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Public Utilities Commission for the Municipality of Chatham-Kent
Waterline and Sanitary Sewer Assessment Policy for Un-serviced Areas

Local Improvement Projects

1: Petition Projects

1.1: Overview

Provincial legislation allows eligible property owners to petition the Municipality of Chatham-Kent Public Utilities Commission (CK PUC) to build new capital infrastructure, such as water or wastewater pipes, as Local Improvements through a community-driven, petition-based process under Ontario Regulation 586/06. The costs are recovered from the benefiting property owners through specific levies on the impacted properties. Although these projects are initiated by the residents, all Local Improvement projects must be done in accordance with Municipal, Provincial and Federal laws and guidelines. Once approved, costs are shared by all property owners who benefit from the project. This policy outlines the petition process for Local Improvement Projects for water and sanitary sewer main extensions. This process is not applicable to infrastructure in new subdivision developments or full cost recovery projects (ex. one property owner or business seeking servicing).

1.2: Consideration

Some areas may not be suitable for a Local Improvement due to a variety of technical, economical, and administrative factors including, but not limited to, topography, physical and existing infrastructure system limitations. CK PUC reserves the right to deny a Local Improvement following completion of review and preliminary study, regardless of the recommendation. CK PUC will determine the project limits based on system design requirements and overall cost benefits. As such, the project may go beyond the route petitioned. CK PUC will consider a Local Improvement for an area if:

- The project is technically, economically, and administratively feasible based on system wide analysis and without detrimental impacts to public or private property
- For technical feasibility, group development of no less than two distinct properties (i.e., no one-offs) will be considered for a petition process.
- Survey of Interest and Local Improvement Petition has minimum of two-thirds of property owner support for the project.

1.3: Process

A. Written Request for Local Improvement

- a. A property owner submits a written request for consideration of a Local Improvement project for a waterline or sanitary sewer extension within Chatham-Kent.
- b. CK PUC will complete a preliminary review of the request to determine if it is eligible to proceed for consideration of completion as a Local Improvement Project. If it is not

eligible, CK PUC will notify the submitter.

B. Non-Binding Survey of Interest

- a. If CK PUC determines the requested project is eligible to proceed for consideration as a Local Improvement Project, CK PUC staff will provide a Non-binding Survey of Interest Form for circulation by the requester, who acts as the Lead Petitioner. The Non-binding Survey of Interest Form must be circulated to the benefiting property owners to determine the level of interest and identify project limits, as determined by the CK PUC. For technical feasibility, a minimum of two properties must be included. Property owners signing the form must include their full names, 911 addresses or Lot & Concession or Roll numbers for all properties they own in the project area.
- b. If less than two-thirds (i.e. less than 66.7%) of benefiting property owners for the project area do not sign the Survey of Interest Form, CK PUC will notify the Lead Petitioner that the Survey of Interest has failed and that the proposed project may not proceed as a Local Improvement Project.

C. Preliminary Design Review

- a. If two-thirds or more (i.e. 66.7% or more) of the benefiting property owners for the project area sign the Survey of Interest form in favour of the proposed Project, CK PUC will undertake a preliminary design review of the requested work to determine if the work is feasible as a Local Improvement. Feasibility will be determined by CK PUC Administration, in its discretion. Projects that are not typically feasible to proceed include, but are not limited to:
 - i. Normal Water or Sanitary Sewer Connection charge estimated to be greater than \$75,000;
 - ii. Water modelling or sewer analysis determines there is not sufficient capacity or elevations to extend a water or sanitary sewer main within the area.

If a project is determined not to be feasible, the property owners will be notified by CK PUC.

D. Local Improvement Petition Procedure

- a. Once the preliminary design review is complete and if CK PUC determines that the Local Improvement is feasible, CK PUC will send a Property Owner Package to affected property owners. The Property Owner Package will include project details and an estimate of the property owner cost sharing amounts.
- b. CK PUC will generate a Local Improvement Petition form and provide it to the property owner identified as the Lead Petitioner for the benefiting area. The Lead petitioner will be responsible for obtaining property owner signatures for the petitioned area.
- c. The petition procedure, including assessing sufficiency of the petition for the proposed Local Improvement, shall follow the Ontario *Municipal Act, 2001* and Ontario Regulation 586/06, as amended. As such, a sufficient petition requires, but is

not limited to:

- i. The 911 address, Lot & Concession Number, Roll Number or PIN number of each parcel.
 - ii. The property owners' full names.
 - iii. A petition in favour of undertaking the work shall be signed by at least two-thirds of the owners representing one-half of the value of lots to be charged for the work.
 - iv. Two or more persons who are jointly assessed for a lot shall be treated as one owner.
 - v. If there are two owners, both owners must sign to be counted. If there are more than two owners, a majority of the owners must sign to be counted.
 - vi. Owners must sign for each property they own within the petitioned area for each lot to be counted in favour.
 - vii. The sufficiently signed Petition must be returned to the Clerk within 6 months. The due date will be indicated in the Property Owner Package and on the Petition provided to the Lead Petitioner.
- d. If the Petition is returned and determined not to be sufficient, the property owners will be notified by the Clerk.

