



**OAKVILLE  
REPORT**

**Council**

**Meeting Date: September 29, 2025**

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**FROM:** Asset Management Department

**DATE:** September 16, 2025

**SUBJECT: Stormwater Fee Recommendations and Implementation Plan**

**LOCATION:** Town-wide

**WARD:** Town-wide

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**RECOMMENDATION:**

1. That the recommended stormwater funding structure and implementation plan outlined in this report be approved, with timing for implementation of the fee to be considered through the 2026 budget process.
2. That a new discretionary reserve fund, entitled “Stormwater Management Reserve Fund” be established.
3. That by-law 2025-152, a By-law to Impose Stormwater Management Fees and Charges be passed.
4. That the Stormwater Fee Policy as attached to this report be passed

**KEY FACTS:**

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

- The purpose of the Rainwater Management Financial Plan (RWMP) is to develop a long-term stormwater infrastructure and financial plan to maintain the Town’s stormwater assets in a state of good repair and make improvements to increase resiliency.
- The 30-year stormwater infrastructure need is estimated at \$732 million, requiring an average of \$24.4 million annually.
- Existing funding is insufficient; therefore, a Stormwater Fee Feasibility Study was undertaken to explore funding options for a fair and equitable way to pay for the stormwater management system and services and which included extensive public communication and engagement.
- Round 2 community feedback indicates strong support for a dedicated stormwater funding model and a majority of respondents preferred a fee structure that reflects a distribution of costs proportionate to the amount of runoff different properties impact on the stormwater system.

- Round 3 public engagement was completed in Summer 2025 on the preferred stormwater structure, proposed fees, incentive program, and implementation plan.
- The current tax system is based on assessment of the property's value, which, 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 administration, variability and consistency in property area data to reach the preferred stormwater fee structure.
- The recommended stormwater fee structure is as follows:
  - Distribution of the stormwater funding needs based on runoff area by sector (57% attributed to residential, 43% attributed to non-residential)
  - A three-tier flat fee for residential properties (single detached, semi-detached/link home, high density) correlating to average property size to achieve a balance between equity and administration effort/cost.
  - A variable fee based on property area is recommended for non-residential properties to achieve equity across the broad range of property sizes.
  - Properties consisting primarily of open spaces (ex. Parks, conservation authority lands, hydro/rail right of way) have a zero-runoff coefficient applied resulting in no fee
  - Properties currently exempt under property tax and user fee legislation are exempt from the stormwater fee, with the exception of Regional and Town properties.
  - The preferred stormwater fee structure provides a balance of fairness, equity, and transparency, along with ease of administration, and reflects the public's strong opinion that stormwater costs be proportioned to the amount of stormwater runoff contributed to the system and that a sustainable funding source be established to implement necessary improvements.
  - Upon approval, the new stormwater fee rates will be considered through the 2026 budget process and all future stormwater operating and capital costs will be funded by the stormwater fee revenue collected.
  - Staff will continue to develop procedures, forms, and billing requirements for implementation, expected to be in Spring/Summer 2026.

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**BACKGROUND:****Existing funding levels from the capital reserve/capital levy are insufficient to fund the 30-year stormwater infrastructure needs**

In March 2022, staff presented an overview of the Town-wide Rainwater Management Financial 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 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 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.

**After several Council Workshops and three rounds of public engagement and consultation, staff are prepared to bring the final recommendations on the stormwater fee.**

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, and the funding options being considered, along with two rounds of public communication and engagement completed. Staff reported back to Council in December 2024 with the preferred stormwater fee structure, which was based on technical analysis and public feedback.

