

Town of Oakville Stormwater and Stormwater Fees

Council Workshop
June 11, 2024

Introduction to AECOM's Stormwater Financing Experience

The AECOM team brings an unparalleled experience in stormwater financing projects across Canada. Through this experience we have learned invaluable lessons that we hope can benefit the Town of Oakville.

Since 2007, our team has completed **over twenty stormwater funding studies across Canada**, including Canada's first implementation of a stormwater rate based on measured impervious area in **Kitchener**.

Other examples include:

Feasibility Study (Phase 1) and Stormwater Rate Implementation Strategy (Phase 2) – **Ajax 2023**

Funding Feasibility Study (Phase 1) and Stormwater Climate Action Fund Implementation (Phase 2) – **Barrie 2022**

Funding Review and Fee Implementation - **Hamilton, 2023** (implementation ongoing)

Stormwater Financing Strategy – **Thunder Bay 2020**



Agenda

1. Stormwater and Stormwater Management
2. Options for Funding Stormwater Management
3. Stormwater Fee Feasibility Study

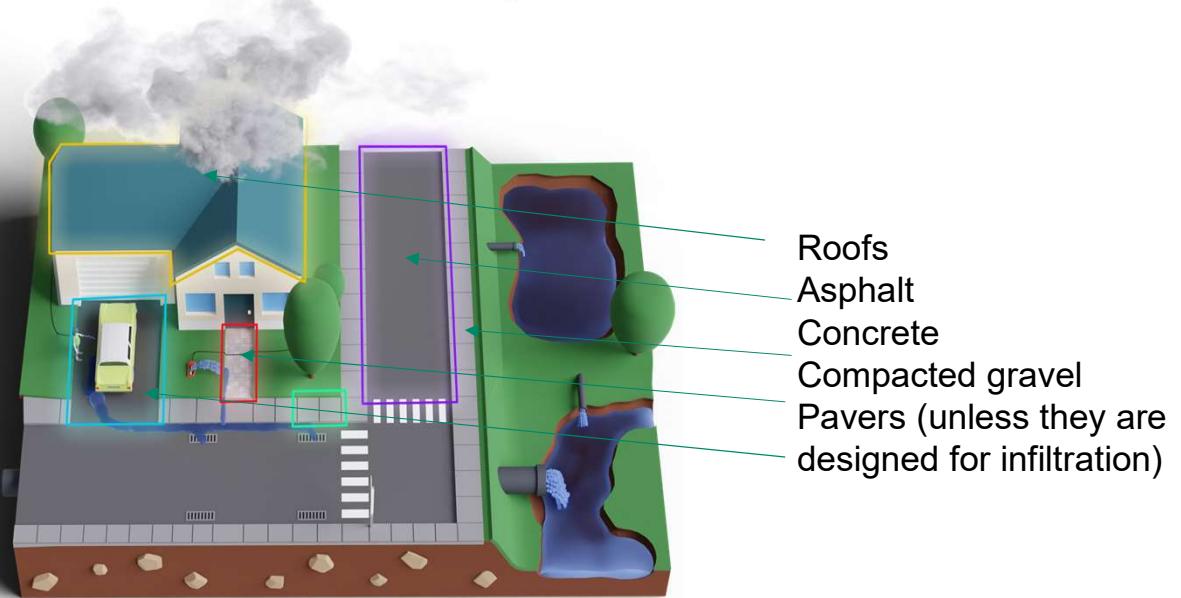
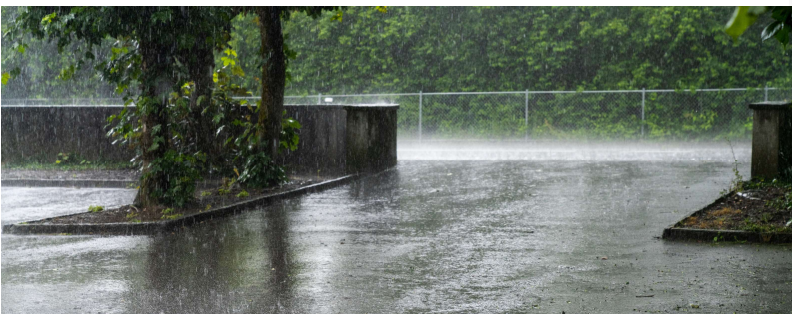
What is Stormwater?

Stormwater is water that comes from rain and melted snow that falls on and flows over land and into storm drains, ditches, creeks and lakes.

Stormwater in Nature



Stormwater in Built Landscapes



Hard surfaces (impervious area) create more runoff, transport it more quickly, and accumulate more pollutants than natural areas.

What happens when stormwater and its infrastructure isn't managed?



