CORPORATE SERVICES COMMISSION
Financial Services

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October 25, 2016

JOINT CORPORATE SERVICES/DEVELOPMENT & INFRASTRUCTURE SERVICES REPORT – FINANCIAL SERVICES – 2016-40

TO: Mayor Tony Van Bynen and Members of Council

SUBJECT: Implementation of Stormwater Charge

ORIGIN: Financial Business Analyst

RECOMMENDATIONS

THAT Corporate Services Report-Financial Services – 2016-40 dated October 25, 2016 regarding Implementation of a Stormwater Charge be received and the following recommendations be adopted:

a) **THAT Council adopt the Stormwater Management Services Charge by-law;**

b) **AND THAT staff recommend the 2017 Stormwater Rates be included with the 2017 User Fees and Charges By-law;**

c) **AND THAT Council authorizes staff to execute the communication strategy.**

COMMENTS

Purpose

The purpose of this report is to propose the adoption of the Fees and Charges for the Stormwater Management By-law. This charge will provide a transparent, dedicated, and stable funding source that will help the Town raise the financial capital necessary to maintain current service levels.

Budget Impact

$227,000 will be removed from the rate supported budgets and $1,418,000 ($435,000 for operating costs and $983,000 in capital contributions) will be removed from the tax supported budget. The charge will be revenue neutral in the first year and will be adjusted as necessary with further development of a financial plan as requested in annual budgets.

Summary

The implementation of the new fee will result in a 2.6% tax decrease and a 0.7% water and wastewater rate decrease

BACKGROUND

The Town provides a stormwater management service to protect the community and environment from stormwater runoff. Stormwater runoff is water that flows off properties mostly due to rain and snow events. Stormwater management services require a sufficient funding source to serve the community.

A stormwater charge will provide a funding source that is reliable, predictable, and fair to ensure the stormwater management service can continue to be effectively run in the future. In Financial Services Report - 2015-42, staff proposed options for different rate structures for the stormwater charge and requested to go out for public consultation. Staff provided an update on the public consultation process with Financial Services Report - 2016-05. Staff provided another update on the development of the charge with Financial Services Report - 2016-38.

ANALYSIS AND OPTIONS

Cost Drivers

The purpose of the charge is to fund the three major cost drivers for the service, which are environmental protection, aging infrastructure and flood prevention.

1. *Environmental Protection:*
   As water runs off properties, it can carry contaminants with it. Runoff from urban and rural areas have upset Lake Simcoe's ecosystem. The Town recently completed a comprehensive stormwater management master plan, as per the regulatory requirements outlined in the Lake Simcoe Protection Act, to restore waterways and breeding grounds. The restoration projects will require new funding.

2. *Aging Infrastructure:*
   The Town has 53 ponds, 55 kilometres of waterways and 225 kilometres of sewers that are maintained and replaced as they age. An estimated $17 million is required over the next 10 years to replace assets that are reaching the end of their useful life. The existing funding level is likely to fall short to maintain current service levels.

3. *Flood Prevention*:
   In some parts of Canada, severe weather events that used to happen every forty years now occur every six. As a consequence, damage from storm events has recently become the biggest cause for insurance claims in Canada. The funding provided by the rate will help us adapt and protect homes and businesses in Newmarket from severe weather events.

Public Consultation

The Town engaged the public by; issuing a press release, posting an advertisement on Facebook, sending invitations to key stakeholders, hosting a Public Information Centre (PIC), and having a presence at the Community Open House. Overall, the feedback on the direction of the project was positive. The Newmarket Chamber of Commerce and Newmarket Environmental Advisory Committee were consulted to refine the program.

1) *Social Media:*
The Facebook advertisement for the PIC was viewed over 10,000 times in the Newmarket area. The advertisement was "liked" 44 times, shared 34 times, clicked on 320 times for more information, and users left 18 comments. The comments provided a diversity of opinions on the potential rate. The Facebook advertisement is among the most successful in terms of views and interactions that the Town has issued.

2) *Public Information Centre:*
On October 27, 2015, the public information centre was attended by upward of a dozen residents. The majority of attendees were in favour of implementing a stormwater charge. A dedicated funding source for stormwater management resonated well with the participants. The major concerns raised by residents were; asset replacement, flood prevention, and environmental protection.

Many felt that there should be a credit program in place in order to incentivize low impact development (LID). LID is development that puts minimal strain on the stormwater management service by reducing the quantity and increasing the quality of the stormwater runoff from a property.

