REPORT

Council

Meeting Date: December 16, 2024

FROM: Asset Management Department

DATE: December 3, 2024

SUBJECT: **Rainwater Management Financial Plan and Stormwater Funding Options**

LOCATION: Town-wide
WARD: Town-wide

RECOMMENDATION:

That staff proceed to consult with the public on the preferred stormwater fee structure.

KEY FACTS:

The following are key points for consideration with respect to this report:

- The objective of the Rainwater Management (RWMP) Plan is to develop a long-term stormwater infrastructure and financial plan that maintains the town's stormwater assets in a state of good repair and implements improvements to increase climate resiliency.
- There are stormwater infrastructure needs of $732 million over the next 30 years and the existing level of funding is insufficient. Therefore, a dedicated, transparent, and sustainable stormwater funding model is needed.
- The Stormwater Fee Feasibility Study is to explore funding options for a fair and equitable way to pay for stormwater management system and services that includes an extensive communication and public engagement plan.
- Round 2 community feedback indicates strong support for a dedicated stormwater funding model and a majority preferred a fee structure that reflects distribution of costs proportionate to the amount of runoff different properties impact the stormwater system.
- The current tax system based on assessment, while simple to administer, does not accurately correlate to a property's stormwater runoff; therefore, the tax option is not perceived as a fair way to distribute stormwater costs.

- While a variable fee option based on runoff area most accurately reflects the varying runoff contributions to the town's stormwater system, additional analysis was conducted to understand variability and consistency in property area data to reach the preferred stormwater fee structure.
- The preferred stormwater fee structure is as follows:
    - Distribution of the stormwater funding needs based on runoff area by sector (44% attributed to residential, 56% attributed to non-residential)
    - A three-tier (single family, high density, semi-detached/link home) flat fee for the residential properties due to the correlation between average property size by property type grouping and to achieve a balance between equity and administration effort/cost.
    - A variable fee based on property size is recommended for non-residential properties.
- The preferred stormwater fee structure provides the desired balance of fairness, equity, and transparency, along with ease of administration, and reflect the public's strong opinion that a sustainable funding source to implement necessary improvements be established and that stormwater costs be proportioned to the amount of stormwater runoff contributed to the system.
- Round 3 of public engagement on the preferred stormwater fee structure and implementation plan will take place in February/March 2025.
- An interim Council report will be provided in March/April 2025 with recommendations on property exemptions/subsidies and credit incentive programs, along with results from the Round 3 public feedback, before finalizing the final fees for implementation.
- Council approval of the final Stormwater fee structure recommended fees and implementation plan is anticipated to be provided mid-year 2025.

BACKGROUND:

In March 2022, staff presented an overview of the town-wide Rainwater Management Plan (RWMP). The purpose of the RWMP is to develop a long-term stormwater infrastructure and financial plan that maintains the town's stormwater assets (storm sewer pipes, culverts, creeks, shorelines, ponds, ditches and harbours) in a state of good repair and implements improvements that increases climate resiliency to handle more frequent and intense storms. This multi-year project involves three interdependent phases:

- Phase 1 – Identify Stormwater Infrastructure Needs
- Phase 2 – Develop a Long-term (30-year) Stormwater Infrastructure Plan

- Phase 3 – Develop a Financial and Implementation Plan

In July 2023, staff presented the results of Phase 1 and 2 of the RWMP. The stormwater infrastructure needs and 30-year plan totals $639.8 million dollars (2022 estimates), which has been updated to $732M (2024 estimates) – averaging $24.4 million per year. Based on financial analysis, the existing level of funding available from the capital reserve/capital levy is insufficient to fund the 30-year stormwater infrastructure needs, which highlights the need to develop of a long-term sustainable stormwater funding source. Without an increase in funding, the town faces significant shortfalls over the next 30 years and will not be able to continue to maintain the town's stormwater assets in a state of good repair and complete necessary improvements to build climate resiliency.