Erosion



Debris in Creeks



Pollutants in creeks/lake



Road Flooding



System Surcharge/ Basement Flooding



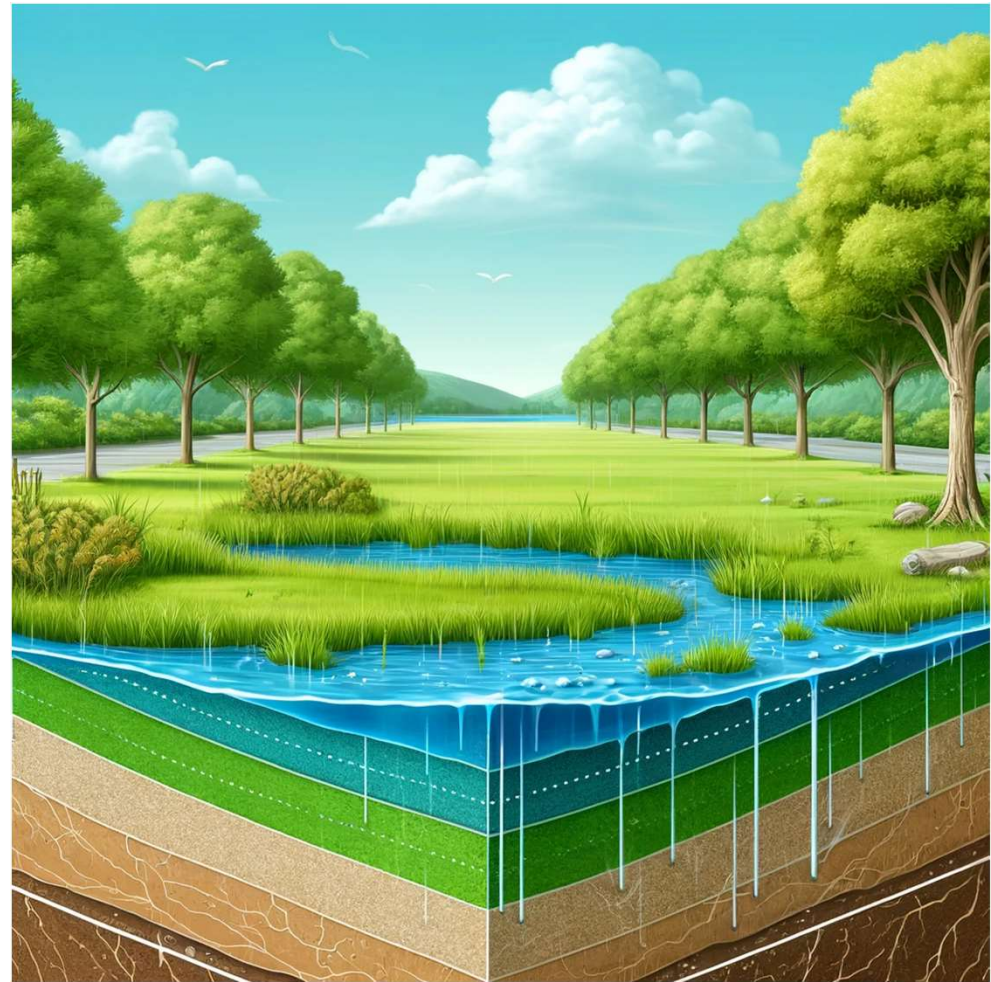
Infrastructure Failure

Impervious Areas are surfaces that do not allow water to penetrate the ground, such as: Paved roads & parking lots, driveways, roofs.

Infiltration is the process where water soaks into the soil. Natural landscapes allow for high infiltration, while impervious surfaces do not.

Increased Runoff Means: More water flows over surfaces, less soaks in, which can lead to higher **Flooding Risk**.

Water Quality: Runoff can also carry pollutants (oil, grit and salt) into water bodies.



Properties Types Differ

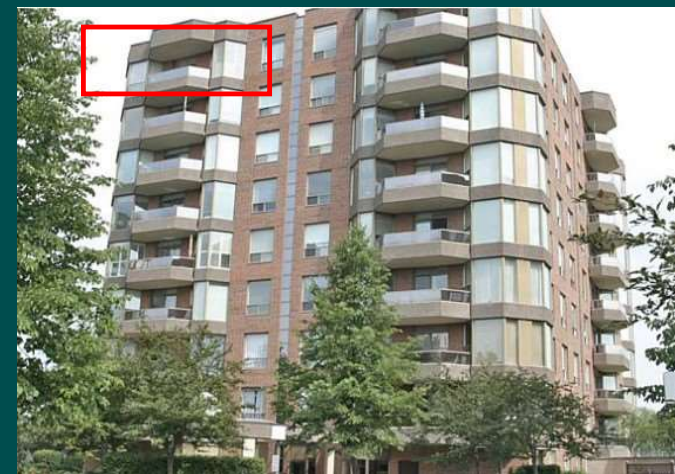
Residential Examples



Single-Family Home
Property Area: 1,050 m²



Average Townhouse
Property Area: 212 m²



Average Condo
Property Area: 126 m²

Properties Types Differ

Non-Residential Examples – Industrial, Commercial, Institutional (ICI)



Small Commercial/Retail
Property Area: 165 m²



Medium Commercial/Retail
Property Area: 24,059 m²



Large Commercial
Property Area: 72,900 m²

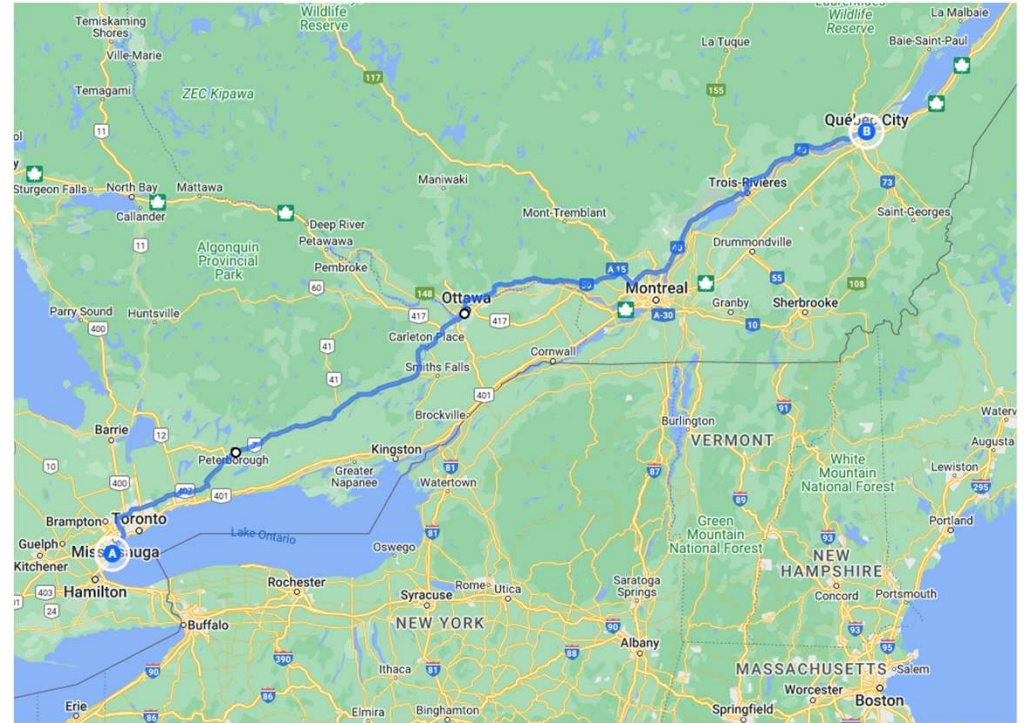
Non-residential (ICI) tend to be larger, have more hard surfaces, and uses that create more stormwater runoff (like parking lots)