3) *Community Open House:*
The stormwater charge materials were presented at the Community Open House on December 3, 2015. The event was well attended, 55 residents signed in at the event and others attended the event but did not sign in. The residents at the open house had similar positive reactions to those expressed at the PIC.

4) *Focus Group in Partnership with The Newmarket Chamber of Commerce:*
On September 26, 2016, the Newmarket Chamber of Commerce hosted a focus group session with local businesses. Town staff selected 30 businesses at random and invited them to participate in a discussion on the potential implementation of the stormwater charge and changes to the water and wastewater rates. The delegates provided advice on how to better communicate the initiative and appreciated having the information presented to them.

5) *Newmarket Environmental Advisory Committee:*
On October 5, 2016, The Newmarket Environmental Advisory Committee (NEAC) was consulted at an informal meeting to comment on the overall stormwater charge program and to obtain their feedback on a residential credit program.

NEAC believes strongly that a residential incentive program is necessary to drive behaviour that reduces runoff from residential properties. They advised that the Town needs to encourage more actions in this area as we face the growing impacts of climate change.

The advisory committee also recognizes that a traditional credit program provides little incentive to reduce runoff while being very costly to administer. They believe there may be better ways than paying residential financial incentives which could eliminate or reduce associated staff time and costs.

Stormwater Charge as a User Fee

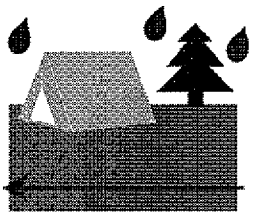
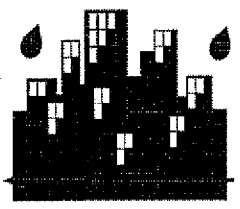
The stormwater charge will be calculated on a user fee basis. Customers will be charged based on what it costs to provide them with stormwater services. A key concept in stormwater management is imperviousness. Impervious surfaces do not absorb water. Such surfaces like roofs, driveways, and parking lots increase the amount of runoff from properties: therefore, properties with more impervious surfaces should pay more because the Town is responsible for managing the runoff.

Determining the amount of impervious area on every property is administratively costly. Therefore, staff recommended and developed a stormwater charge that is based on the average imperviousness, or runoff level, of different property groups. As noted earlier, the public feedback on this approach was positive

Based on public feedback, the stormwater charge calculation method is seen as fair in that properties are charged what they should be charged, yet it is not overly costly to administer.

For the purpose of the charge, all Newmarket properties are grouped into three runoff level groups. Natural areas are in the low runoff level group, residential and institutional properties are in medium runoff level group, and industrial and commercial properties are in the high runoff level group. Staff sampled and calculated the percent of impervious surfaces of 100 properties for each group to get an average. See Table 1 for graphics on the types of properties that fall into which runoff level group and each group's average imperviousness.

Table 1: How Properties Are Sorted into Runoff Groups

Low Runoff Level Group	Medium Runoff Level Group	High Runoff Level Group
		
Examples: Natural Areas, Vacant Properties, Golf Courses	Examples: Residential and Institutional	Examples: Commercial, Industrial and Mixed Use
9% Impervious	44% Impervious	88% Impervious

How to Calculate the Stormwater Charge

The stormwater charge is based on the property size and the runoff level group rate. See the equation below for how the stormwater charge is calculated for an individual property.

Equation 1:

Stormwater Charge = Size of Property x Runoff Level Group Rate

Based on this calculation, the larger the property the higher the charge. Equally, the higher the group rate a property falls under, the higher the charge.

Legal Considerations

Under the authority of the *Municipal Act, 2001,* the Town has authority to pass a "Fees and Charges" by-law for the purpose of funding stormwater management. As such, tax exempt property owners would be required to pay the stormwater management fee, just as tax exempt properties pay for water and wastewater services. Tax exempt properties include philanthropic organizations, places of worship, and long-term care homes.

For the stormwater charge to be considered a user fee, there must be sufficient correlation between the level of runoff from a property and the fee the property owner pays. Based on the public feedback, staff feels that this charge meets this condition.

Appendix 1 is the Stormwater Management Services Charge by-law supporting the implementation of the stormwater charge.

Implementation Strategy

To promote full transparency, staff are recommending that the stormwater charge be revenue neutral in the first year of implementation. This means that the total stormwater funding level will remain unaffected by the introduction of the new stormwater charge. It will simply be shifted from property taxes and water rates to the new charge.