In June 2025, a third Council Workshop was held to present the proposed credit incentive program, analysis on stormwater fee exemptions, and implementation considerations. This was followed by a second set of public meetings and

stakeholder engagement throughout the summer of 2025 on the preferred fee structure and fees, incentive program and implementation plan

Recordings of all public meeting sessions can be found on the Stormwater Fee Feasibility page on Oakville.ca <https://www.oakville.ca/home-environment/stormwater/stormwater-fee-feasibility-study/>

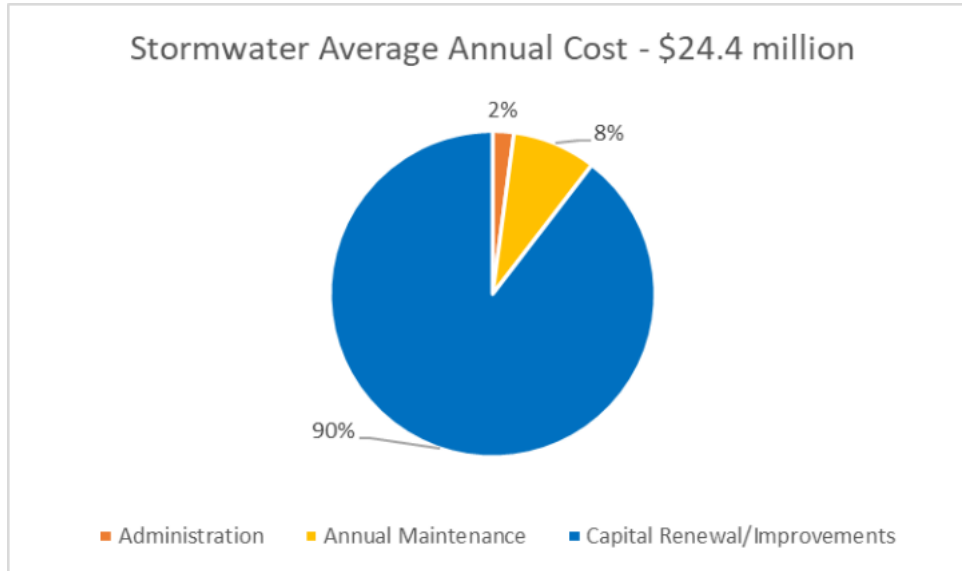
The purpose of this report is to summarize the feedback from Round 3 of public engagement and present the recommended stormwater fee structure, associated fees, incentive program and implementation plan.

**COMMENT/OPTIONS:**

**A sustainable funding source is needed to support stormwater infrastructure needs into the future.**

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 legislation 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 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. As illustrated in the chart below, approximately 90% of the \$24.4 million is needed for capital renewal and improvements.



AECOM Canada Ltd. (AECOM), who has completed over twenty stormwater funding studies across Canada, was retained to assist with the Town’s Stormwater Fee Feasibility Study (the study). The objective of 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.

**Stormwater Fee Feasibility Study**

**Guiding principles were developed 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.
- **Transparent and 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.

**The study evaluated three different funding options including the existing tax method.**

The purpose of the stormwater feasibility study was to review how to distribute the stormwater cost within land use types (residential/non-residential) and evaluate different fee structures available to calculate the amount property owners would pay (current assessment value, equal/flat fee, variable based on land area or another measurable unit). A variety of funding methods were examined and, based on the guiding principles, the following three options were chosen for further evaluation and consideration:

**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

**Properties were grouped by land type and sample fees were calculated for the three funding options and evaluated**

To compare stormwater charges between the various funding options, it was essential to classify parcels into specific land use types to characterize properties regarding their stormwater impact to the Town’s stormwater network. During the study stage, the residential and non-residential land use types were grouped into three broad property type groups to represent tiers:

- High density residential
- Low density residential

- Non-residential

In order to assess and characterize different property types with respect to their stormwater impact to the Town's system, 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 property's area. The "runoff coefficient" is based on the Town's engineering guidelines, where land use types with large areas of hard surfaces have higher runoff coefficients and types with more green space have lower runoff coefficients.

The three funding options were then analyzed and compared by estimating average fees for each property type group using the estimated \$24.4 million annual stormwater need. Tax assessment value was used to distribute the \$24.4 million cost for the tax option (1), whereas the runoff area was used to calculate the flat fee and variable fee options.

