

**Meeting Date:** January 15, 2024  
**Department:** Engineering & Public Works  
**Report No.:** EPW-2024-06  
**Submitted by:** Jake Straus, Director of Engineering and Public Works  
**Approved by:** Trisha McKibbin, Chief Administrative Officer

**SUBJECT: Sanitary Private Drain Connection – Council Motion Deferral**

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**RECOMMENDATION: THAT: Council receive report EPW-2024-06 Sanitary Private Drain Connection – Council Motion Deferral for information.**

**BACKGROUND:**

At the December 18, 2023 Regular Meeting of Council, Report EPW-2023-78 was Deferred until the next Council Meeting on January 15, 2024.

At the November 6, 2023 Regular Meeting of Council a Notice of Motion regarding Sanitary Private Drain Connection was discussed by Council. The following motion was approved:

**Moved by** Councillor Derbyshire

**Seconded by** Deputy Mayor McGuire

**THAT:** Council direct staff to bring forward a report comparing the charges for private drain connections set by other municipalities within a 150 km radius to ensure the Municipality of Strathroy-Caradoc is comparable to other progressive municipalities, and further;

**THAT:** the report include developer-driven projects and municipality-driven projects, and further;

**THAT:** the report be brought to the December 18, 2023 Council meeting for consideration.

**Carried**

To assist Council, below is a list of previous reports regarding Sanitary Private Drain Connection Charges that have been presented at previous Council meeting.

[December 20, 2021 - Mandatory Sanitary Sewer Connection Charges – EPW-2021-31](#)

**Moved by** Councillor Pelkman  
**Seconded by** Deputy Mayor Richards

**THAT:** Council receive the Sanitary Sewer Connection Charges Report for information, and further;  
**THAT:** Staff proceed with Option #3 for Sanitary Sewer Connection Charges, being that a fixed fee of \$17,500 per connection is assessed to all owners of a property that receives a connection point.

**Carried**

[February 7, 2022 - Sanitary Sewer Private Drain Connection Charge- EPW-2022-01](#)

**Moved by** Councillor Brennan  
**Seconded by** Councillor Kennes

**THAT:** Council receive Report EPW-2022-01- Sanitary Sewer Private Drain Connection Charge as information; and

**THAT:** Council approve a \$17,500 mandatory connection charge for all Owners of a property that receive a Sanitary Sewer connection point to their property line; and

**THAT:** Council direct staff to notify the affected Owners on Adelaide Road and Queen St. in Mt. Brydges about the requirement for payment and payment options; and

**THAT:** Council direct staff to have payments start September 1, 2022.

**Carried**

[March 21, 2022 - Sanitary Sewer Fee, Timberview Subdivision, Queen St Reconstruction Project – BBP-2022-32](#)

**Moved by** Councillor Kennes  
**Seconded by** Councillor Brennan

**THAT:** Council receives report BBP-2022-32 for information.

**Carried**

[August 2, 2022 - Extension of Water and Wastewater Services Policy – FIN-2022-17](#)

**Moved by** Councillor Brennan  
**Seconded by** Councillor Pelkman

**THAT:** Council receive report FIN-2022-17 and further approves the implementation of the Extension of Water and Wastewater Services Policy as a means of extending these services to current and new

ratepayers within the urban boundary; and  
**THAT:** A twenty year payment option be added.

**Carried**

[June 19, 2023 – Sanitary Sewer – Private Drain Connection Charge – EPW-2023-35](#)

**Moved by** Councillor Brennan  
**Seconded by** Councillor Kennes

**THAT:** Council receive Report EPW-2023-35 for information; and further,  
**THAT:** Council approve the updated Sanitary Sewer Private Drain Connection Charge of \$18,555.25 effective July 1, 2023 for all new connections; and further,  
**THAT:** the Connection Charge for residents of Queen Street, Mount Brydges and Adelaide Road, Mount Brydges (Garden Grove) with private connections established at the property line before June 19, 2023 remain \$17,500.

For Councillor Brennan, Councillor Hipple, Councillor Kennes, Councillor Pelkman, Mayor Grantham,  
(9) Deputy Mayor McGuire, Councillor Pammer, Councillor Willsie, and Councillor Derbyshire

**Carried (9 to 0)**

[August 8, 2023 – Sewer Non-Connect Fee – FIN-2023-34](#)

**Moved by** Councillor Brennan  
**Seconded by** Councillor Pelkman

**THAT:** Council have the fee credited and waived for the sewer non-connect fee until January 1<sup>st</sup>, 2024 for those residents in Mount Brydges on Adelaide Road, Queens Street and Lions Park Drive that are part of the current Private Drain Connection (PDC) and that the intake for the \$17,500 be deferred to January 1<sup>st</sup>, 2024 also.