Oakville's Stormwater System

- ~240 km ditches
- ~690 km storm sewers
- ~156 km creeks
- ~8.07 km of shoreline
- ~30,794 catch basins
- 67 ponds
- Value of **\$963 Million***

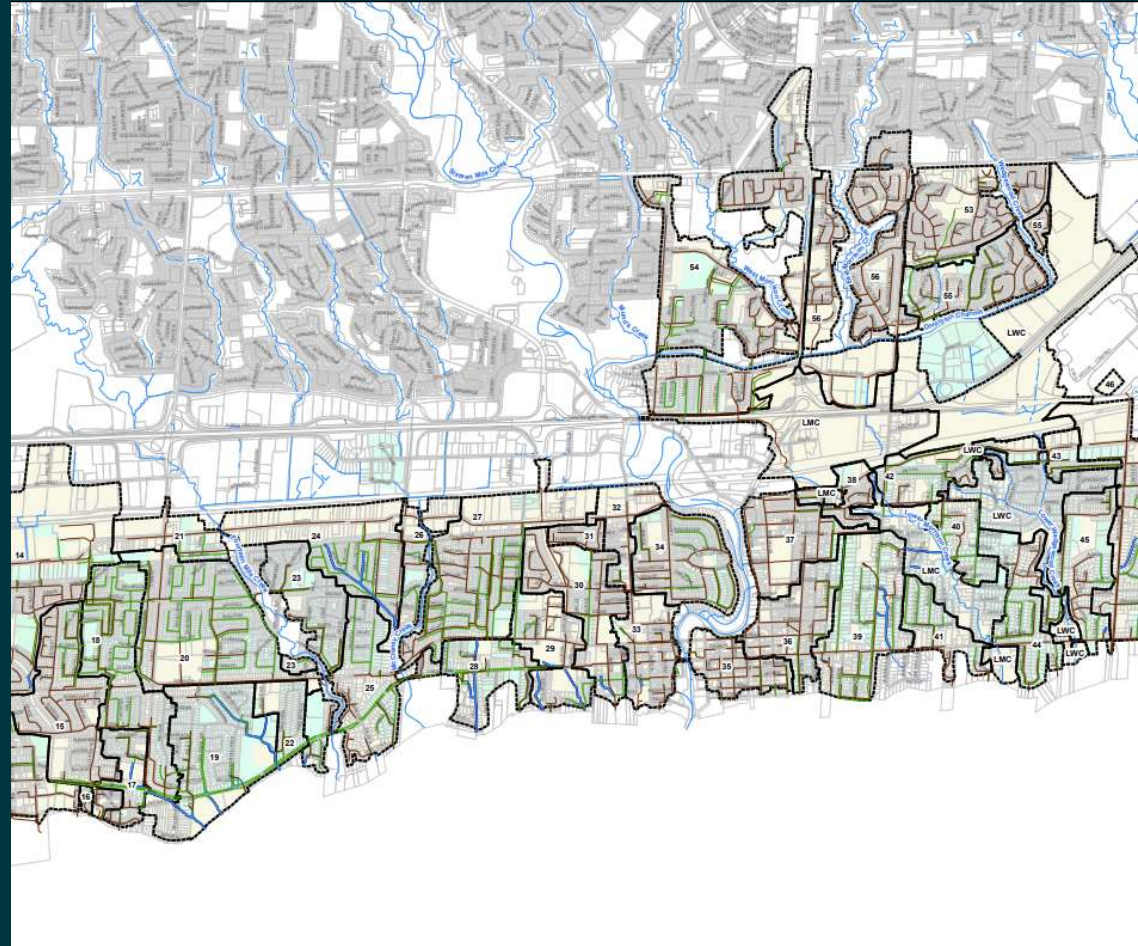
Oakville to
Québec City

* Natural assets are not included in this value.



Oakville's Stormwater Services

- Asset Management Planning
- Assessments (flood risk, asset condition audits)
- Infrastructure inspections, cleaning, & repairs (grey and green)
- Infrastructure renewals and upgrades (grey and green)
- Climate resiliency improvements
- Emergency response (breakages, spills etc.)