The sample fee results and comparisons under the different funding options for a range of property sizes were presented at the September 2024 Council Workshop and in public meetings in the Fall of 2024.

### **Public Engagement Plan and Feedback**

#### **The study included extensive communication and public / stakeholder engagement, 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 was developed with the objective to strengthen stakeholder and community understanding and appreciation of stormwater, stormwater management, and the need for stormwater funding as well as gather feedback and insight to help inform equitable and sustainable stormwater funding option(s).

The public and stakeholder engagement plan included three rounds of engagement and consultation which was coordinated to support Council's decision-making process.

- Round 1 (May – August 2024) involved setting up a dedicated stormwater fee feasibility study page and multiple social media posts, where videos and information on the \$732 million stormwater needs and study were promoted.
- Round 2 (September – October 2024) involved a townwide survey, two public meetings, and two business community meetings to discuss the various stormwater funding options to develop the preferred structure, which was presented to Council December 4, 2024.

- Round 3 (June – September 2025) involved two public meetings, one business community meeting, and various other small group business consultations to discuss the final proposed fees and fee structure, the credit program, and the implementation plan as presented at the June 2, 2025 Council workshop.

**Appendix A** illustrates a roadmap and timeline for the three rounds of public and stakeholder engagement and consultation with Council.

**Round 2 feedback indicates the public prefers a fee structure that distributes the costs proportionate to the amount of runoff that comes from different properties and impact on 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
3. interest in financial incentive programs.

A variety of different tactics were used to promote the study and solicit feedback from the public, such as two general public meetings, one business community public meeting, and an Oakville Chamber of Commerce hosted business meeting. In addition, two community surveys were open to the residents and businesses for a period of 30 days. Social media, a dedicated webpage, posters on transit buses, digital sign advertisements, and the Economic Development newsletter were used to promote the meeting dates and times.

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 survey results demonstrated that most respondents recognize the importance stormwater management and the need for a dedicated funding source:

- over 80% of respondents replied that the Town's stormwater services were "important" or "very important" to them, and that it is important that the Town implement improvements
- over 67% agree funds should be collected in way that is proportional to how much stormwater runoff a property contributes
- 70% indicated that it is important that the Town offers incentive programs
- 69% would likely implement on-site measures if offered a subsidy or rebate

Overall, there is a strong understanding of the importance of stormwater management and a desire to align the fee to the amount a property contributes to the system. There was also a general understanding that instituting rebates or

credits would encourage good on-site stormwater management and help reduce the financial burden of a stormwater fee.

**Round 3 of public engagement is to obtain feedback on the preferred stormwater fee structure.**

Building on past engagement, Round 3 mobilized a variety of different tactics to promote the study and present the preferred funding and credit program options. Tactics included two public meetings (one held virtually and another held in-person), two meetings hosted with the Oakville Chamber of Commerce and its members, webpage updates, social media advertisements, and one-on-one meetings with key property owners.

Public engagement meetings began in the Summer of 2025 covering similar materials presented at the June 2, 2025 Council Workshop with a focus on:

- A summary of what was 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)
- The proposed credit incentive program
- The proposed implementation timelines and phasing

This was followed by a comprehensive business consultation plan reaching out to key property owners including:

- Letters mailed to the 40 largest non-residential property owners, providing an overview of the feasibility study, proposed stormwater fees, and available incentives and an invitation to attend one of three small group consultation meetings throughout August.
- Individual meetings were offered to the top four property owners: Suncor Energy Inc., Ford Motor Company of Canada Limited, Zenon Environmental Holdings Inc., and Halton Region.
- A virtual open-invitation meeting for the business community in the first week of September.