In 2023, Council provided the policy direction "*that green infrastructure be preferred and grey infrastructure only where necessary"*. This has been adopted with regards to implementation of stormwater infrastructure as part of future project implementation, where a green infrastructure assessment will be completed with appropriate public consultation prior to construction.

Two council workshops were held in 2024 to provide more information from staff and outside experts regarding the importance of stormwater management and infrastructure needs, the stormwater fee feasibility study approach, funding options being considered, along with two rounds of public communication and engagement completed. Recordings of these sessions can be found on the Stormwater Fee Feasibility page on Oakville.ca.

The purpose of this report is to summarize the results from Round 2 of public consultation and survey and the preferred stormwater funding model and associated fee structure before moving into Round 3 of public consultation.

COMMENT/OPTIONS:

A consultant was hired to complete a Stormwater Fee Feasibility Study

Phase 3 of the RWMP includes the development of a long-term sustainable financial plan to fund the $24.4 million annual stormwater management infrastructure needs, including public and stakeholder engagement and an implementation plan. The town's current stormwater program needs more funding to improve resiliency to handle more frequent and intense storms. Also, the town's existing infrastructure is ageing with some infrastructure approaching end of life and requiring significant investment in the future. Without an increase in funding, the town will face challenges over the next 30 years and will not be able to complete necessary infrastructure improvements.

AECOM Canada Ltd. (AECOM) has been retained to assist with Stormwater Fee Feasibility Study. The AECOM team has completed over twenty stormwater funding studies across Canada and has extensive experience designing/implementing stormwater fees and managing successful engagement and communication programs for municipalities. The objective of the Stormwater Fee Feasibility Study (the study) is to explore options for a fair and equitable way to pay for the stormwater management system and services and to ensure the town has a sustainable funding source to support its infrastructure needs into the future.

The study analyzed:

- how to distribute the stormwater costs using different options (through property tax system using assessed property values, or by land size)
- how to distribute the stormwater cost within land use types (residential/non-residential).
- different fee structures available to calculate the amount property owners would pay (current assessment value, equal/flat fee, variable based on land area or other measurable unit).

Currently, stormwater management services are funded through property taxes where the proportion of the contribution (73% residential / 27% non-residential) is not reflective of the actual stormwater runoff contributed (greater than 50% from non-residential).

Currently, Oakville's stormwater services are paid for through property taxes. This means that the amount of money a property owner pays is based on the value of their property, not on how much stormwater comes from their property and enters the town's stormwater system. Based on the town's 2024 budget, on average, approximately $12.6 million goes toward paying for stormwater management services, $2.0 million in the operating budget for on-going maintenance, repairs and inspections and $10.6 million in the capital forecast for infrastructure renewal/replacements, the capital being funded primarily through a combination of capital levy and capital reserves.

Under the property tax system, residential properties contribute approximately 73% of the total town's property taxes collected while in an average Ontario municipality, residential properties account for much less of total stormwater runoff based on property area. Non-residential properties with hard surfaces, like large parking lots, can create significant stormwater runoff and normally account for over 50% of stormwater runoff. However, under the property tax system, non-residential properties currently contribute only 27% to the total operating budget. This means that residential properties in Oakville may be paying more than their fair share.

As part of the study, the town is reviewing various funding options, including the current property tax system and a separate, dedicated stormwater fee. The general tax fund is not as stable as a dedicated stormwater funding source as there is general desire to keep tax increases to a minimum which creates competition for tax funds to support other services. However, a dedicated stormwater fee can be structured to be proportionate to the amount of stormwater runoff a property contributes where the current tax system is based on assessment values. The objective of this study is to make the financing system fair and more equitable so that properties that create more stormwater runoff pay their share of the cost.

Municipalities who have implemented stormwater fee vary in method, type, calculation and even how much or what is funded by the fee.