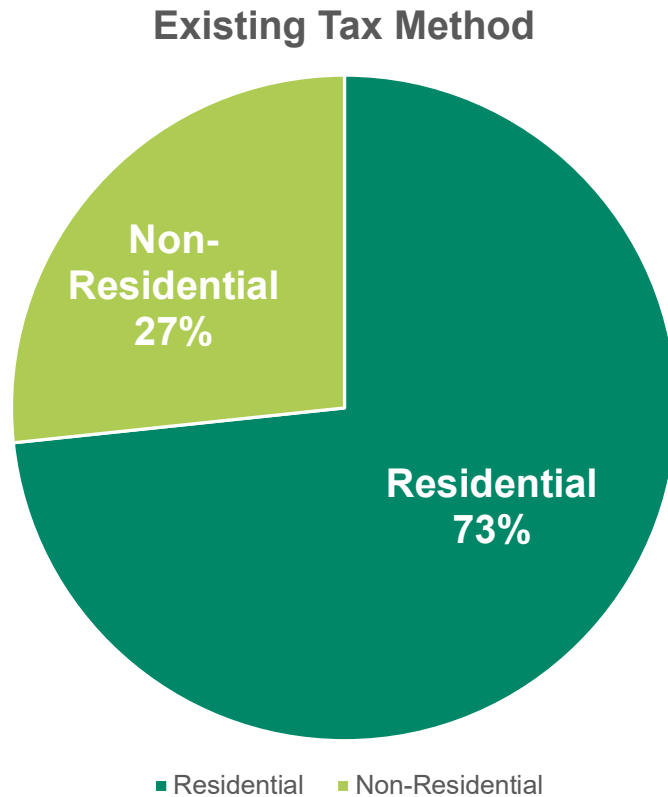
Stormwater Fee Feasibility Study

- The Town of Oakville is reviewing its current stormwater funding model (property taxes) and exploring new ways to pay for stormwater services and climate change resiliency.
- This was first mentioned in the Town's 2015-2019 Stormwater Management Master Plan and is a critical aspect of the Town's Rainwater Management Financial Plan.

Why do we need to consider new ways to pay for stormwater?

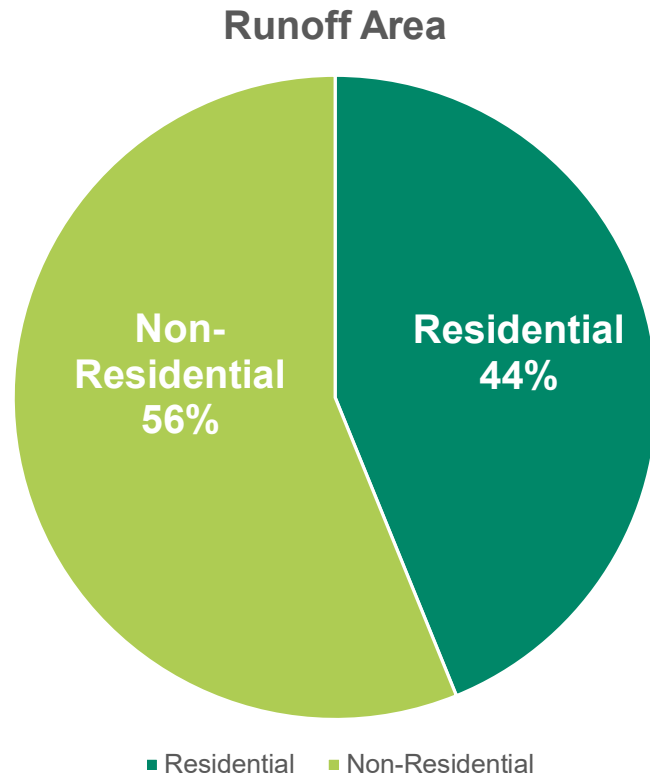
- The way we currently pay for stormwater services in Oakville is not fair or equitable, and it is not enough.
- It will ensure we adhere to Ontario Regulation 588/17: Asset Management Planning for Municipal Infrastructure
- Many municipalities across Canada are moving towards new funding models.

How is Oakville's Stormwater Infrastructure Currently Funded?



- The Town currently allocates taxes collected to stormwater infrastructure needs
- Approximately 4% of total taxes collected go toward funding the Town's \$8.9M SWM program
- Currently, residential properties fund over 70% of the total property taxes collected.

How do Oakville Properties Contribute to Stormwater Runoff?



Based on land area and land use:

- Residential properties contribute to 44% of the total runoff area
- Non-residential properties contribute 56% of the runoff area
- SWM costs can be distributed to better represent contribution to stormwater system.
- Runoff area ratios can be used to determine what proportion of funding should be collected from different property types.

Distribution of costs by runoff area can be used for Stormwater Fee

Ways to Fund Stormwater Management

Tax Revenue: Allocating a portion of the general municipal taxes collected or a separate dedicated levy.

Development-Related Charges: Imposing charges on new developments to cover the costs of stormwater infrastructure necessary for growth.

Fees & Charges: Like the Region's Water Rate Charge

Property owners are charged based on their relative contribution to the town's stormwater system.

Types of stormwater fees:

- 1) Flat Fee – every property pays the same fee
- 2) Fee based on **Property Area** and **Land Use**
- 3) Fee based on **Impervious Area**

Grants and Subsidies: Applying for provincial and federal grants, such as the Ontario Community Infrastructure Fund (OCIF), Green Municipal Fund (GMF) & Disaster Mitigation and Adaptation Fund (DMAF).

Flat Fee Methods

Simple Flat Fee - All properties pay the same



Tiered Flat Fee – Can be structured to be based on property types:

- Low-density residential pay one fee
- High-density residential pay one fee
- Non-residential pay one fee



Variable Fee Methods

- Everyone pays a different fee based on property type & size
- Fee is based on a measured area (i.e property size, run off area, impervious area)
- Non-residential (ICI) tend to be larger and create more stormwater runoff therefore fees tend to be higher

Variable Tiered Fee

- same as above but fees can be structured into payment tiers (ie. small, medium, large)



Other Municipalities

Residential Rates

Flat Rate (\$/property)	Aurora, Ajax, Guelph, Markham, Orillia, St. Thomas
Variable Tiered Rates	Mississauga, Kitchener (based on impervious area)
Variable Tiered Rates	London, Newmarket, Waterloo (based on property size)
Variable Rate	Richmond Hill (based on property size)