In 2017, stormwater costs will be removed from property taxes and water and wastewater charges. The costs that are removed will then be supported by the stormwater charge. Once the charge is implemented, staff will develop a 6-year stormwater financial plan to determine the long-term funding requirements.

Financial Impact of Stormwater Charge

The Town's current estimate in the 2017 stormwater budget is $1,646,000. This comprises $350,000 in operating costs, $312,000 support costs and $983,000 in capital costs. The operating and support costs are pulled from the 2016 budget. The capital cost is the average cost over 5 years, from 2011 to 2015.

The implementation of the new fee will result in a 2.6% tax decrease and a 0.7% water and wastewater rate decrease. With these costs, we may estimate the rates.

The final rate for 2017 will be recommended for adoption with the 2017 Fees and Charges By-law in December.

The Town completed its Capital Financing Sustainability Strategy in 2014 and the strategy recommended an annual asset replacement fund contribution of $1,700,000. With the implementation of the stormwater charge, a new financial plan will be created to reach long term financial sustainability

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Table 2 below illustrates the estimated average stormwater charge for each runoff level group in 2017.

Table 2: Estimated Average Stormwater Charge for 2017

	Low	Medium	High
Runoff Level Group Rate per square metre	$ 0.013057	$ 0.063835	$ 0.127671
Average Size in square metres	14,200	600	3,720
Average Annual Fee	$ 185	$ 38	$ 475

Because the stormwater charge is a user fee, the stormwater charge impacts different runoff groups differently. To see how properties would be impacted by moving stormwater funding from a taxation based fee calculation to a customer based fee calculation, see Table 3. This table illustrates that stormwater costs will be shifted away from medium runoff level properties to high and low runoff properties.

Please note: 'Total Annual Municipal Costs' includes annual property taxes (Town only) and water/wastewater fees for an average user. As stormwater costs are currently included in both the tax-supported and the rate-supported budgets, this is the appropriate benchmark.

Table 3: Impact of Implementing a Stormwater Charge

	Low	Medium	High
Total Annual Average Municipal Costs *without* Stormwater Charge	$2,368	$2,804	$10,778
- Taxes	$1,853	$1,774	$7,546
- Water and Wastewater	$515	$1,030	$3,232
- Stormwater	N/A	N/A	N/A
Total Annual Average Municipal Costs *with* Stormwater Charge	$2,499	$2,790	$11,014
- Taxes	$1,803	$1,729	$7,330
- Water and Wastewater	$511	$1,022	$3,209
- Stormwater	$185	$38	$475
Change in Total Annual Average Municipal Costs ($)	**$131**	**-$14**	**$236**
Change in Total Annual Average Municipal Costs (%)	**5.55%**	**-0.51%**	**2.19%**

Credit Programs

High Runoff Level Group Program
To recognize significant runoff reductions, staff is proposing to implement a stormwater charge credit program for high level runoff properties. High runoff properties, largely commercial and industrial properties, may reduce their runoff by implementing low impact development features through the development approval process and it is important to acknowledge their contribution.

The credit program will clearly outline the benefits businesses can receive by reducing their runoff. This credit program will maximize the use of current engineering reports and site plan agreements, which will minimize the costs businesses need to incur to apply for the credit.

See Appendix 2 for the Stormwater Credit Program.

Residential Program
Based on public feedback, residents want to keep administration costs of the charge low. The City of Mississauga estimated for every $1 in credits they would provide to residential customers through a residential credit program, $4 would have to be spent on administration. The implementation of a credit program would increase the cost of providing the stormwater service and increase the overall stormwater charge.

The implementing features to reduce runoff in order to receive a credit would not be financially beneficial for residents. Assuming a resident installs a rain barrel for $100 and reduces their runoff by 15%, they would receive an annual credit of $4.50. There would be a payback period of 22 years. A stormwater credit would be costly for the Town to administer and would provide little incentive to residents to reduce their runoff.

There are a couple of local organizations that provide incentives for residents to reduce their runoff and the Town can raise awareness of these programs with the stormwater charge webpage.

Lake Simcoe Regional Conservation authority offers a Landowner Environmental Assistance Program (LEAP) to homeowners. Homeowners in the Lake Simcoe watershed may qualify for grants of 60 per cent of project costs for eligible rain garden projects, to a maximum of $5,000. This is a much stronger incentive than the Town could provide through a residential stormwater credit program.