A stormwater fee is not a new concept. Several Ontario municipalities have already changed how they collect for stormwater services by implementing a stormwater fee, including Kitchener, Ottawa, Guelph, Richmond Hill, Waterloo, Brampton, Ajax, Mississauga, and Markham. There is a wide variation between what each municipalities funds through their stormwater fee, how they distribute the fee amongst sectors, the methodology of charging the fee (flat or variable), and how to collect the fee. A sample of what other municipalities implemented is included in the June 11, 2024 Council Workshop Material.

Guiding principles are used to evaluate different stormwater funding options.

The study reviewed the current property tax system and different options for a separate, dedicated stormwater fee. A stormwater fee can be structured in different ways. Each option was reviewed and evaluated against the following guiding principles:

- **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 see a direct correlation to 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 the public. The administration of the fee can be efficiently managed by town staff.

A dedicated stormwater fund is needed, and the study evaluated three funding options.

The need for a dedicated stormwater fund is clear ($24.4 million need per year). Having a financial plan to fund the town's core infrastructure is a requirement under Provincial asset management regulation O.Reg.588/17. A dedicated fund provides a sustainable source of revenue which would not be in competition for general tax funds spread across various other town services. It also provides a transparent way to track how funds are applied to specific projects and initiatives, fostering understanding for residents and businesses on how their contribution is used.

The study evaluated three funding options on how the town can collect the $24.4 million required to support long-term stormwater management services (i.e. how the stormwater fee can be calculated).

Option 1: Existing Property Tax System – Property owners would pay for stormwater management based on assessed property value (similar to how property taxes is calculated) with no consideration for a property's impact on the town's stormwater system.

Option 2: Tiered Flat Stormwater Fee - Property types are divided into tiers or property type groupings. All properties in the same tier would pay the same fee. A flat fee is calculated by distributing the stormwater costs proportionate to the runoff areas for each tier, divided by the number of properties in that group.

Option 3: Variable Stormwater Fee Based on Stormwater Runoff – a rate is calculated based on the estimated stormwater runoff area of each property type. Property owners would pay a different fee based on the rate multiplied by the area of their individual property.

Oakville properties were classified into three property type groups (High density residential, Low density residential, Non-residential) for the purposes of analyzing the different funding options.

To compare stormwater charges between the various funding options, it is essential to classify parcels into specific land use types to characterize properties regarding their stormwater impact and to understand the distribution of residential and non-residential properties within the Town. AECOM developed a parcel database based on the Municipal Property Assessment Corporation's (MPAC) tax assessment data and the Town's GIS data. For residential properties, it is essential to distinguish property classifications that appropriately characterize the wide range of housing types and development densities across Oakville. The definitions of the various property classifications are based on the property codes assigned by MPAC.

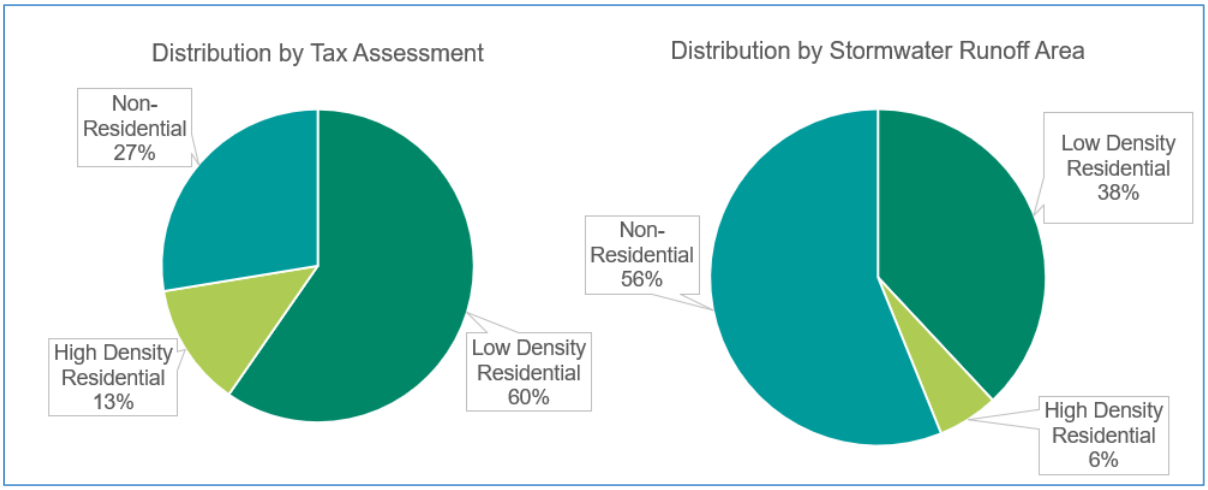
For the purposes of the study, the residential and non-residential land use types were grouped into broader property type groups (High density residential / Low density residential / Non-residential) to represent tiers to facilitate the assessment of different fee options as presented in Appendix A Property Type Groups.