Non-Residential Rates

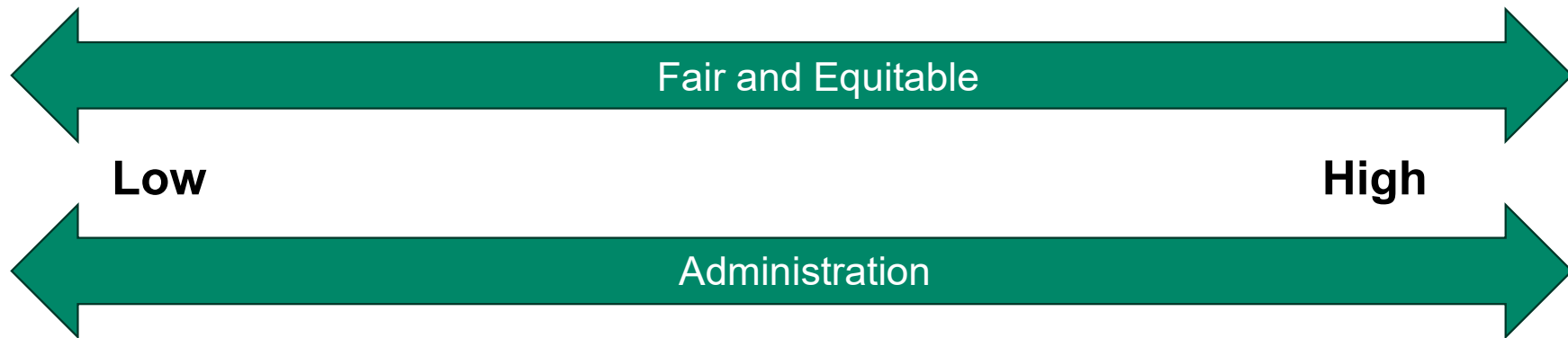
Flat Rate (\$/property)	Aurora, Orillia, St. Thomas
Variable Tiered Rates	Kitchener (based on impervious area) Newmarket, Waterloo (based on property area)
Variable Rate	Ajax, London, Richmond Hill (based on property size)
Variable Rate	Guelph, Mississauga (based on impervious area)

Guiding Principles for Selection of Funding Method

- **Fair and Equitable** – fee is non-discriminatory amongst customers and sectors and considers the financial impact on various customer sectors.
- **Affordable and Financially Sustainable** – provides sustainable, predictable and dedicated funding to address stormwater infrastructure needs and allows for regular fee reviews to adjust for cost-of-delivery and/or service level changes.
- **Justifiable** – residents and businesses understand why the fee is needed, how much the fee is and what the fee is being used for. Funding structure is justifiable and transparent.
- **Climate Change Resiliency** – encourages customers to be more resilient to climate change through on-site controls to reduce run-off while still providing the necessary funding for town stormwater infrastructure needs.
- **Simple to Understand and Manage** – fee structure is simple to understand by staff, Council and customers. The administration of the fee can be efficiently managed by town staff.

Finding Balance

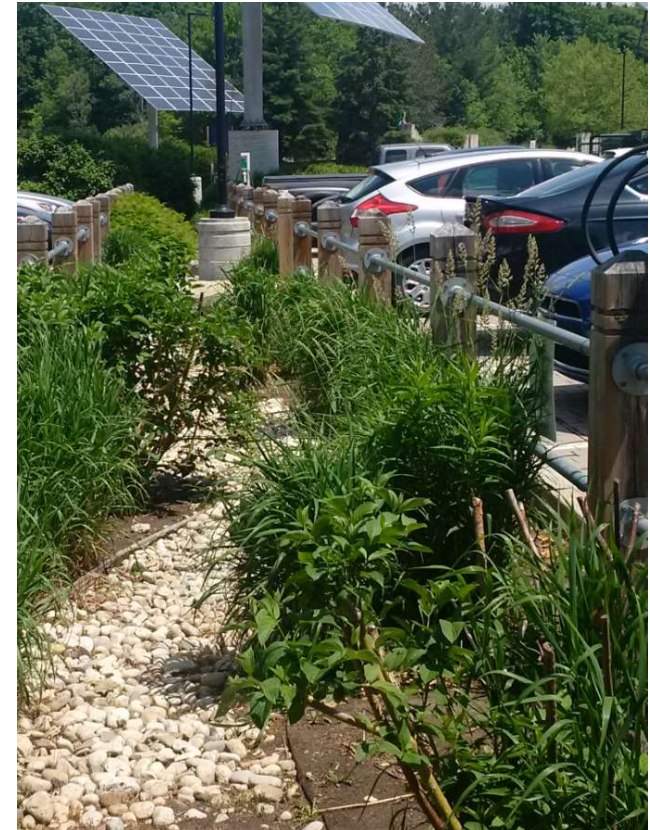
Existing Tax Method	Flat Fee	Variable Fee based on Property Area and Land Use	Variable Fee based on Impervious Area
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What is a Financial Incentive Program?

Provides incentives to property owners for reducing their impact on the stormwater system:

- **Credits:** reduced stormwater fee
- **Grants/subsidies:** reduced implementation cost for on-site measures



Taxes – General or Dedicated Tax Levy

PROS

- Generally accepted by public
- Simple to administer
- Can designate funds to Stormwater Levy (provides a dedicated source of funds)

CONS

- Property Assessment doesn't correlate to a property's runoff
- High distribution to residential (80/20) – not equitable
- Tax-exempt or capped properties do not contribute
- Annual budget pressures to maintain minimal tax increases
- Difficult to implement incentive programs to reduce stormwater runoff
- Would require a significant tax increase to fund the desired funding amount

Stormwater Fees

PROS

- Fee can be better proportioned to reflect benefit/usage
- Provides a sustainable dedicated source of funds collected for specific purpose
- Accountable to public, can easily demonstrate how funds are used
- Easier to implement credit incentives to promote reduced stormwater quantity or improved quality

CONS

- Will require public consultation/engagement on why new fee is required and to get buy-in
- Requires additional administration and set up of a new billing method

