installation of adequately sized water mains or sanitary sewer, on a full cost recovery basis.
- b. Only the ballots returned will be used to determine support levels.
- c. During the ballot process, a vote from any property that is assessed 100% will be counted as a full vote.
- d. A service charge will not be assessed as part of the project if a request for a service (“Yes” vote) is not provided. The non-returned ballot will be counted as a no vote.
- e. A Normal Connection Charge will only apply when and if the property owner requests the connection. The request for a service must be in writing. If a request is provided in writing, a standard size connection will be installed as part of the project at the assessed cost.
- f. If the project proceeds and a receipt of a service connection as part of the project is not received, a note shall be put on the Tax Role indicating the future cost.
- g. Any requests for service over-sizing, will be assessed as indicated in Section 1: General.
- h. Normal Connection charge will be determined based on the final number of participants.
- i. For a total of 10 years, after the waterline or Sanitary Sewer has been installed, future connections to parcels that were initially exempted because of “No” votes, are to be assessed at a rate equal to 100% of the Normal Connection charge.
- j. The Public Utilities Commission will determine the Normal Connection charge (100%) that will apply after the 10 year period.
- k. Property owners in the proposed route area will be officially notified and allowed to join the project at anytime until the construction period is complete.
- l. The current policy of separate servicing for each dwelling, building, multiple or semi-detached dwelling or building divided into separate units remains in place in the urban areas.

iii. Local Improvement Needed for Economic Development in the Municipality

When it is in the interest of the Municipality for general Economic Development that a trunk main be constructed, the public will be informed at a meeting of the intention to proceed. It will be explained to the property owners that they have the option of going with the project and paying the assessment or deferring it until the connection is needed in the future. The future assessment value will be agreed to at the time of the initiation. The following steps will be taken:

- a) Where the number of local property owners wanting a water main / sanitary sewer is not sufficient to meet PUC policy for successful petition, but it is expedient to construct the main / sewer, the project may proceed but with deferred payment by any property owner who so chooses.
- b) The authorization for the project be a By-law under Part XII of the Municipal Act and the immediate and future cost of connection to the main will be defined in the By-law.
- c) The residents will be required to submit a signed ballot indicating preference for immediate or future payment method to establish the charge for deferred payment.
- d) A connection will not be installed to properties that elect to defer payment.
- e) Payment will only be collected from properties that elect to defer payment at such time as they request a connection.
- f) Deferred payment information will be entered on the tax role of any property not being immediately connected as a notice of outstanding payment.
- g) A non-returned ballot or a ballot returned unsigned shall be considered a 'yes' vote and the cost will be assessed to the property at the completion of the project.

iv. Local Improvement Needed for Reasons of Health and Safety

Where there are public health and safety issues, and a local improvement is deemed mandatory by the Public Utilities Commission to properly serve an area, the main will be initiated under Part XII of the Municipal Act, and there shall be no vote taken. A public meeting will be held to inform the ratepayers of the urgency of providing water service / sanitary service and that there will not be a vote and assessments will be made to all properties at the completion of the project, in accordance with the provisions of this policy.

7: Private Waterlines

i. Property Owners Supplied by Private Waterlines with Agreements in Place for Municipal Servicing

Private waterlines having written agreements for dealing with a municipal waterline installation in the area must have the property owners pay the total assessed cost of the water service connection the same as a property owner who is not connected to a private waterline should a municipal waterline be approved.

ii. Property Owners Supplied by Private Waterlines with No Agreements in Place for Municipal Servicing

Private waterlines that do not have written agreements for dealing with a municipal waterline installation in the area will allow the property owner to pay 50% of the Normal Connection charge should a municipal waterline be approved.

If there were public and neighbourhood interest in municipal watermain installation, every property owner affected would have a vote and would be assessed if the vote was successful. All occupied lots on a "private water system" receiving a Normal Connection, have their vote count as 50% of a vote and would be assessed that cost.

If after a waterline vote, the recommended 66% support for the proposed project was not achieved, the votes from the owners of a private waterline would be deleted and the votes would be re-tabulated. If the recommended 66% support was achieved, the PUC would proceed with the project but the property owners on a private waterline would be given an option for connection.

Those properties on a private waterline that are part of a proposed municipal waterline project would be offered a water service connection at fifty percent (50%) of the cost or the option to defer connecting to the proposed new waterline if their votes were not counted.

Properties on a "private water system" will be given the option to connect at the time of construction for fifty percent (50%) of the cost of connection or the option to defer connecting to the proposed new municipal waterline. Should a property owner choose to connect at sometime after construction has been completed, the cost, payable in full at the time of connection, would be the deferred cost with an average of 5 years of interest cost at eight percent (8%).

Schedule A

Costing Example of Rural Waterline Assessment Schedule

Type of Property	Service Size	Assessment	Example of Charges
Residential / Institutional / Commercial / Occupied Agricultural Property Charge	1" (25mm)	100% of Normal Charge	\$10,000
Vacant Agricultural	No Service Provided	25% of Normal Charge	\$2,500
Residential / Institutional / Commercial / Occupied Agricultural Property Charge	1 ½" (38mm)	133% times Normal Charge	\$13,300
Residential / Institutional / Commercial / Occupied Agricultural Property Charge	2" (50mm)	150% times Normal Charge	\$15,000

Schedule B

Costing Example Sanitary Sewer Assessment Schedule

Type of Property	Basis	Assessment	Example of Charges
Residential Charge	Typical Use	Normal Charge	\$15,000
Commercial Charge 'A'	If review of MOE Guidelines and/or actual water consumption shows the same as Typical Use	1 times Normal Charge	\$15,000
Commercial Charge 'B'	If review of MOE Guidelines and/or actual water consumption shows more than 2 times Typical Use	2 times Normal Charge	\$30,000
Commercial Charge 'C'	If review of MOE Guidelines and/or actual water consumption shows more than 3 times Typical Use	3 times Normal Charge	\$45,000
Industrial Charge 'A'	If review of MOE Guidelines and/or actual water consumption shows more than 2 times Typical Use	2 times Normal Charge	\$30,000
Industrial Charge 'B'	If review of MOE Guidelines and/or actual water consumption shows more than 3 times Typical Use	3 times Normal Charge	\$45,000

--- End of Policy ---