**Carried**

[September 5, 2023 - Sanitary Private Drain Connection Charge Information - EPW-2023-50](#)

**Moved by** Deputy Mayor McGuire  
**Seconded by** Councillor Pelkman

**THAT:** Council receive report EPW-2023-50 for information.

**Carried**

**COMMENTS:**

The purpose behind our Municipality establishing a Sanitary Private Drain Connection (PDC) Charge is to provide residents with a cost effective approach to receiving a serviced lot, while saving/reducing the Municipal road from being cut open for future services to be supplied to the property lines as the homes existing septic beds fail.

There are different methods in which Municipalities capture the costs of the installation of PDC's. The two main methods are:

- Costs for installation of PDC's including engineering, administration, construction
- Fixed costs per service

On December 20, 2021 Council was presented with 4 options for the installation and payment of PDCs. They were:

**1. Direct costs of installation are paid by the Owner of the Property (no upset limit)**

In this option, Owners will be assessed the actual costs of the installation of the sanitary sewer connections to their property. They will be required to pay the full costs.

Pros

- Costs are calculated from the actual work that is completed
- Costs are paid by the Owner that is getting the benefit
- Owner paying for costs based on their local conditions (ex. Dewatering)
- Similar to process used previously
- Owner of property is not subsidizing other properties

Cons

- Costs can fluctuate based on market conditions
- Owner will not know what to budget for installation until project is tendered

**2. Direct costs of installation are paid by the Owner of the Property to an upset limit of \$20,000**

In this scenario property owners will be assessed the actual costs of the installation of the sanitary sewer connections to their property. Should the costs be more than \$20,000 the additional amount will be recovered from wastewater rates.

Pros

- Costs are calculated from the actual work that is completed
- Owner paying for costs based on their local conditions (eg. Dewatering)
- Costs are capped so Owner knows costs will not be above a specified amount
- Owner of property is not subsidizing other properties

## Cons

- Costs fluctuate based on market conditions
- Rate payers will need to absorb costs of new installations if it goes above the \$20,000 limit resulting in higher wastewater rates

### **3. A fixed fee of \$17,500 per connection is assessed to all Owners of a property that receive a connection point.**

For this option all Owners would be charged a fixed fee of \$17,500 per connection.

## Pros

- No cost calculation required
- Property Owners know exactly the cost to install a service
- Costs are capped so property owner knows costs will not be above a specified amount
- Same rate for all Owners

## Cons

- Property Owner in one area may be subsidizing the costs of more difficult installations in other areas
- Rate payers may need to absorb costs of new installations if there is a deficit resulting in higher wastewater rates
- This fixed number may need to be reviewed and revised on a regular basis to stay current with market conditions

### **4. All costs of installation are paid by sanitary sewer rates**

In this scenario property owners will not be assessed any costs of the installation of the sanitary sewer connections to their property line. The costs would be paid by rate-payers.

## Pros

- Owner of property does not pay for the connection to the property line

## Cons

- Rate payers will absorb all costs of installations to property line, resulting in higher wastewater rates

At the December 20, 2021 meeting, option #3 was selected by Council.

