



Town of Erin Water Department

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Date : May 27, 2011
To : Council
From : Frank Smedley
Subject : Council Report - Water Servicing By-Law.

During the process of consolidating all of the water by-laws into two by-laws staff became aware that there were some items that Council needed to address. Some of them related to the financial items and others, planning issues. I have identified these issues and have provided additional information for Council in this report.

The main item for Council's consideration is section 3 of the Water Servicing By-Law. This is the section that would require a property in the urban area to connect to the Town of Erin Water Systems as a condition of development approval if a water main is adjacent to the property.

Section 3 reads as follows:

3 Application of Municipal Water Works

- 3.1 All properties requiring a potable water service within the urban areas of the villages of Hillsburgh and Erin shall only be serviced with municipal water works; where no municipal water works is available adjacent to the property, a private well shall be permitted.
- 3.2 Where municipal water service is provided adjacent to a municipal water main, as a condition of approval of development the owner shall be required to connect to the municipal service, and cease use of any existing well on the property; the well shall be decommissioned to the satisfaction of the Town of Erin Water Department.

To clarify what development means, a description was added to Section 2 of the By-Law:

“Development” means any building or site works proposed which would require issuance of a building permit as defined under the Building Code Act; a consent approval, a site plan approval, or approval of a plan of subdivision or condominium as defined by the Planning Act. Mandatory connection to the water service will not be required as a condition of building permit issuance for the following;

- pool enclosures,
- fences,
- uncovered decks,
- accessory structures of less than 108 ft²
- internal renovations not requiring septic system review in accordance with the Ontario Building Code

I have listed some of positives and negatives of Section 3 below:

Positive

1. The Town of Erin Water Dept would benefit from the increased revenue. This could lead to reduced water rates. If all 107 properties with a water main adjacent to their property were connected to the water system this would have had the following impact:
 - 107 properties would contribute connection fees to the water system. Using 2011 amounts and assuming each property is a single residential unit this works out to \$506,110 [\$4730 X 107].
 - Water billing revenue starting in 2012 and based on average bill of 190m3 as per the projections of the water rate study would generate =\$755,527 [107 X \$7,061] by the end of 2019.
2. Eliminate negative impact due to well setbacks requirements:
 - The former Mountainview Well Property on the corner of Kenneth and County Rd #52 is not a buildable lot due to well setbacks that do not allow for the installation of a septic system on the lot.
3. The number of wells that could be contaminant pathways to ground water aquifers will be reduced. This is important as these properties have their well on the same lot as their septic system.
4. Provincial Policy Statements will be adhered to. [See Planning Report]
5. Town of Erin and County of Wellington Official Plan objectives will be observed. [See Planning Report]
6. Residents would not be able to disconnect from the water system and drill a well.

Negative

1. Affected residents would have to come up with approximately \$11,938 dollars. The following example is based on a site specific lot in Erin:
 - Meter \$408 to purchase from the Town and \$250 to install.
 - 3/4 inch service line from the water main to property line \$2750. [Unless already present].
 - A connection fee equal to development charges. [\$4,730 for single residential]
 - The cost of the water line on private property. [Paid and installed by property owner] Typically approximately \$1800.
 - Decommissioning a drilled well. Typically around \$2,000.

Note - Specific conditions at some locations could increase the cost identified above.
2. People may decide not to get building permits. This would reduce the amount of property upgrades thus reducing property assessment that municipal taxes are based on.

To deal with this by-law including section 3 there are some options that Council may want to consider.

1. Instruct staff to move ahead with the process of preparing this bylaw for implementation.
2. Instruct staff NOT to move ahead with the process of implementing this by-law.
3. Instruct staff to move ahead with the process of implementing this by-law without section 3. Reasons for this could be:
 - Hold-off until SSMP is completed.
 - Council deems it too onerous for affected residents.
 - Council wants more time to review options related to Section 3 but is ready to approve the rest of the by-law. I have identified some of the items Council may want to consider.

Note - In dealing with Section 3 Council needs to keep in mind that the water service connection requirement is broken into 5 portions. Three are Town related and two are to be handled by the property owner.

The first is the water service line from the water main to the property line. This section of service line on municipal property is installed by the Town. The cost for a typical 3/4 inch service is \$2750. For this the following options exist:

- The cost of installing the water service from the water main to the property line could be waived. Currently approximately 30% of un-serviced properties in the urban area already have a service line to property installed. This would require the water department to come up with \$206,250 for remaining 75 service lines at the cost of \$2,750 each. This option would have a significant impact to the Water Department if all affected properties decided to connect.
- Could amortize without interest the cost of installing the water service from the main to the property line over a number of years. For a 3/4 inch service this is \$2,750 amortized over 3 years, without interest the amount would be \$229 per quarterly water bill.

The second is the connection fee. This is the cost of buying into an existing system someone else paid for. For the connection fee the following could be applied:

- Could waive connection fees. For a single residential unit it is \$4730. [For non-residential it is \$1.79 a square foot.]
- The cost of the connection fee could be amortized interest free over a number of years. If the \$4,730 were amortized over 3 years the quarterly amount without interest would be \$394.

The third is the purchasing of a water meter and backflow device for \$403. This water meter and backflow device is to be installed by a certified plumber. The home owner pays the plumber for installing the meter.

- This cost of purchasing the meter and backflow device from the Town could be included in any amortized payment plan that is implemented.
- The cost for installing the meter and backflow device would be paid for by property owner at the time of installation.

The remaining two portions are the installing of the water line on private property and the decommissioning of the existing well. Both these items would be completed and paid directly to the contractor by the property owner. The Town of Erin Water Department does not have the resources to oversee or finance these two items.

Other options:

- Could only require hookup if the well is contaminated. The property owner would not be allowed to install a new well and they would have to connect to the municipal water system at that time. This may be hard to ensure as the installation of a well does not require any type of municipal approval.
- Implement connection to water service at time of sale. This option may not be the preferred option as the Town is not usually aware of the sale until after the fact.
- Council could implement an "incentive program" that waives fees for a period of time and then reduces the amount over a number of years to encourage voluntary hookup before development.

Respectfully submitted by



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Town of Erin

Approved By



Lisa Hass
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Town of Erin