The Windfall Centre offers homeowners RAIN Home Visits. During the visit, the RAIN guide addresses specific concerns unique to each property. In consultation with the homeowner, a prioritized plan is created to manage stormwater and reduce the risk of flooding and would be drawn up and presented to the homeowner. Currently they are offering this program for free to residents of Newmarket, Aurora and Barrie.

Ultimately, the Town must balance its priorities and spend money in the most efficient way possible to maximize the public good.

Because a residential credit program would not provide a strong financial incentive to reduce runoff, staff is consulting with the Newmarket Environmental Advisory Committee to determine creative solutions for rewarding residents for reducing their runoff.

Public Communications

As detailed above, staff has gone through an extensive public consultation process with positive feedback. Pending Council approval of the charge, a new stormwater charge page and video will go live on the Town's website explaining why the Town is implementing a stormwater charge and how it works. A postcard will be sent out to households and businesses to deliver the same message. Advertisements will be in local news publications.

BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

This report links to Newmarket's key strategic directions in being Well Managed through fiscal responsibility.

CONSULTATION

Staff has formed a Task Force represented by Finance, Engineering, Communications, Information Technology and Customer Service to develop and implement the stormwater charge. Updates were regularly provided to the Utility Transition Task Force, which includes the departments above as well as Legal Services, Economic Development and Strategic Initiatives. Various departmental representatives were consulted as components of the project related to them.

HUMAN RESOURCE CONSIDERATIONS

While most of the work required to administer the stormwater charge can be absorbed by current staff, resources will be required to administer the proposed credit program. Namely, the program would require support from a Senior Environmental Coordinator and an LID Maintenance Worker. These items will be supported through fees of the application process and be proposed in the 2017 budget.

BUDGET IMPACT

Operating Budget (Current and Future)

$227,000 will be removed from the rate supported budgets and $435,000 will be removed from the tax supported budget. This item will be proposed in the 2017 budget.

Capital Budget

An annual contribution of $983,000 to the tax supported asset replacement fund will go to the stormwater asset replacement fund. This item will be proposed in the 2017 budget.

CONTACT

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Appendices
1. Stormwater Management Services Charge by-law (8 pages)
2. Stormwater Credit Program (4 pages)

Newmarket

CORPORATION OF THE TOWN OF NEWMARKET BY-LAW NUMBER 2016-XX

A BY-LAW TO ADOPT A STORMWATER MANAGEMENT SERVICES CHARGE BY THE TOWN OF NEWMARKET.

WHEREAS the *Municipal Act, 2001,* S.O. 2001 (the "Act"), authorizes a municipality to pass by-laws imposing fees and charges pertaining to a stormwater system pursuant to sections 9, 10, 11 and 391 of the Act;

AND WHEREAS Council deems it necessary and desirable to create a separate stormwater fee and charge to fund the operation, maintenance and capital projects pertaining to stormwater management;

AND WHEREAS the creation of a separate stormwater charge to fund stormwater management (the "Stormwater Charge") will bring greater transparency to the cost of providing and maintaining the stormwater management service with the Town;

AND WHEREAS it is deemed just that the cost of operating, maintaining and upgrading the stormwater management service is paid for by those who benefit from this service;

AND WHEREAS the Council desires to implement a credit program as an incentive for certain property owners to provide on-site stormwater management measures and to recognize existing properties with stormwater management measures already in place;

THEREFORE BE IT ENACTED by the Municipal Council of the Corporation of the Town of Newmarket as follows:

1. THAT the Stormwater Charge be imposed as set out under this bylaw and established through the annual Fees and Charges By-law.

2. AND THAT should any section of this by-law be declared invalid by a court of competent jurisdiction, such section shall be severed from this bylaw and the remainder of the by-law shall continue in full force and effect;

3. AND THAT this by-law shall come into full force and effect on January 1, 2017.

1. DEFINITIONS

1.1 In this by-law,

"Act" mean the *Municipal Act, 2001,* S.O. 2001

"Appeal" means a process by which a person challenges information that has been associated with the Stormwater Charge account.

"Applicant" means a property owner that submits a Stormwater Management Credit application on the Town approved form.

"Average Impervious Area Percentage" means the observed average Impervious Area Percentage within a Runoff Level Group.

"Billing Error" means an error in the preparation of the Stormwater Charge Account, resulting in an undercharge or overcharge caused by a gross or

manifest error in the preparation of the Stormwater Charge account that is clerical or factual in error, including transposition of figures, a typographical error or similar errors.