Next, an analysis was conducted to identify and characterize parcels with respect to their stormwater impact. Several factors influence the amount and quality of stormwater that runs off a property, including rainfall, impervious area, soil type, topography, land use and site servicing characteristics. For the purposes of this study, impervious area was approximated by estimating property runoff area. Stormwater runoff is estimated by multiplying a "runoff coefficient" associated with a particular land use type by the area. The "runoff coefficient" is based on the town's engineering guidelines, where land use types with large areas of hard surfaces that cannot effectively absorb stormwater (like buildings with large parking lots) have higher runoff coefficients. Land use types with more green space and fewer hard surfaces (like single-family homes) have lower runoff coefficients.

The tax method of distribution favours the non-residential property group (27%) and is not consistent with the amount of stormwater runoff contributed by the non-residential properties (56%).

Based on the property type groups and relative runoff coefficient, the distribution of stormwater runoff was calculated for each property type group. As illustrated in Chart 1 below the distribution of runoff contributed by property type group varies significantly when compared to distribution using property tax system.

Chart 1 – Distribution of stormwater cost based on tax versus runoff area



The benefit of shifting how funds are collected to a dedicated stormwater fund model (option 2 or 3), vs. the property tax system (option1) is that it can be structured to be

proportionate to the amount of stormwater runoff a property type contributes to the system and reflects a user pay system similar to water/wastewater rates. With option 2 and 3, properties that have more hard surfaces and create more stormwater runoff can be charged more, as they have a bigger impact on the town's stormwater system. In addition, properties with large impervious areas (such as parking lots) can be encouraged to consider better stormwater management practices.

Sample fees were calculated for the three funding options and there is a high range of variability depending on the calculation methodology.

The three funding options were then analyzed and compared by estimating average fees for each property type group using the RWMP estimated $24 million annual stormwater need. It is important to note that tax assessment value was used to distribute the $24 million cost for the Tax option, whereas the runoff area was used to calculate the Flat fee and Variable fee options. Chart 2 presents a sample of fee results under the different funding options for a range of property sizes:

Chart 2 – Estimated Fee Comparison

Property Type Group	Estimated Fee Based on $24 million Annual Need		
	Tax Option	Flat Fee Option	Variable Fee Option
Low-Density Residential (LDR)[1]	**Avg. - $330** Small Property…….$215 Medium Property….$331 Large Property…….$621	**$216** **Same for All**	**Avg. - $195** Small Property…….$99 Medium Property….$197 Large Property…….$309
High Density Residential (HDR)[2]	**Avg. - $153** Townhome…….$193 Condo Unit…….$142	**$57** **Same for All**	**Avg. - $65** Townhome…….$71 Condo Unit…….$43
Non-Residential (ICI)[3]	**Avg. - $2,415** Small Property……..$ 262 Medium Property….$2,415 Large Property…….$8,203	**$2,927** **Same for All**	**Avg. - $3,064** Small Property ..... $ 63 Medium Property... $3,064 Large Property.....$12,528

Note: 1) Average fee for a LDR property calculated using an area of ~660 m2.
2) Average for an HDR property calculated using an area of ~160 m2.
3) Average fee for a non-residential property calculated using area of ~8,100 m2.