**Round 3 Public feedback continues to support the stormwater fee “user pay” structure and the need to balance equity and administration costs.**

Both the in-person and virtual public meetings had fairly high attendance compared to previous events, with approximately 39 participants for the virtual public meeting and 19 attendees at the in-person public meeting at Oakville Town Hall. Two dedicated business community meetings were hosted with the Oakville Chamber of Commerce, with attendance from many large business owners. Business owners

were advised at this time that they could request one-on-one meetings to get more information specific to their property.

Three common comments were mentioned by participants. Namely:

- how will a stormwater fee impact current property taxes, will I see a reduction to my taxes
- why is there a different system for non-residential properties (in reference to both the fee structure and the incentive program)
- why not calculate a property's actual impervious area to determine the fee; smaller homes in older areas of town are treated the same as rebuilds on same size lots

Non-residential property owners expressed concern that a new stormwater fee will significantly increase the cost of doing business in the Town, with many larger property owners requesting a stormwater fee maximum and that implementation be delayed until 2027 due to economic uncertainty. Lastly, there were various questions regarding the credit program requirements and requests for a simplified application process and/or a dedicated staff resource to assist.

Overall, attendees were generally supportive of the stormwater fee structure and aligning it to runoff to create a "user pay" model. Respondents also understood the reasoning behind the recommendations and the need to balance equity and administration. However, many attendees strongly felt that the implementation of this fee should coincide with a reduction to property taxes as stormwater funding is removed from the property tax bill. Study staff noted that the overall budget is out of scope for this study.

### **Evaluation of Funding Options**

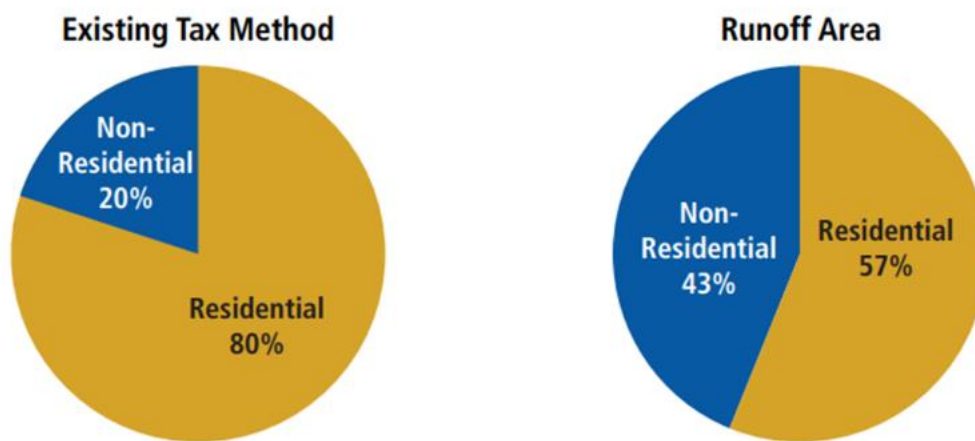
Each funding option was reviewed and evaluated against the guiding principles and considered along with the public feedback received through the survey and engagement sessions.

**The stormwater fee runoff method of distributing stormwater costs is fairer and more equitable (57% attributed to residential, 43% attributed to non-residential).**

Public feedback indicated a strong preference that fees should be collected in a way that is proportional to how much stormwater runoff comes from a property. Under the existing tax method (Option 1), costs are distributed based on assessed value which means the amount a property owner pays is based on the value of their property, not on the amount of stormwater that comes from their property and enters the Town's stormwater system.

With a dedicated stormwater fee method (Options 2 & 3), fees can be structured to be proportionate to the amount of stormwater runoff a property type contributes to the system. 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 assessment, reducing the residential share from 80% to 57%, shifting more of the cost to the non-residential sector which has more hard surface areas.

**Chart 1 – Distribution of stormwater cost tax method versus runoff area**



The dedicated stormwater fee method reflects a user pay system similar to water/wastewater rates where 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 and can therefore be encouraged to consider better stormwater management practices.