"By-law" means this Stormwater Management Fees and Charges By-law

"Council" means the Council for the Corporation of the Town of Newmarket

"Credit Program" mean's the Town's credit program which reduces the Stormwater Charges as an incentive to certain property owners that provide on-site stormwater management measures and as recognition of property owners that have existing properties with stormwater management measures already in place.

"Engineering Services" means the Town's Engineering Services Department of the Development and Infrastructure Services Commission.

"Impervious Area Percentage" means the percent of a property's area that is covered by impervious features. Rooftops and paved surfaces are impervious features.

"Material Change" means any change in the property's runoff characteristics since the Applicant's in the original Stormwater Management Credit application, any fact that was not expressly disclosed by the Applicant in the Stormwater Management Credit application process, or that the Applicant was not aware of at the time of the Stormwater Management Credit application, and which results in the subject property no longer being in substantial compliance with the objectives of the Credit Program, or no longer eligible for the current level of the Stormwater Management Credit approved by the Town.

"Person" includes an individual, sole proprietorship, partnership, corporation, municipal corporation, unincorporated association or organization, trust and a natural person in his or her capacity as a trustee, executor, administrator, or other legal representative.

"Runoff Level Group" means the grouping of properties that have a similar Impervious Area Percentages.

"Stormwater Funding Requirement" means the annual amount of funding required to for the Town to provide the Stormwater Management Service.

"Stormwater Management Service" means the work performed and the infrastructure used, controlled, maintained or operated by the Town to manage stormwater flow and drainage and all appurtenances thereto owned, and includes, but is not limited to, storm sewers, catch basins, storm service connections, drains, pipes, overland conveyance systems including road corridors, culverts, channels, ditches, rivers, streams, creeks, ravines and watercourses, stormwater management facilities including landscaping features, storage ponds or tanks, and oil and grease interceptors that control quantity or quality of stormwater runoff, pumping stations, outfalls, swales and all equipment laid within any highway or road allowance, Town right-of-way or easement or Town property used for the collection, transmission, detention and treatment of stormwater or uncontaminated water.

"Town" means the Corporation of the Town of Newmarket in the Regional Municipality of York or where the context requires the geographical jurisdiction of the Corporation of the Town of Newmarket in the Regional Municipality of York.

"Treasurer" means the Town Treasurer or his/her designate.

2. SCOPE

2.1 A stormwater charge (the "Stormwater Charge") is to be imposed upon all real property in the Town with the exception of real property owned by the Town and real properties that are legally exempt from municipal user fees and charges.

See Appendix C for the list real properties that are exempt from municipal user fees and charges.

3. DETERMINING STORMWATER CHARGE

3.1 The following equation shall be used to determine the Stormwater Charge:

Stormwater Charge = Property Size x Runoff Level Group Rate

Property Size for non-condominium properties is determined by the Municipal Property Assessment Corporation and is the area identified on the tax roll for the subject property.

Property Size for condominium properties is the size of the condominium corporation's parcel divided by the number of condominium properties on the parcel.

Runoff Level Group rate is determined by the Runoff Level Group's Average Impervious Percentage and the Stormwater Funding Requirement. See Appendix B for the Average Impervious Percentages of the Runoff Level Groups.

3.2 The Runoff Level Group Rate shall be set out by Council in the Fees and Charges By-law.

4 STORMWATER CHARGE ADJUSTMENT

4.1 The Stormwater Charge may be revised in either of the following instances :

a) An adjustment may arise whereby the Municipal Property Assessment Corporation updates the subject property's assessment resulting from an Appeal.

b) An internal adjustment may arise whereby the Town revises, modifies, or amends the Stormwater Charge due to various factors, including:

i. updates to the Municipal Property Assessment Corporation's assessment data for the subject property;

ii. updates to the Town's open space zoning by-law;

iii. updates to Runoff Level Groups' Average Impervious Percentage;

iv. updates to the procedure determining a properties' Runoff Level Group;

v. change in Stormwater Funding Requirement as approved by Council.

5 INVOICING

5.1 The Stormwater Charge shall be invoiced (the "Stormwater Charge Invoice") under the property's property tax bill and identified separately thereunder as a special charge.

5.2 The Stormwater Charge shall be payable upon receipt of the invoice included in the property's tax bill, and every owner in receipt of such invoice shall ensure payment thereof before the due date thereon.