**Moved by** Councillor Pelkman

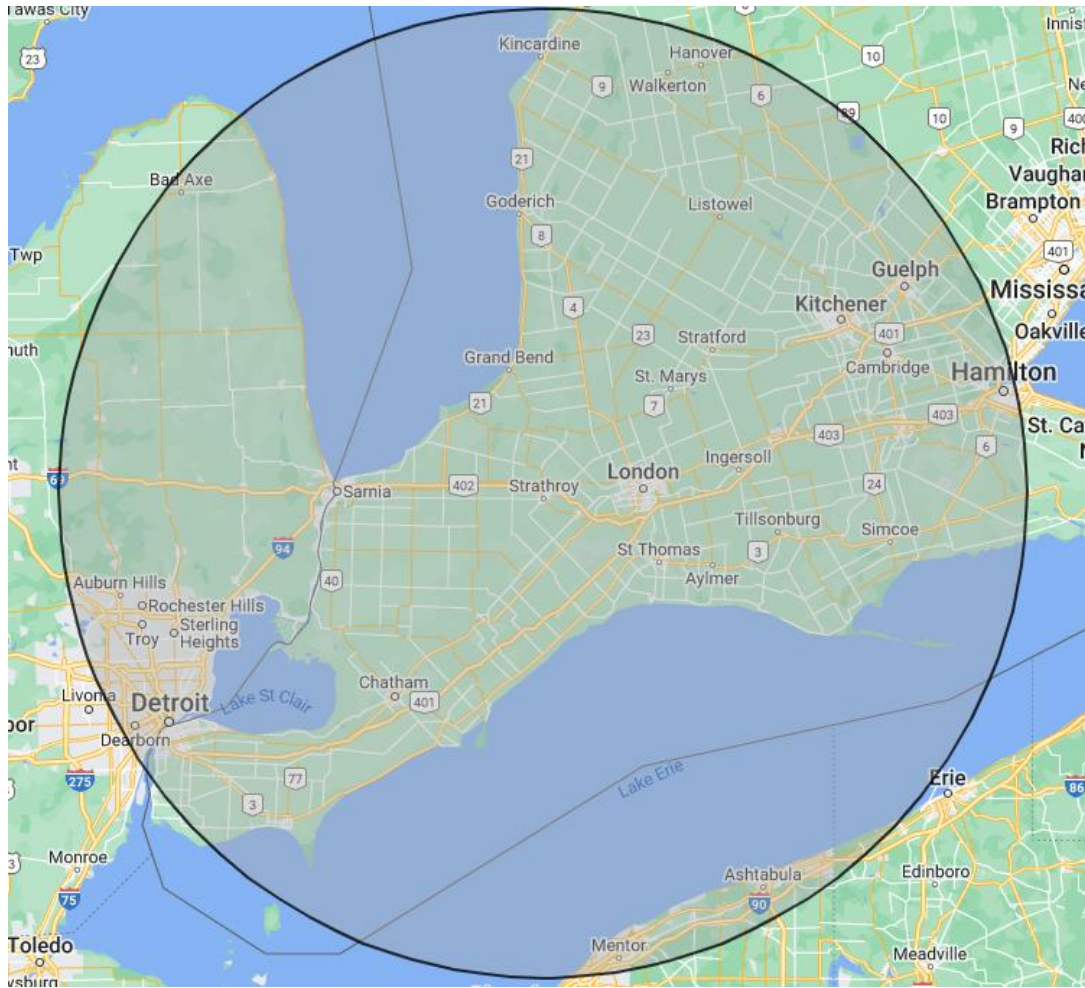
**Seconded by** Deputy Mayor Richards

**THAT:** Council receive the Sanitary Sewer Connection Charges Report for information, and further;

**THAT:** Staff proceed with Option #3 for Sanitary Sewer Connection Charges, being that a fixed fee of \$17,500 per connection is assessed to all owners of a property that receives a connection point.

### Carried

Recently Staff has reached out to 70 Municipalities within 150 km radius of Strathroy-Caradoc. Feedback was received from 15 of the Municipalities.



The information received is summarized below:

- 1 Municipality had charge a fixed fee, cost varied from \$4,500 - \$6,200
- 12 Municipalities charges cost based on construction costs which could include design, engineering, contract administration, administration fees and construction.
- 2 Municipalities did not have wastewater servicing under their purview

Attached to the report is a bylaw that was shared by the Municipality of North Perth where they had properties request servicing. The cost of construction was shared between the benefitting properties.

Also attached to this report is communication provided by Thames Centre to residents regarding estimated construction costs of \$10,000 to \$13,000. It should be noted that properties were also notified of an \$8,668 Plant Capacity Charge for wastewater.

The charges for the sanitary PDC is due to start being collected on January 1, 2024 as approved by Council on August 8<sup>th</sup>, 2023.\*

*\*The charges for the sanitary PDC were deferred following a motion approved at the December 18, 2023 meeting of Council when this report was first considered:*

**Moved by Councillor Pelkman**

**Seconded by Councillor Willsie**

**THAT:** Charges for residents affected by the mandatory connection fee be deferred until the Water and Wastewater Masterplan has been finalized. **Carried**

#### **CONSULTATION:**

This report was reviewed in consultation with:

- Chief Administrative Officer
- Director of Finance/IT and Treasurer
- Director of Building and Planning
- Manager of Environmental Services
- Various Municipalities

#### **FINANCIAL IMPLICATIONS:**

As described above.

#### **STRATEGIC PLAN ALIGNMENT:**

This matter is in accord with the following strategic priorities:

- N/A

#### **ATTACHMENTS:**

- PDC Summary Table
- Thames Centre Letter
- 101-2023 North East Master Plan NEMP Servicing By-law