**The stormwater fee method provides a sustainable funding source while increasing transparency and environmental stewardship.**

Property taxes are used to fund various valued Town programs and services such as emergency services, parks, recreation facilities, and libraries; therefore, stormwater needs are in competition with other services for funds. Having a dedicated funding source provides a sustainable source of funding and leads to increased transparency as funds can be easily tracked and are applied to specific projects or initiatives, fostering clear understanding for residents and businesses of how funds are spent. 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 necessary to increase resiliency. Lastly, the property tax method is based on assessment and does not lend itself to implement an

incentive program. While with a stormwater fee model, it is common to offer credit programs that reward the installation of infrastructure and low-impact development (LID) facilities and encourages property owners to control runoff.

**The variable stormwater fee option most accurately reflects the varying runoff contributions, while the flat tiered fee stormwater fee option provides a simple and easy to understand fee structure and balances administrative effort/costs with fairness.**

The existing tax method, while it has a system in place and would be simple to administer, does not accurately correlate to a property's stormwater runoff.

Of the three options being reviewed, the variable fee option most accurately reflects the varying runoff contributions to the Town's stormwater infrastructure. However, administration effort and on-going management would be higher with the variable fee method, as individual property areas for over 60,000 properties would need to be recorded, maintained, and fees calculated on an annual basis.

The flat fee is easy to understand and once established requires little administrative effort. Therefore, a flat fee model with additional tiers to reflect different property types/sized (i.e. further subdividing low density residential) was considered to provide a balance between fairness and administration effort/cost.

### **Recommended Fee Structure and Fees**

In summary, based on the evaluations conducted as part of the feasibility study, the tax option (Option 1) is not perceived as a fair way to collect funding for stormwater costs. The dedicated stormwater fee methods (Options 2 & 3) are considered to have significant advantages in terms of fairness and equity by aligning the collection of stormwater funds to estimated runoff, financial sustainability, and environmental incentives for stormwater management best practices.

Additional analysis was conducted and statistical information reviewed on estimated fees for the different property types within the residential and non-residential groups which considered:

- Range of property sizes within the property group
- Average and medium property sizes
- Differential of fees within the property groups
- Number of properties and estimated effort to administer and maintain fee method

Results of this analysis were reported in the December 2024 Council report, which led to the following recommendations.

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**A three-tier flat fee for the residential properties is recommended due to correlation between average property size for property type groups.**

Analysis showed that 90% of single-detached homes are less than 1,100 m<sup>2</sup> with the average being 688 m<sup>2</sup>; however, the range in property sizes for semi-detached and linked homes was not as broad with the majority of properties averaging 300 m<sup>2</sup>. In addition, several low-density residential properties could result in fees upwards of \$10,000 which is significantly greater than the estimated flat fee of \$270. A closer look at these larger properties revealed that, while large in size, the majority were primarily green space/grassy area and therefore would not warrant a stormwater fee of that magnitude.

A flat fee that followed the residential property classification type was deemed to be the most fair and equitable, simple to understand and easy to administer. A further breakdown, or tiers, for single-detached homes was considered but analysis proved it difficult to “draw” a line between a small, medium and large size homes opening the fee up to more subjectivity, debate, or dispute and more complicated overall. In addition, the differential in the annual fee between different size single detached homes would be small (i.e. \$5/\$6 per month) and would require additional administrative effort.

Therefore, based on technical analysis and public feedback, it is recommended that a three-tier flat fee be implemented to collect the residential share of stormwater funding and that residential properties be divided into three groups reflecting average property size ranges:

- High-density residential (condo/townhome/multiplex)
- Semi-detached/link home
- Single-detached home

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

Based on the feasibility study analysis, having one flat fee for non-residential properties is not equitable, when considering that a small business (ex. a corner store) would pay the same flat fee as a large commercial property, that is significantly larger and has more hard surface (ex. a big box retailer). While property area would need to be manually obtained through the Town’s mapping system (i.e. GIS), the number of non-residential properties in the Town is low (~2% of total properties) and, once the initial data base is established, there would be minimal effort to maintain the database going forward. Therefore, the variable fee is the recommended fee method for non-residential properties allowing the fee to more closely reflect the size and amount of runoff a property generates.