5.3 The Treasurer shall have delegated authority and is authorized to adjust the Stormwater Charge with respect to any property, to the extent that it is deemed appropriate due a Billing Error. In this instance, the Stormwater Charge Invoice may be retroactively recalculated for a period not exceeding one (1) year from the date of detection of the Billing Error with resulting credits or charges to the property owner's stormwater account, and the decision of the Treasurer shall be final and binding.

6 STORMWATER CHARGE ADDED TO TAX ROLL

6.1 Pursuant to subsection 398(2) of the Act and in accordance with the Town's Fee and Charges By-law, the Stormwater Charge may be added to the tax roll of the property to which the Stormwater Charge applies and shall then be collected in the same manner as municipal taxes.

7 CREDIT PROGRAM

7.1 Property owners may be eligible to qualify for a Stormwater Charge credit (the "Stormwater Management Credit") where such users can clearly demonstrate to the Town that owner's stormwater facilities or best management practices provide the Town with cost savings that the Town would otherwise incur as part of its effort to manage stormwater.

7.2 Engineering Services shall be responsible for the administration of the Credit Program, and may prescribe all forms necessary to implement the Credit Program, and may amend such forms from time to time as it deems necessary with the approval of the Treasurer.

Credit Program Application

7.3 Participation in the Credit Program is by application only. Property owners must submit a Stormwater Management Credit application in a form approved by the Town and associated fees, if applicable, for consideration and qualification of the Stormwater Management Credit. The Stormwater Credit application will be reviewed and determined by Engineering Services.

7.4 Reductions to the Stormwater Charge made as a result of the approval of a Stormwater Management Credit application shall take effect in accordance with the following schedule:

a) Stormwater Management Credit applications received within the first year of the applicable Stormwater Charge: Reductions that result from applications that are received on or before December 31, 2017 will be retroactive up to the later of (i) the date of the first billing of the Stormwater Charge, and (ii) the date on which the qualified stormwater management practices or measures were implemented into service, as determined by Engineering Services.

b) Stormwater Management Credit applications received after the first year of the applicable Stormwater Charge: Reductions that result from applications that were received on or after January 1, 2018 will be

retroactive up to the later of (i) the date of receipt of the application by Engineering Services, and (ii) the date on which the qualified stormwater management practices or measures were implemented into service, as determined by Engineering Services.

Credit Program Expiration and Renewal

7.5 Stormwater Management Credits shall be in effect for a period of up to five (5) years from the date of approval by the Town, or as otherwise specified at the time of the said credit approval. Credits will expire if not renewed prior to the expiration date of the said credit approval.

7.6 A Credit Program application must be resubmitted to the Town no later than three (3) months after any Material Change to the originally submitted Credit Program application which did not contain the Material Change information. Any late resubmission of the application may result in the discontinuance of the Credit Program amount. The Town may adjust (increase or decrease) the current credit amount.

7.7 A Stormwater Management Credit may be renewed by a renewal application which must be submitted to the Town no later than three (3) months prior to the expiration date of the credit approval. Any late submission of the application may result in the discontinuance of the Stormwater Management Credit. The Town may adjust (increase or decrease) the current Stormwater Management Credit

Credit Program Inspections

7.8 The Town reserves the right to conduct site inspections, and may, at any reasonable time, enter and inspect any property benefitting from a Stormwater Management Credit to review eligibility and the Town may suspend, reduce or cancel the Stormwater Management Credit as a result of such site inspections.

Credit Program Suspensions, Reductions and Cancellations

7.9 A Stormwater Management Credit may be suspended, reduced or cancelled by the Town under the following circumstances:

a. failure of an Applicant to meet the terms and conditions of the Stormwater Management Credit approval;
b. failure of the applicant to maintain a stormwater management practice or measure as required by the terms and conditions of the Stormwater Management Credit approval;
c. submission of inaccurate or false information by the Applicant;
d. failure to submit a complete Stormwater Management Credit renewal application.

7.10 A reduction or cancellation of a Stormwater Management Credit may be appealed by the Applicant in writing to the Treasurer. The decision by the Treasurer shall be final and binding.

7.11 Where the Town has granted a Stormwater Management Credit and subsequently determines that a stormwater management practice or measure does not function as approved, the Applicant shall reimburse the Town the entire amount of the Stormwater Management Credit received in respect of the subject property from the later of (i) the date that the Credit Program application was approved, updated or renewed, and (ii) from the date of the last inspection of the subject property by the Town.