The study includes plans for an extensive communication and public / stakeholder engagement plan including council workshops.

Effective public and stakeholder engagement is critical to the successful development of a long-term stormwater infrastructure financial and implementation plan. Therefore, an expanded public and stakeholder engagement plan has been proposed with three primary objectives:

- Strengthen stakeholder and community understanding and appreciation of stormwater, stormwater management, and the need for stormwater funding.
- Gather feedback and insight to help inform equitable and sustainable stormwater funding option(s);
- Build public trust through demonstrating transparency and sharing how feedback and insight was used in the stormwater funding development process.

The public and stakeholder engagement plan includes three rounds of engagement and consultation which is coordinated to support Council's decision-making process. Appendix B illustrates a roadmap and timeline for the three rounds of public and stakeholder engagement.

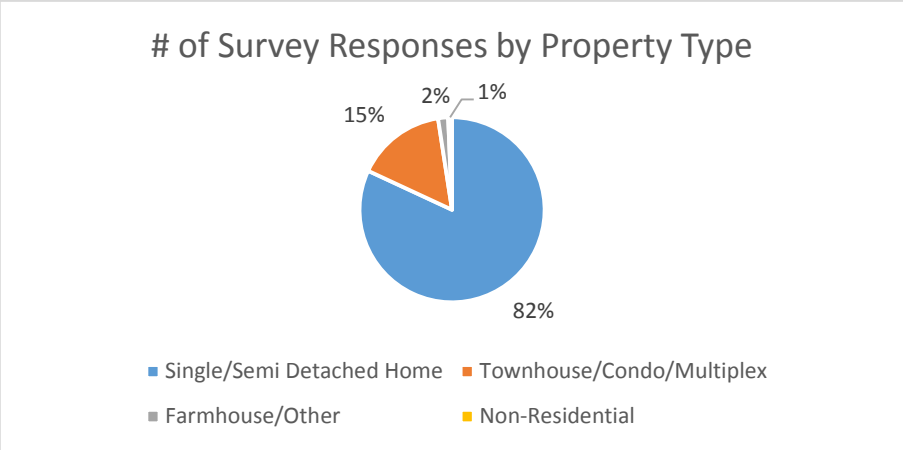
Round 2 community feedback indicates strong support for a dedicated stormwater funding model and majority prefer a fee structure that reflects a distribution of costs proportionate to the amount of runoff different properties impact the stormwater system.

The objectives of Round 2 public engagement were focused on:

1. understanding the community values regarding stormwater management,
2. obtaining feedback on the three funding options and
3. interest in financial incentive programs.

The materials presented at the public meetings is consistent with the Council Workshop #2 material, which outlined the town's stormwater management 30-year needs, an overview of the three funding options, each option's evaluation against the guiding principles, fee estimations by property type group, and a high-level discussion of incentive programs. A variety of different tactics were used to promote the study and solicit feedback from the public, such as three public meetings, social media advertisements, and two community surveys. The community survey was the primary focus of engagement for this round.

Overall, the number of survey participants was quite impressive. In total, the town received a total of 741 responses, from a range of different property owners. The chart below illustrates the distribution of respondents by property type with over 82% respondents own single detached or semi-detached home and 15% own a townhouse/condo or multi-plex. This is generally in line with the distribution of the type of property parcels across the town (76% single/semi, 16% townhouse/condo/multi-plex, 5% farmhouse/misc./other and 3% non-residential).



The survey results demonstrated that most respondents recognize the importance stormwater management. Although there are some concerns over another fee on top of current property taxes, over 80% of respondents replied that the town's stormwater services were "important" or "very important" to them, that it is important that the town implement improvements to increase resiliency to climate change impacts, and that the town has a sustainable, dedicated funding source to support these needs.