Stormwater Fee Misconceptions

Stormwater fees are just another tax ('rain tax', 'roof tax') – stormwater fees serve a very specific purpose – they fund stormwater management infrastructure and services

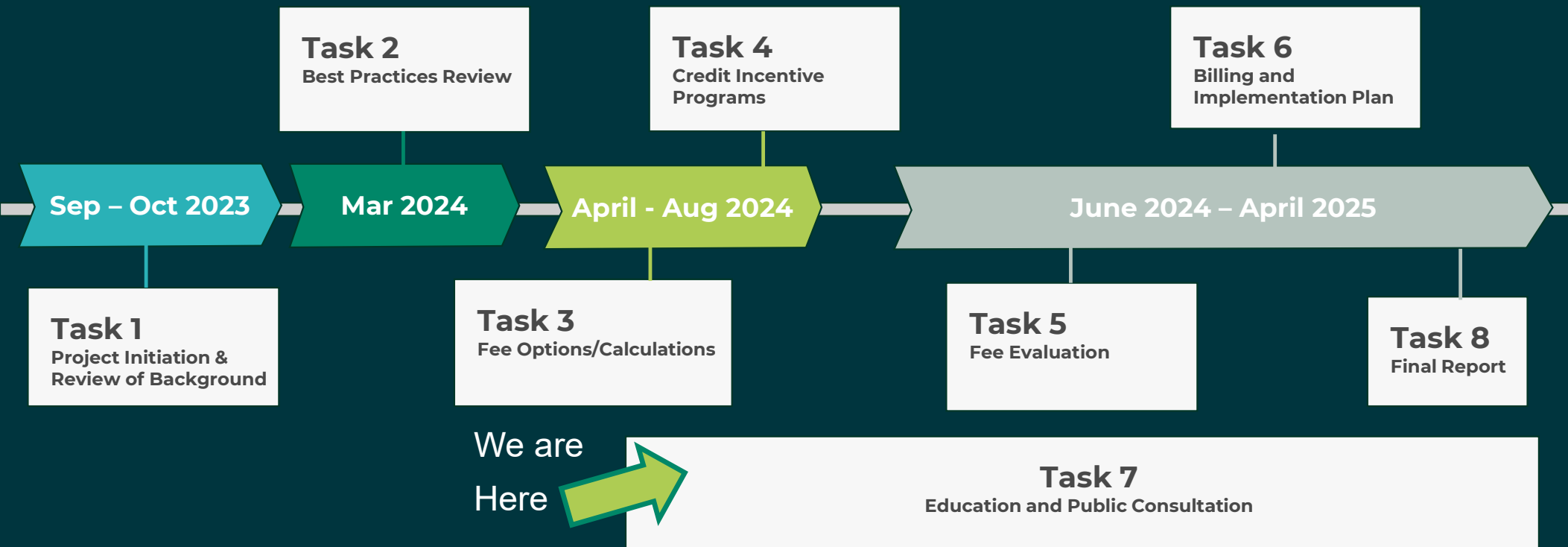
Stormwater fees are arbitrary – most fees are related to an aspect of stormwater – like impervious area or estimated runoff

Stormwater fees don't benefit property owners – all property owners benefit from a resilient stormwater management system



Kitchener Record, editorial cartoon (7-Apr-2006)

Stormwater Fee Feasibility Study



Engagement Objectives

1

Strengthen stakeholder and community understanding and appreciation of stormwater, stormwater management and the need for stormwater funding.

2

Gather feedback and insight to help inform an equitable and sustainable stormwater funding option.

3

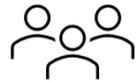
Build public trust through demonstrating transparency and sharing how feedback and insight was used in the stormwater funding development process.

Key Stakeholders & Audiences



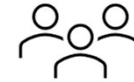
Property Tax Exempts

- Churches
- School boards
- Utilities
- Hospitals
- Colleges



Large Property Owners

- Industrial – e.g., Ford
- Commercial – e.g., Malls
- Institutional – e.g., Colleges/ Universities, Hospitals