7.12 If the Stormwater Management Credit is cancelled by the Town, the Applicant may not re-apply for such a credit for a period of twelve (12) months.

8. APPEALS

8.1 A person who requests an Appeal will not be required to pay a service fee for any of the appeals outlined in Appendix A which outlines the Appeal processes

8.2 The filing of an Appeal does not negate the requirement for the appellant (the "Appellant") to pay the Stormwater Charge.

8.3 Adjustments made as a result of an Appeal shall take effect in accordance with the following schedule:

a. Appeals received by the Town within the first year of the Stormwater Charge: adjustments that result from Appeals which were received before December 31, 2017 will be retroactive up to the date of the receipt of the Appeal by the Treasurer; and

b. Appeals received by the Town after the first year of the Stormwater Charge: adjustments that result from Appeals which were received on or after January 1, 2018 will be retroactive up to the date of the receipt of the Appeal by the Treasurer.

ENACTED THIS XXTH DAY OF XXXX, 2016.

Tony Van Bynen, Mayor

Andrew Brouwer, Town Clerk

- Appendix A: Appeal process for the Stormwater Charge
- Appendix B: Average Impervious Percentages of Runoff Level Groups
- Appendix C: List of Properties Exempt from Municipal User Fees and Charges

Appendix A: Appeal process for the Stormwater Charge

Category	Explanation	Appeal Mechanism	Appeal Decision Made by
Legal Exemption	The entity occupying the subject property area is or is not legally subject to municipal fees and charges.	An Appellant must file a Stormwater Charge Appeal Application Form	Director of Financial Services or her/his delegate
Incorrect property size used to calculate charge	Property size used for calculation is or is not correct.	An Appellant must file a Stormwater Charge Appeal Application Form	Director of Financial Services or her/his delegate
Amount of Credit	The amount of credit approved for an applicant's property is or is not appropriate.	An Appellant must file a Stormwater Charge Appeal Application Form	Director of Engineering Services her/his delegate

Appendix B: Average Impervious Percentages of Runoff Level Groups

Runoff Level Group	Typical Property Type Examples	Average Impervious Percentage
Low level	Open Space, Vacant Land, Excess Land	9%
Medium level	Residential, Multi-Residential, Institutional	44%
High level	Commercial, Industrial, Parking Lot	88%

Appendix C: List of Properties Exempt from Municipal User Fees and Charges

1. *District School Boards and School Authorities*

   Pursuant of section 53 of the *Education Act,* R.S.O. 1990, a by-law imposing fees and charges does not apply to a district school board or a

Stormwater Credit Summary

What is a Stormwater Credit?
Stormwater Credits are available to eligible property owners who have implemented stormwater and/or pollution prevention Best Management Practices (BMP's) to reduce impacts to the Town's Stormwater Infrastructure by controlling the quantity and quality of stormwater leaving their property.

The credit program is designed to acknowledge and reward High Level Runoff property owners who take initiatives that result in significantly less runoff than similar properties, resulting in a cost saving that the Town would otherwise incur as part of its effort to manage stormwater.

Participation in the credit program is by application only. Property owners must submit a stormwater credit application in a form approved by the Town for qualification and consideration of the credit. Credit applications will be determined by Engineering Services staff.

Eligibility
Properties which are classified as High, such as industrial and commercial properties, are eligible to receive a credit toward their stormwater management charge. Additional information is provided in the subsequent sections.

Credit Type
Applicants can apply for one of three credit types: New Credit, Credit Update or Credit Renewal.

1. *New Credit*
   A stormwater management credit for a newly installed BMP or existing BMP for which a credit does not currently exist.

2. *Credit Update*
   A stormwater management credit for an existing BMP where changes have been made or where additional BMP's have been added since the previously approved credit.

3. *Credit Renewal*
   A stormwater management credit to renew the existing approved credit as part of the 5 year renewal requirement.

Stormwater Credit Categories
Stormwater Credits are provided by applying a new rate to the property. This is achieved if the applicant demonstrates that all or a portion of the site drains to an eligible BMP that meets the specific evaluation criteria (outlined below). Depending on the evaluation criteria met, the portion of the Site draining to an eligible BMP will be charged either the Low or Medium Class Rate.

An additional credit is available if applicants demonstrate existing Stormwater Management Facilities (SWMF) are being properly maintained and if the property demonstrates that there is significant Green Space on site.