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**Properties that are exempt from property tax are exempt from the stormwater fee, except for Town and Region properties.**

The majority of non-residential properties fall into two different categories, with slightly different runoff coefficients. The first category is industrial/commercial (ex. big box retailer, strip mall) and the second is institutional/mixed (ex. hospital, dental office in a home). Further analysis of individual property types within the non-residential property category revealed there was a large number of properties that have traditionally been property tax exempt and/or are primarily green spaces. For those properties that are already tax exempt, staff mirrored the approach taken in property tax and user fee legislation, that such properties have been legislated exemptions by the Province for providing societal benefits (ex. place of worship) or for legislative reasons (ex. Provincially owned property) and therefore these exempt properties would also be exempt from stormwater charges. For properties that are primarily green spaces (ex. golf courses), a third “special” property type category was created, with a more appropriate runoff coefficient assigned to reflect the proportion of green space compared to hard surfaces.

The exception to these exempt properties is for those owned by the Town and the Region. Town and Regional properties have traditionally been exempted from property taxes; however, they include various buildings and facilities such as community centres, water treatment facilities, police and fire stations which have large impervious area or hard surface. Therefore, it is recommended that Town and Regional properties be charged a stormwater fee in line with private properties. This will demonstrate a commitment to the stormwater fee “user pay” principles and demonstrate stewardship of the importance of good stormwater management practices.

This evaluation of property type exemptions and special considerations was presented to Council in June 2025 ([June 2 2025 Council Workshop](#)). A summary of the different property types that are exempt or in the special category is provided in Appendix B of this report.

**Recommended Fee Structure and Fees**

**The recommended fee structure is a flat fee for residential properties ranging from \$60 to \$273 per year and a variable fee for non-residential properties ranging from \$50 for a small business to \$90,000 for a larger business.**

As a result of the study evaluation, public consultation feedback, and further analysis and consideration of property exemptions, staff are proposing the following as the preferred stormwater fee structure:

1. That stormwater costs be distributed based on estimated runoff area based on land use category:
  - a. Non-residential
  - b. Residential
2. That a variable fee option based on runoff area be used as the calculation method for non-residential property types and the following property categories be used:
  - a. Commercial/Industrial
  - b. Institutional/Mixed-use
  - c. Special
3. That a flat fee method with three tiers be used as the calculation method for residential properties:
  - a. Single family home
  - b. Semi-detached/link home
  - c. High-density residential (condo/townhome/multiplex)
4. Properties consisting primarily of open spaces (ex. Parks, conservation authority lands, hydro/rail right of way) have a zero-runoff coefficient applied resulting in no fee
5. That properties currently tax exempt under the property tax and user fee legislation are exempt from the stormwater fee, with the exception of Region of Halton and Town properties.

Schedule A of the attached By-law 2025-152 (Appendix C) outlines the stormwater fees based on property category, property type, billing unit and billing rate. Any future changes to the stormwater fees will be considered by Council through the annual budget process. A Stormwater Fee policy has also been prepared for Council consideration and has been included as appendix D.

### **Stormwater Fee Incentive Program**

**Stormwater Incentive programs can be in the form of a credit/fee reduction or a one-time rebate/subsidy.**

Stormwater incentive programs are designed to reward property owners who take steps to manage stormwater runoff on their properties in a way that reduces the burden on the Town's stormwater network and can be provided in two different forms; either as a credit/fee reduction or as rebates/subsidy. The idea is to encourage investments in sustainable practices, like installing rain gardens, permeable pavements, or detention ponds, that capture and manage rainwater on-site rather than letting it flow into the Town's stormwater network.