When asked about the different funding options, over 67% agree funds should be collected in way that is proportional to how much stormwater runoff a property contributes and, when ranking the three fee options, there was a definitive preference for a variable stormwater fee based on runoff for both residential properties and non-residential properties.

Lastly, there is widespread interest in credit and rebate programs, with over 70% indicating that it is important that the town offers incentive programs and 69% would likely implement on-site measures if offered a subsidy or rebate. Overall, it appears there is a strong understanding that instituting rebates or credits would encourage good on-site stormwater management and help reduce the financial burden of a stormwater fee.

EVALUATION OF FUNDING OPTIONS

As noted above, each funding option was reviewed and evaluated against the guiding principles along with public feedback received through the survey and engagement sessions. The table below summarizes the three stormwater funding options analyzed along with their respective ratings based on the guiding principles.

Calculation Method	Fair and Equitable	Affordable and Financially Sustainable	Justifiable	Climate Resiliency	Simple to Understand and Manage
Tax Method	No	Partly	Partly	Partly	Yes
Tiered Flat Stormwater Fee	Partly	Yes	Yes	Yes	Partly
Variable Stormwater Fee	Yes	Yes	Yes	Yes	Partly

The preferred method to distribute stormwater cost is based on runoff method (44% attribute to residential, 56% attribute to non-residential).

The current tax option, while simple to administer, does not accurately correlate to a property's stormwater runoff. Public feedback clearly indicated a strong preference that fees should be collected in way that is proportional to how much stormwater runoff comes from a property. Therefore, the tax option (Option 1) is not perceived as a fair way to distribute stormwater costs. Furthermore, tying the fee to property assessments makes it difficult to implement an incentive program to encourage the property owners to control runoff.

The tiered flat and variable options are preferred as they clearly associate the funds collected relative to the amount of stormwater runoff contributed to the system. It is also common for stormwater fees systems of all types to offer credit programs that reward the installation of green infrastructure and low-impact development (LID) facilities that provide direct environmental benefits. Having a dedicated funding source leads to increase transparency as funds can be easily tracked and are applied to specific projects or initiatives, fostering clear understanding for residents and businesses. The use of a flat or variable stormwater fee is aligned with the public's feedback on the importance of a sustainable funding source and the desire to implement improvements to increase resiliency.

It is noted that a tiered flat fee which distributes stormwater costs to different property groups based on runoff area is fairer when compared to a tax-based option; however, it is still somewhat limited as there are only three different groupings, each of which still represents a large variety of property types. In terms of administration and on-going management, effort would be highest with the variable fee method, as each property is charged a unique amount requiring individual property areas to be calculated and maintained in a database to complete individual fee calculations.

Based on the evaluations conducted by AECOM, of the three options being reviewed, the variable fee option, based on runoff area, should be considered by the town for implementation. This method most accurately reflects the varying runoff contributions to the Town's stormwater infrastructure, providing significant

advantages in terms of Fairness and Equity, Financial Sustainability and Incentives for stormwater management best practices. Alternatively, a flat fee with additional tiers for Residential properties, in particular further subdividing Low Density Residential could also be considered to provide a balance between equity and easier administration effort/cost.

Additional Analysis and Considerations

Following the consultant's recommendation to consider variable Fee option, based on runoff area, staff completed further data analytics to understand how the variable fee option would be applied within the three property type groups (low density, high density and non-residential property)

Residential property size data and ownership complexities pose administrative challenges and greater potential for disputes if a variable fee option is used.

Additional analytics of the MPAC data for the individual property groups was completed to understand availability of data and evaluated ease of implementation. During the analysis, it was found that MPAC does not readily maintain property area on individual properties in their data base, resulting in missing and incorrect data, therefore property area of approximately 47,500 Low Density residential (LDR) properties would need to be manually calculated and maintained using GIS. This is further complicated for 10,000 High-Density Residential (HDR, condo/townhouse/multi-plex) properties where there are multiple units tied to a single property and shared spaces that would need to be approximated across various owners.