E. Commission and Council Review and Approval

- a. If a Petition is determined to be sufficient, the proposed Local Improvement Project will be presented to the Chatham-Kent Public Utilities Commission for consideration as to whether the project should advance to Council for approval. The affected property owners will be notified based on the results from the Commission meeting on whether the project has been approved to proceed to Council or not. If approved to proceed, the proposed Project is presented to Council for consideration and approval of a preliminary Local Improvement By-law. A minimum of thirty-five (35) days' notice of the date for consideration by Council shall be provided to the property owners.
- b. In the event a majority of owners representing at least one half of the value of lots do not agree to undertaking the work as a local improvement, they can submit a formal Petition to the Clerk within 30 days of the date notice is given to the public to prevent the works from being undertaken for a period of two years.

F. Project Proceeds

- a. Once the project is complete, a final Local Improvement By-law including a proposed final assessment schedule is presented to Council for consideration and approval. A minimum of thirty (30) days' notice of the date for consideration by Council shall be provided to the property owners.

- b. Any objections from property owners regarding the costs will be sent to the Committee of Revision. Any objections must be filed with the Clerk no later than seven days before the date for Council consideration. The Committee of Revision will review and can apply a correction in accordance with the *Municipal Act, 2001* and its regulations (including 586/06). The decision from the hearing will be final and the tax roll assessments will be completed.
- c. Once the final Local Improvement By-law is approved, Benefiting Property Owners will receive a Notice of Special Assessment outlining payment options and payment terms.

2. Other Local Improvement Projects

2.1: CK PUC Initiated Project

If required, CK PUC can initiate a Local Improvement project by applying to the Ontario Land Tribunal in accordance with Ontario Regulation 586/06. If approved, the project costs are recovered from the residents in the project area by assessing the costs on the property tax roll.

2.2: Public Health & Safety

A Local Improvement project may be completed if deemed necessary by the Medical Officer of Health for public health and safety reasons, in accordance with Ontario Regulation 586/06. If the extension is required, the project costs are recovered from the residents in the project area by assessing the costs on the property tax roll.

3: General

3.1: Project Costs & Property Assessments

- a. Costs are assessed in accordance with Ontario Regulation 586/06, as amended. Typical cost assessment for Waterline and Sanitary Service connections, prepared in accordance with Regulation 586/06, are attached as Schedules “A” and “B”.
- b. All properties within the project area that are subject to an approved assessment charge are obligated to pay such assessed amounts, whether or not they signed the Survey of Interest form, the Local Improvement Petition Form, or choose to connect to the service at the time of project completion. A decision not to connect to the new service extension will not exempt a property from contributing to assessed project costs.
- c. In accordance with the Ontario *Municipal Act, 2001* and its regulations (including 586/06) costs that may be included in undertaking a project as a Local Improvement, and which may be assessed to property owners include all capital costs, engineering expenses, reasonable administrative costs, including the cost of advertising and of giving notices, and interest and costs on borrowing. These costs typically include:
 - i. Progress payments to contractors and subcontractors,
 - ii. Costs related to the design and construction of the local sewers or waterlines or any necessary additional infrastructure required.
 - iii. Laterals from the local sewers or watermain to the property lines,
 - iv. Construction materials,

- v. Engineering fees and disbursements,
 - vi. Reasonable administrative costs, including the cost of advertising and of giving notices.
 - vii. Approval, permit and license fees,
 - viii. Legal fees and disbursements,
 - ix. Internal CK PUC management costs,
 - x. Project management fees,
 - xi. Costs associated with fire hydrants and the increased sizing of water mains in conformity with municipal fire flow requirements in urban areas.
 - xii. Any necessary ancillary property acquisition costs
- d. Minimum sizing for a water or sanitary connection are as follows:
- A Normal Connection for a water service will be a 1" (25mm) diameter service.
 - A Normal Connection for a sanitary service will be a 5" (125mm) diameter service.
- See Schedule A attached for the Waterline Assessment Schedule.
See Schedule B attached for the Sanitary Sewer Assessment Schedule.
- e. 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.
- f. The property owner will be responsible for all costs incurred on the private property for connecting to the municipal service from the property line into the building. The property owner is responsible for obtaining all permits required for this work.
- g. Agreements may be made for deferred charges for developable lands or with property owners who have intentions of developing their lands in the servicing area.