Credit Evaluation Criteria

Credit Category	Evaluation Criteria	Credit Applied
Low Runoff Level Group Rate	The Low Class Rate is applied to the area of the property treated and/or directed to a BMP which will: 1. Reduce existing Peak Flow Rate by a minimum of 60% up to and including the 1:100 year storm and; 2. Capture and infiltrate the first 20mm of each Storm Event.	Low Runoff Level Group Rate applied to area treated
Medium Runoff Level Group Rate	The Medium Class Rate is applied to the area of the property treated and/or directed to a BMP which will: 1. Reduce existing Peak Flow Rate by 30% for up to and including the 1:100 year storm and; 2. Capture and infiltrate the first 10mm of each Storm Event.	Medium Runoff Level Group Rate applied to area treated
Pollution Prevention	Documentation which outlines onsite SWMF's and/or BMP's prevents pollutants from leaving the Site. This can occur in one of three ways: 1. Existing onsite private SWMF's are being maintained to ensure that they are performing as per the original facility designs. If no onsite SWMF exist then; 2. The implementation of an onsite Smart About Salt Program, including hiring Certified Smart About Salt contractors, or: 3. Other onsite BMP's are being implemented which provide; the long-term removal of 80% Total Suspended Solids defined as Enhanced Protection by the MOECC and prevent Phosphorus and other contaminants from leaving the Site.	5% reduction
Significant Green Space	More than 25% of the site area is Green Space.	Low Runoff Level Group Rate applied to Green Space area.

Eligible and Non-Eligible BMP`s
The intent of the Credit is to encourage the use of lot level stormwater controls through the use of Low Impact Development (LID) practices such as: permeable paving, soak-away pits, infiltration trenches, rain gardens, rain water harvesting, etc. By applying for the credit, the applicant shall demonstrate that implementing such practices will not have a negative impact on the natural environment or the Town`s Stormwater Management Infrastructure.

Green space, grassed or landscaped areas, on the site will not qualify for a credit unless:

1. These areas are treating stormwater from non-green space areas AND meets the Evaluation Criteria for one of the Credit Categories or;

2. The Green Space area is more than 25% of the site's total parcel size and the space either contains trees, which contribute to the Town's urban canopy, or other significant natural heritage features. If the landowner has green space which contains mostly sod, but agrees to plant trees in that area in order to contribute to the Town's urban canopy, this would also qualify for the Green Space Credit.

Credit Example: New Credit Calculation

Existing parcel size	25,000 square metres
Current Land Classification	High Level Runoff
Current Rate based on Land Classification	$0.24 per square metre*
Current Annual Stormwater Utility Fee	$6,000/year (25,000 square metres x $0.24)
Credit applying for	Low
Low Rate Credit	$0.02 per square metre*
Area treated meeting the Low Credit Category Evaluation Criteria	5,000 square metres
Credit Calculation	20,000sq/m @ $0.24/sq.m = $4,800.00 5,000sq/m @ $0.02/sq.m = $100.00
New Annual Stormwater Utility Fee	$4,900.00 per year ($4,800.00 + $100.00)
Total Annual Credit	$1,100 per year

***Note: Class Rates used in the example are for demonstration purposes only. Rates are subject to change.**

Review
There is a $50.00 application fee and only complete applications will be considered for review. Once a Credit Application is reviewed, the applicant will be provided with written notice to the address provided indicating if the application was approved or denied. If denied, the letter will state what Evaluation Criteria was not met. If approved, the letter will indicate the expected credit.

It is anticipated that Credit applications will be submitted at the same time as a Site Plan application. If landowners are requesting to make changes to the Town through the Site Plan process, this would be the ideal time to encourage applicants to implement practices that would result in a stormwater Credit.

Credits or new Rates will not be applied until after confirmation is made by the Town through an onsite inspection that the BMP has been installed and is operational. Please refer to the Town's Stormwater Management Charge By-law.

Material Changes
If credit approved BMP's are added, expanded, reduced, removed or in any way modified, such that their level of performance relative to their approved credit amount has changed; applicants must follow the Credit Update Application Process.

Credit Term and Expiry
Stormwater Credits will be limited to a maximum term as indicated in the Stormwater Management Fees and Charges Bylaw. Credits will expire if not renewed prior to the expiration of the Credit approval.

Maintenance and Inspections
The renewal application is focused on demonstrating that the installed BMP's are properly maintained and in a state of good repair. In order to receive the Credit on an ongoing basis, approved applicants must follow the Credit Renewal Application Process and BMP's will be subject to inspection by Town staff to ensure compliance.