With the information that was available, staff reviewed the range of property sizes for LDR properties and found that there was a large disparity in property sizes that range from 0.2 acres or 81m^2 to the largest being 24 acres or 99,000m^2. Under a variable fee method, fees for individual properties would range from $24 to $29,100 per year. Further investigation of LDR property data revealed the following:

- The range in property sizes for semi-detached and linked homes was not as broad and ranged between 100m^2 to 800m^2 with majority of properties averaging 300 m^2. A variable fee would result in fees ranging from $60 to $230 with the average approximately $99. This is $116 less than the LDR flat fee of $216 calculated by AECOM.
- 90% of single-family homes are less than $1,100 m^2 with the majority of properties averaging 688 m^2. This would result in a fee in range of the LDR flat fee of $216.

- approximately 2,000 single family homes (10%) have a property area greater than 0.35 acres or 1,400 m^2. This would result in a fee range from $996 to $29,000 per year which is significantly greater than the LDR flat fee of $216.

Due to the large difference in residential property sizes, a variable fee would likely require adjustments or "caps" to be implemented. This would further complicate the administration and calculation of the fees and diminishes transparency and could lead to confusion and a high volume of inquiries and disputes. Keeping in mind that the stormwater fee would be in addition to normal property taxes being paid for other town services, a variable fee option did not seem fair and equitable amongst the LDR properties given the large range in property sizes.

A three-tier flat fee for the residential properties is preferred due to correlation between average property size by property type grouping.

This additional analysis does indicate that residential properties (represent 44% of runoff area) could be further broken down from two property groupings (LDR, HDR) into three groupings to better reflect the property size ranges:

- High-density residential (condo/townhome/multiplex) 6%
- Semi-detached/Link Home 2%
- Single Family home 36%

This creates three tiers for the residential properties and the 44% residential share of stormwater funding is divided into the three property types rather than two as shown above based on the total runoff area calculated for each group. The flat fee is then calculated by dividing the funding amount for each group by the total number of properties. The revised sample tiered flat fee result is shown below.

Tier #1 – Condo/Townhome		Tier #2 – Average Link/Semi-detached Home	Tier #3 – Single Family Home
Total SW Allocation	6%	2%	36%
Total Cost	$1,421,866	$347,768	$8,891,205
Number of Units	24,900	3,357	43,836
Annual Fee	$59.29	$104.15	$202.83
Monthly	$4.94	$8.68	$16.90

*Note: Average Flat Fee is calculated based on 2023 MPAC data for demonstrating the methodology. Final fees to be calculated based on revised MPAC data the year the fees are implemented.

Variable fee based on property size is recommended for non-residential properties.

As shown in Chart 2 Estimated Fee Calculations, the flat fee for non-residential properties does not seem equitable, as the contribution ($2,900) for a small business to stormwater charges would be the same as the large commercial properties that are much larger and have more hard surfaces. While property area would need to be manually obtained through GIS, a variable fee would only need to be calculated one time for approximately 1,900 properties. Given this volume coupled by the fact less than 2% properties are non-residential, once the initial data base is established, minimum maintenance to add new properties would be required and appears to be manageable. Therefore, the variable fee is the preferred option for non-residential properties.

As a result of the AECOM study evaluation, public consultation feedback and further analysis of Low-density residential properties, staff are proposing the following as the preferred stormwater fee structure:

1. That properties be divided into 4 property type groups and stormwater costs be distributed based on estimated runoff area for each group as follows:
    a. Non-residential 56%
    b. Single family home 36%
    c. High-density residential (condo/townhome/multiplex) 6%
    d. Semi-detached/Link home 2%

    *Note percentage distributions are approximate based on 2023 MPAC data. Final distribution to be calculated based on revised MPAC data the year the fees are implemented.