3.2: Assessments for Waterline Projects are applied as follows:

- a. To all occupied and vacant residential lots, a Normal Water Connection charge is applied;
- b. To all commercial, institutional, and industrial lots, a Normal Water Connection charge will be applied unless a larger service is required;
- c. Occupied farm properties are to be assessed for a connection to residential unit at a Normal Water Connection charge;
- d. Vacant farm properties to be assessed at 25% of the Normal Water Connection charge that do not receive a connection;
- e. Connections will only be made to Vacant farmlands at the owner's written request and will be charged a Normal Water Connection Charge;
- f. 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 building 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;
- g. No assessment for farm parcels (deemed not buildable) that remain after a severance has been granted. Proper supporting documentation is to be provided to CK PUC;

- h. All utility and transportation lots will not receive a connection and therefore, a Water Connection Charge will not be applied;
- i. Connection charge 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 the 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. The current policy of separate water servicing for each dwelling, building, multiple or semi-detached dwelling or building divided into separate units remain in place in the urban areas;
- m. Any requests for service over-sizing, will be assessed at the following rates:
 - 1½" (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.

3.3: Assessments for Sanitary Sewer Projects are 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 MECP design criteria;
- c. To all occupied or vacant commercial and 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. Commercial and industrial properties that exceed the normal usage will be charged at two 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;
- 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 as the owner's written request;

- j. No assessment for agricultural/farms parcels (deemed not buildable) that remain after a severance has been granted and no connection will be installed. Proper supporting documentation is to be provided to CK PUC;
- k. All utility and transportation lots will not receive a connection and therefore, a Connection Charge will not be applied;
- l. 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;
- m. Requirements for separate sanitary sewer servicing for each dwelling, building, multiple or semi-detached dwelling or building divided into separate units in the urban areas;
- n. Any requests for service over-sizing will be assessed actual costs or costs calculated from an analysis of current/future water usage records.

3.4: 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 multi-unit building or multiple buildings per property).
- b. In that case for a sanitary service, the assessment will be one Normal Sanitary Sewer Connection Charge (plus over-sizing charges) for the original unit.
- c. For a water service, the assessment will be one Normal Water Connection Charge (plus over- sizing charges) for the original unit plus the amount equal to 25% of the Normal Water Connection Charge for each additional unit.
- d. Each request is subject to the approval of the CK PUC.
- e. Dwellings used for seasonal farm operations, not provided with a separate service connection, will not be assessed.
- f. Should a separate service be required for any of the dwellings in the future or when the dwelling is severed from the original parcel;
 - i. A charge of 75% of the original Normal Water Connection charge presented in the final By-Law will be assessed.
 - ii. 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.
- g. Should a property owner wish to receive separate services for each building on the property, subject to CK PUC approval, a Normal Water or Sanitary Connection Charge would be applied for each service.

3.5: Private Waterlines

- a. 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, as described in this policy.

b. **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 be assessed if the Local Improvement petition is successful. All occupied lots on the “private water system” receiving a Normal Connection, will be assessed 50% of the Normal Connection charged compared to the un-serviced lots in the project area.

Full Cost Recovery Projects

4. Full Cost Recovery Project by Local Area Residents

A. Single Benefitting Property

A resident interested in a water main or sanitary sewer extension to their property where they are the only property benefiting from the extension do not qualify as a Local Improvement Project. The resident can request the extension for CK PUC consideration. If CK PUC is agreeable to the extension, an estimate for the works will be provided to the resident. The resident will need to provide a response in writing that they wish to proceed with the extension within three months. The resident is responsible for the total project costs. The project will be presented to Commission for review and approval. If approved by Commission, an agreement will be entered into with the resident to indicate their costs for the project. Upon project completion, the actual total costs will be determined and must be paid out by the resident in full in accordance with the terms of the agreement.

B. Multiple Benefitting Properties

When there is public and neighbourhood interest in water main or sanitary sewer installation where the project did not meet the sufficiency of a Local Improvement and the presence of a water main or sanitary sewer is not required for general health and safety or Municipal interest, a project may be initiated as a full cost recovery project, subject to the approval of CK PUC.

