

## Overview of City Consultation on Water Fees, Charges and Programs: Proposal to Implement a Stormwater Management Charge

- Staff are proposing a charge of \$1.55 per metre square of impervious area, with a corresponding decrease in the water rates for both Block 1 and Block 2 users by 25%
  - The 5 year average would be \$2.04/m sq; 10 year average would be \$2.25/m sq
- The framework is the same as the one brought forward in 2017 – the charge would be based on size of property with a flat charge applied to each tier and only properties greater than 1 hectare in size will be assessed individually on actual impervious area
- Below is an analysis from 2017 on the tier parameters – the charge for each tier still needs to be determined:

Industrial, Commercial & Institutional					
	Gross Area Range (ha)	Gross Area Range (sq ft)*	Number of Properties	Average hard surface area	SWC per year
Tier 1	0.016 or less	Less than 1,800	4,131	77%	Would need to be determined
Tier 2	0.017 to 0.026	1,800 to 2,899	5,189	82%	
Tier 3	0.027 to 0.089	2,900 to 9,699	6,583	78%	
Tier 4	0.090 to 0.299	9,700 to 32,299	5,617	78%	
Tier 5	0.300 to 0.999	32,300 to 107,600	4,901	75%	

\*Conversions to square feet from hectares are approximations. Actual SWCs will be calculated in hectares.

- Based on Staff's impact examples, the overall water cost for commercial properties will significantly increase, while large industrial properties would see a cost savings. For a small bank branch, water costs are expected to increase 113%, while a shopping centre could see an increase of 33%. See below for examples:

### Option: I&C Stormwater Charge (cont'd) – Large Property Impact Examples



- **Commercial property:** Shopping Centre
- Consumption: 147,211 m<sup>3</sup>/year
- Impervious area (98%) = 22.850 ha

	Consumption cost*	SW Charge	Total
Current 2021 cost	\$ 608,659	n/a	\$ 608,659
2021 cost with separate SW Charge	\$ 456,031	\$ 354,175	\$ 810,206
<b>Cost Impact</b>	-	-	<b>\$ 201,548 (+33%)</b>



- **Industrial property on Block 2 Rate:** Food processing company
- Consumption: 1,315,072 m<sup>3</sup>/year
- Impervious area (94%) = 7.18 ha

	Consumption cost*	SW Charge	Total
Current 2021 cost	\$ 3,811,890	n/a	\$ 3,811,890
2021 cost with separate SW Charge	\$ 2,856,021	\$ 111,315	\$ 2,967,336
<b>Cost Impact</b>	-	-	<b>- \$ 844,555 (-22%)</b>

## Option: I&C Stormwater Charge (cont'd) – Small Property Impact Examples



- **Commercial property:** Small bank branch (washroom only)
- Consumption: 150 m<sup>3</sup> in 2020 (estimate)
- Impervious area = 554 m<sup>2</sup> (at \$1.55 /m<sup>2</sup>)

	Consumption cost*	SW Charge	Total
Current 2021 cost	\$ 620	n/a	\$ 620
2021 cost with separate SW Charge	\$ 465	\$ 859	\$1,324
<b>Cost Impact</b>	-	-	<b>\$ 704 (+113%)</b>



- **Commercial property:** Convenience store, restaurants, bank branch
- Consumption: 4,387.61 m<sup>3</sup> in 2020 (impacted by Covid)
- Impervious area = 8197.66 m<sup>2</sup> (at \$1.55 /m<sup>2</sup>)

	Consumption cost*	SW Charge	Total
Current 2021 cost	\$ 18,141	n/a	\$ 18,141
2021 cost with separate SW Charge	\$ 13,592	\$ 12,706	\$ 26,298
<b>Cost Impact (spread across multiple tenants)</b>	-	-	<b>\$8,157 (+45%)</b>

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- To help offset the costs of the stormwater management charge, the City is considering providing a credit reduction for customers that implement stormwater management measures
  - These annual credits would be available to large commercial and industrial properties only (>1 ha in area)
  - The credits would be performance based (e.g. water balance, water quality/quantity) and applicants would decide which measures to implement to meet these performance objectives
  - A maximum credit value (e.g. 50% is typical in other Ontario municipalities) would be set and applications would require the submission of an engineer stormwater management report
- Other options under consideration are a stormwater green infrastructure grant and a stormwater management awards and recognition program, although both options needed further research and staff/stakeholder response appears to be lukewarm;
- The City is also considering a stormwater management charge for commercial parking lots (ground surface & multi-level garages with roof – not underground) that do not have water accounts
  - The charge would be based on the size of property (tiered rate for <1ha, individual assessment >1 ha)
  - The estimated charge in 2021 would be \$1.55 per m square of impervious area
- Staff have identified that stormwater charges and credits would help support the City's resilience and environmental objectives, but they also noted challenges including that no other municipality only has a stormwater charge just for I&C properties, that it would result in complex

management of reserve funds, require a restructuring of the water rate, customers would be charged on a different basis for the same service, etc.

Staff are planning to submit their final report to the Infrastructure and Environment Committee on Monday, July 5<sup>th</sup>.