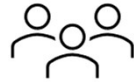
Others

- Council
- Indigenous groups
- Developers



Environmental Groups

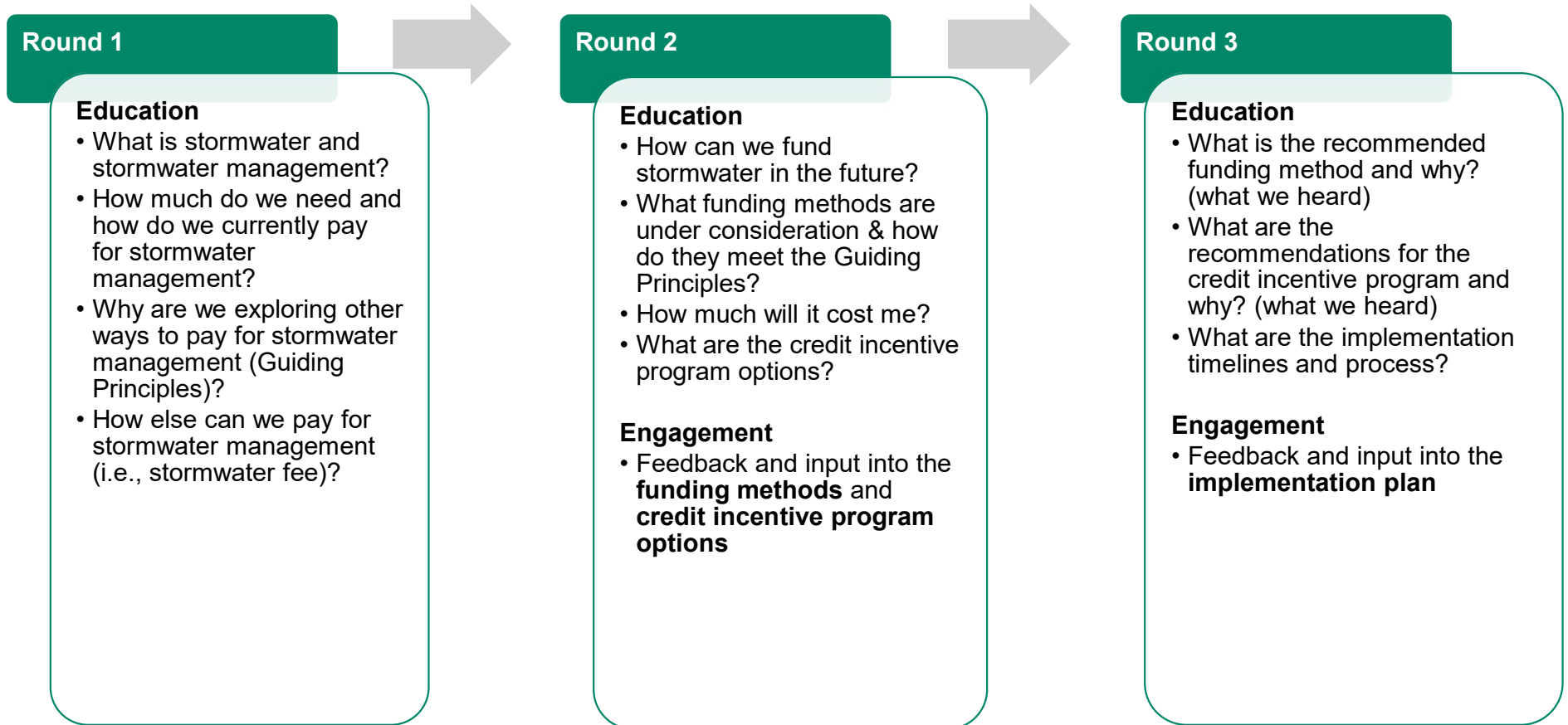
- Conservation Authorities
- Oakville-green



Residential/ Business Property Owners

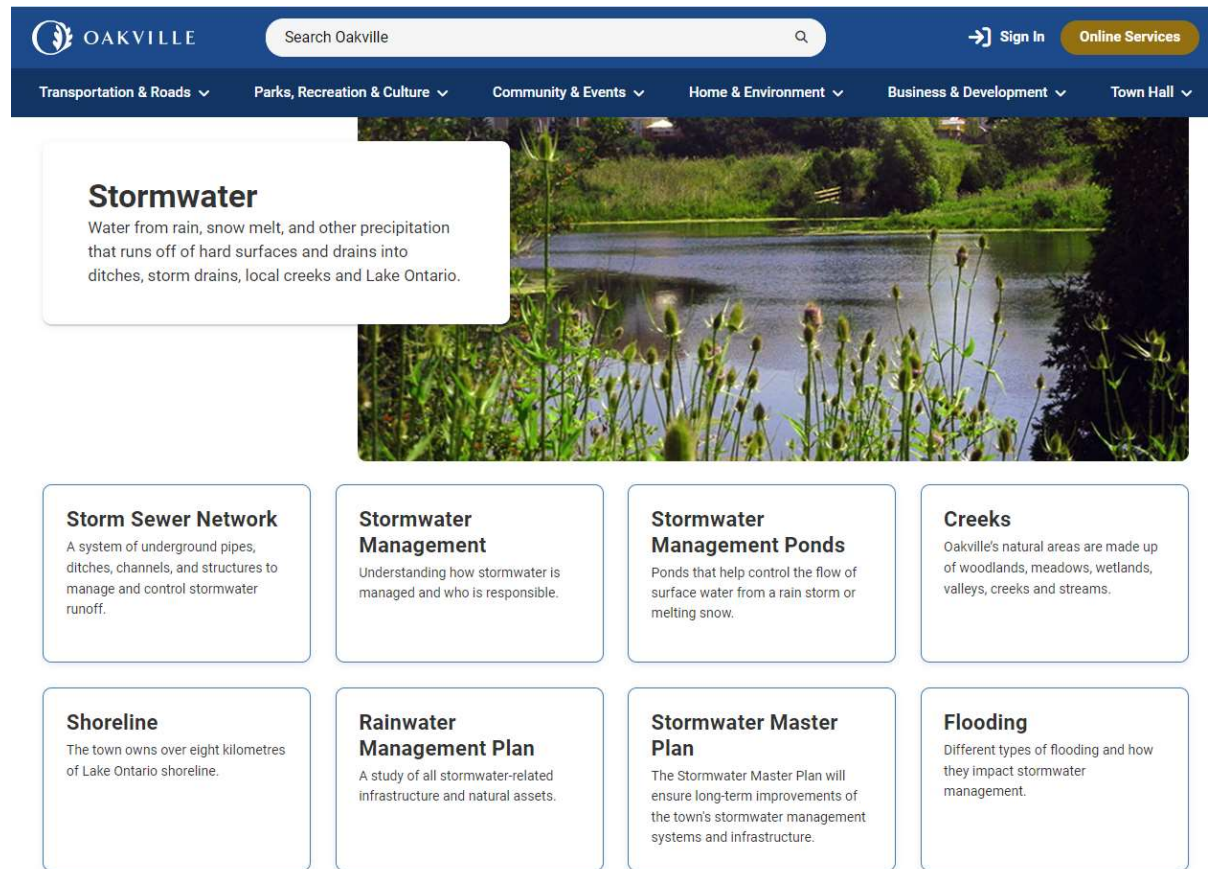
- Resident Associations
- BIAs/ Chamber of Commerce
- Multicultural groups
- Senior groups
- Residents/ businesses who outlet to the lake
- Small Businesses (not represented by BIAs)

Engagement Approach



Round 1 Engagement – Starting in June!