- a. After an insufficient Local Improvement was determined, Administration will present information to only the property owners who contacted CK PUC on the installation of adequately sized water mains or sanitary sewer, on a full cost recovery basis.
- b. CK PUC will review the new project area and determine the new project costs and property assessments.
- c. Property Owners will be provided costing information. A connection request form will be included with the package. Property owners are to fill out the form in full and indicate whether they wish to receive a connection as part of the new project.
- d. Only the forms returned will be used to determine support levels for the project.
- e. Some properties may require an agreement with CK PUC for their cost-share of the project.
- f. A service will not be provided as part of the project if the form is returned by the owner indicating they do not wish to receive a connection. A property owner that does not return the form will not receive a connection.
- g. A connection will be installed to the property line if the property owner requests the connection as part of the project. The request for a service must be in writing. If a

request is provided in writing, a standard-size connection will be installed. The Normal Connection costs will be due upon completion of the project. A CK PUC permit is required to be paid in full prior to connecting to the service.

- h. A Project Specific By-law will be created with a Schedule indicating all properties involved in the project, the properties that received a connection, and the properties that deferred and did not receive a connection. For the deferred properties, the costs will be due when the owner chooses to connection in the future.
- i. Any requests for service oversizing will be assessed as indicated in Section 3.
- j. A Normal Connection charge will be determined based on the final number of participants.
- k. For all future connections requested after project completion, a Future Connection Cost will be determined at a higher cost to receive the connection and indicated in the Project Specific Bylaw.
- l. Property owners in the proposed area will be officially notified and allowed to join the project at any time until the construction period is complete.
- m. 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.

5. Water/Sewer Extension 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 of the intention to proceed. It will be explained to the property owners that they have the option of receiving a connection as part of the project and paying the connection cost or deferring it until the connection is needed in the future. The future connection value will be determined at the time of the project. The following steps will be taken:

- a. Where the project did not meet sufficiency as a Local Improvement and the Municipality determines it is expedient to construct the main/sewer, the project may proceed but with deferred payments 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 provided a Connection Request Form and will be required to submit it indicating their preference for immediate or future payment method to establish the charge for deferred payment.
- d. Some properties may require an agreement with CK PUC for their cost-share of the project.
- e. All properties that choose to receive a connection are required to pay the connection costs upon completion of the project. A CK PUC permit is required to be paid in full prior to connecting to the service.
- f. A connection will not be installed to properties that elect to defer payment.
- g. Payment will only be collected from properties that elect to defer payment at such time as they request a connection and must be paid out at that time.
- h. The Project Specific By-law will indicate a list of all properties involved, which properties chose to receive a connection as part of the project and which properties chose to defer for future payment.
- i. A non-returned form or a form returned unsigned shall be considered as a deferred connection and will not be provided a connection during construction. Future connection costs will apply.

This policy may be amended by CK PUC Administration staff from time to time to comply with Provincial legislation.

Schedule A

Cost Example of Waterline Assessment Schedule

Type of Property	Service Size	Assessment	Example of Charges
Residential / Institutional / Commercial / Industrial / Occupied Agricultural Property Charge	1" (25mm)	100% of Normal Charge	\$60,000
Vacant Agricultural	No Service Provided	25% of Normal Charge	\$15,000
Residential / Institutional / Commercial / Industrial / Occupied Agricultural Property Charge	1 ½ " (38mm)	133% times Normal Charge	\$79,800
Residential / Institutional / Commercial / Industrial / Occupied Agricultural Property Charge	2" (50mm)	150% Normal Charge	\$90,000

Schedule B

Cost Example of Sanitary Sewer Assessment Schedule

Type of Property	Basis	Assessment	Example of Charges
Residential Charge	Typical Use	Normal Charge	\$60,000
Commercial / Institutional Charge 'A'	If review of MECP Guidelines and/or actual water consumption shows the same as Typical Use	1 times Normal Charge	\$60,000
Commercial / Institutional Charge 'B'	If review of MECP Guidelines and/or actual water consumption shows more than 2 times Typical Use	2 times Normal Charge	\$120,000
Commercial / Institutional Charge 'C'	If review of MECP Guidelines and/or actual water consumption shows more than 3 times Typical Use	3 times Normal Charge	\$180,000
Industrial Charge 'A'	If review of MECP Guidelines and/or actual water consumption shows more than 2 times Typical Use	2 times Normal Charge	\$120,000
Industrial Charge 'B'	If review of MECP Guidelines and/or actual water consumption shows more than 3 times Typical Use	3 times Normal Charge	\$180,000

---End of Policy---