2. That a variable fee option based on runoff area be used as the calculation method for non-residential property types and that 0.0 runoff coefficient is assumed for farms, parks, miscellaneous and undeveloped lands.

3. That a flat fee method with three tiers be used as the calculation method for residential properties.

The preferred stormwater fee structure outlined above provides the desired balance of fairness, equity, and transparency along with ease of administration. It clearly aligns with the public's strong opinion that a sustainable funding source to implement necessary improvements be established and that stormwater costs be proportioned to amount of stormwater runoff contributed to the system. This is demonstrated by:

- Distributing stormwater costs to 4 different property type groups based on estimated runoff area.
- Providing a long-term sustainable funding source
- Equitable for the wide range of property types

- Easy to understand/explain to public
- Easy to administer and less potential for disputes

Round 3 of public engagement is to obtain feedback on the preferred Stormwater Fee structure.

Round 3 Public Engagement will take place in Feb/Mar 2025 and will include information on:

- A summary of what we heard from Round 2 of engagement
- What the preferred funding method is and why (Runoff method)
- How the fee is proposed to be calculated (Tiered flat for residential and variable for non-residential)
- Considerations for a credit incentive program to assess uptake
- The implementation timelines and process

Implementation of the Stormwater Fee

Once a new stormwater fee structure is approved (mid-year 2025), the fee could be implemented in 12-18 months (Spring/Summer 2026). The exact timeline and resources required will depend on the complexity of stormwater fee structure selected. Tasks required to finalize the stormwater fee and issue billing are outlined as follows:

1. Confirm total stormwater funding requirements
2. Develop communications plan
3. Complete parcel analysis and number of billing units
4. Develop a master billing file
5. Develop a credit/rebate program (if desired) and incorporate costs/revenue reduction into rates
6. Consideration of property exemptions/subsidies (e.g. places of worship / schools) and incorporate costs/revenue reduction into rates
7. Develop policies, procedures, and forms (e.g., appeals review process, updating billing file to capture new development/redevelopments, how often fees are recalculated, etc.)
8. Prepare a fee by-law
9. Determine billing system and configuration, contract negotiation with billing system provider (if applicable)
10. Test billing system / sample bill testing

There are several considerations that will impact the final fee calculation that require Council input, such as property exemptions/subsidies and credit incentive programs. An interim report will be provided in March/April to provide recommendations on these items and results from the Round 3 public feedback before finalizing the

calculation of the fees. Staff will bring a final report in mid-year 2025 with the final stormwater funding model recommendation and implementation plan for Council approval.

CONSIDERATIONS:

(A) PUBLIC

Phase 3 of the RWM Plan includes extensive public and stakeholder engagement that supports the successful development of a long-term stormwater infrastructure funding source and implementation plan.

(B) FINANCIAL

The overall goal of this process is to develop a long-term stormwater infrastructure and financial plan that maintains state of good repair and implements improvements that increases resiliency to the impacts of climate change. The recommendations in this report and new stormwater funding model (once approved) will provide a long-term sustainable source of funding, and achieve the objectives of a fair and equitable, justifiable, promote climate resilience, and easy to understand and administer.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

Asset Management, Parks and Open Space, Roads and Works, Transportation and Engineering, Finance and Corporate Communications staff were consulted in the preparation of this report.

(D) STRATEGIC PRIORITIES

This report addresses the following corporate strategic goal(s):

- Accountable Government - Maintaining and improving stormwater infrastructure with a long-term financial and implementation plan is fiscally responsible.
- Environment – Effective management of stormwater infrastructure helps to protect Oakville residents and preserve our natural environment.

(E) CLIMATE CHANGE/ACTION

Severe storm events from climate change can cause property damage, have harmful effects on the environment and impact public safety. Improving stormwater infrastructure helps to increase the town’s resiliency to climate change impacts.

APPENDICES:
Appendix A – Property Type Groups
Appendix B – Communication and Public Engagement Plan

Prepared by:
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Submitted by:
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