- Launching the Project Webpage
- Promoting Education Materials on Social Media
- Including Shareable Video



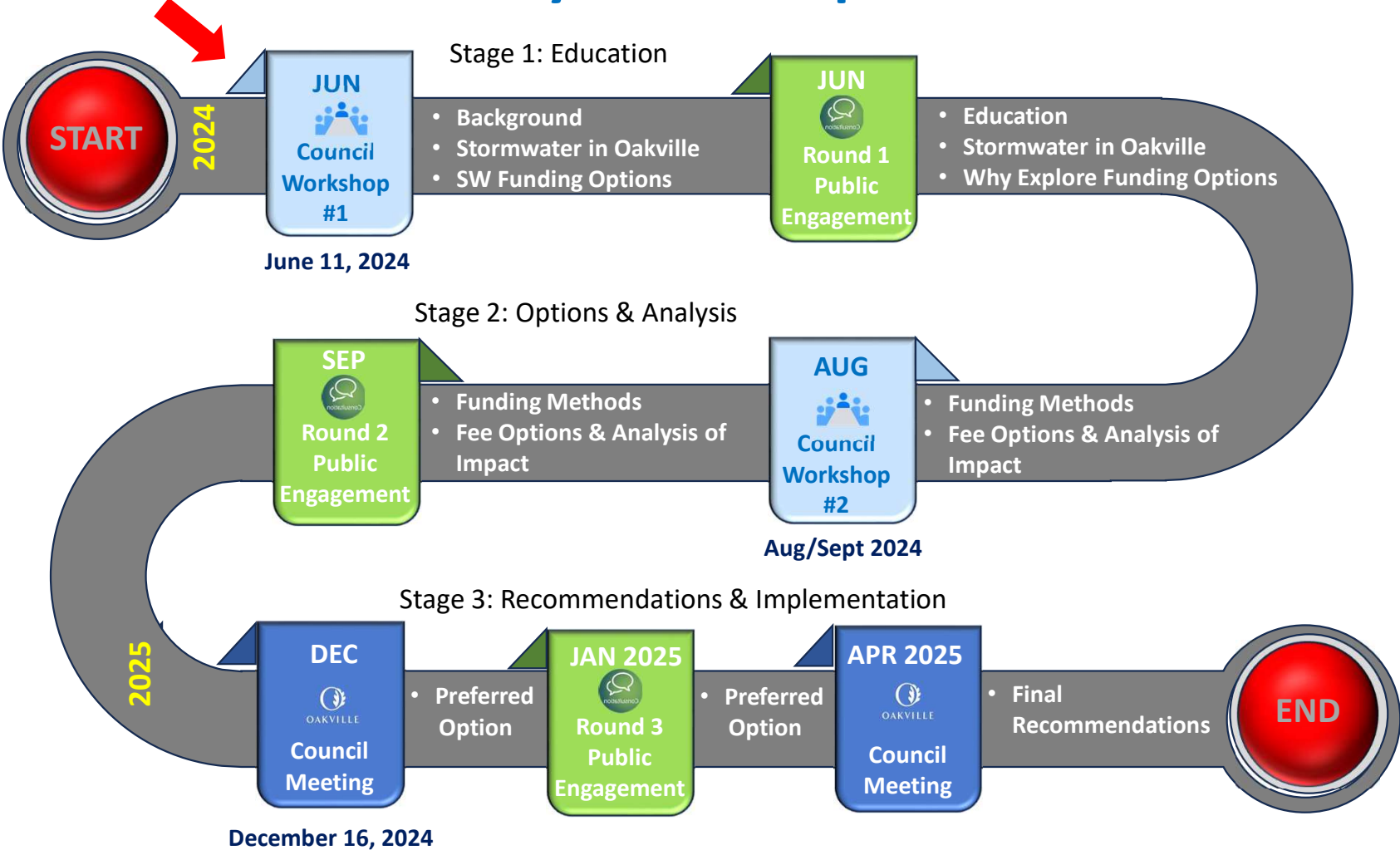
The screenshot displays the Oakville website's navigation and content structure. At the top, there is a dark blue header with the Oakville logo, a search bar, and links for 'Sign In' and 'Online Services'. Below the header is a secondary navigation bar with dropdown menus for 'Transportation & Roads', 'Parks, Recreation & Culture', 'Community & Events', 'Home & Environment', 'Business & Development', and 'Town Hall'. The main content area features a large background image of a pond with reeds. A white callout box titled 'Stormwater' provides a definition: 'Water from rain, snow melt, and other precipitation that runs off of hard surfaces and drains into ditches, storm drains, local creeks and Lake Ontario.' Below this, a grid of eight topic cards is presented, each with a title and a brief description:

- Storm Sewer Network**: A system of underground pipes, ditches, channels, and structures to manage and control stormwater runoff.
- Stormwater Management**: Understanding how stormwater is managed and who is responsible.
- Stormwater Management Ponds**: Ponds that help control the flow of surface water from a rain storm or melting snow.
- Creeks**: Oakville's natural areas are made up of woodlands, meadows, wetlands, valleys, creeks and streams.
- Shoreline**: The town owns over eight kilometres of Lake Ontario shoreline.
- Rainwater Management Plan**: A study of all stormwater-related infrastructure and natural assets.
- Stormwater Master Plan**: The Stormwater Master Plan will ensure long-term improvements of the town's stormwater management systems and infrastructure.
- Flooding**: Different types of flooding and how they impact stormwater management.

Thank you!

AECOM Delivering a
better world

Stormwater Fee Feasibility Road Map



Next Steps

- Round 1 Public Engagement (Informational / Educational materials) – mid-June
- Next Council workshop – August / Sept
- Round 2 Public Engagement – September / October
- Council Recommendation of Preferred Funding Method to develop implementation plan – Dec 2024
- Round 3 Public Engagement – Jan 2025
- Council approval of Final Fee Recommendation and Implementation plan – April 2025