Credit programs lower the annual stormwater fee that a property owner must pay and typically are divided into three general categories:

- **Quantity control measures** reduce **peak flows or runoff volumes** from an individual property. This reduces the amount of stormwater runoff to the Town's stormwater network and lowers the potential and severity of flooding on downstream properties. Quantity control measures include infrastructure such as stormwater ponds, tanks, green stormwater infrastructure and rainwater harvesting systems.
- **Quality control measures** improve the quality of the stormwater entering the Town's stormwater network, creeks and Lake Ontario by removing or reducing solids, nutrients, toxicants, temperature, or other contaminants from stormwater runoff. Quality control measures include infrastructure such as stormwater ponds, wetlands, green stormwater infrastructure, and oil and grit separators.
- **Operations, Activities, Programs, and Plans** include a number of initiatives that promote improvements to water quantity and quality such as education programs and pollution prevention plans.

The primary **advantages** of a credit program include:

- Provides a financial incentive to landowners who manage their stormwater runoff.
- Potential to reduce the Town's stormwater capital and operating costs.
- Reduces urbanization impacts on the environment.
- Ensures maintenance of private property facilities (i.e., credit is withdrawn if these are not maintained or operated properly).

The following are **disadvantages** of a Credit Program:

- Ongoing administration, enforcement costs, and resource requirements.
- Required effort to communicate application requirements and to provide assistance to landowners.
- Uncertainty with uptake and its impact on stormwater fee revenue requirements.
- Higher than expected uptake will result in a higher stormwater fee to achieve revenue requirements.
- Lower than expected uptake will provide little benefit to the Town's stormwater network.

Rebate programs offer property owners a **one-time** subsidy or payment for installing stormwater facilities or infrastructure. A rebate program provides a balance between

providing financial incentives to residents with an administrative burden and Town costs. Some of the advantages of a one-time rebate program include:

- Promotes good stormwater management practices.
- Town controls the amount of financial incentive available. Once the annual subsidy amount is reached, the program ends until next year (i.e. first-come = first-served).
- Lower administration, inspection costs, and resource requirements.

**A Stormwater Fee Credit Program is recommended for non-residential property owners who implement beneficial stormwater management infrastructure.**

Based on input received from stakeholders and the public through consultation on the proposed stormwater fee, there is interest in developing a stormwater fee incentive program to support improved stormwater management practices and to provide the opportunity for stormwater fee reductions. The following principles were used to evaluate the different incentive program options:

- Enhances public safety and increases the Town's resiliency to climate change impacts.
- Reduces the cost of the Town's stormwater management program over the long-term.
- Benefits to the stormwater management program must be verifiable and quantifiable.
- Credits should be targeted to meet the most pressing needs of the Town's stormwater network.
- Does not place an unreasonable administrative burden on Town staff.

In order to balance administrative effort and maximize benefits of the program, a credit program targeted to owners of non-residential property who implement beneficial stormwater management infrastructure on their property is recommended.

Benefits targeting reduction to peak flow and runoff volume, as well as improvements to water quality were a priority. In addition, a two-tier structure has been developed to provide incentive for property owners to go beyond development requirements. Eligible stormwater management infrastructure includes:

**Peak Flow Reduction – up to 35% credit:** managing stormwater runoff rates to reduce flood and erosion risk in downstream areas through such measures as stormwater detention and retention ponds, and onsite stormwater storage.

**Water Quality Treatment – up to 15% credit:** implementing practices, such as water quality ponds, oil and grit separators, and low-impact development to remove or reduce the amount of contaminants in stormwater runoff.

**Runoff Volume Reduction – up to 35% credit:** reducing the volume of stormwater runoff that leaves a property through such measures as low-impact development and rainwater capture and reuse.

The proposed credit program will provide a stormwater fee reduction up to a maximum of 40% if meeting the Town's minimum criteria and up to a maximum of 50% if exceeding the minimum criteria. Schedule B of the By-law (Appendix C) outlines the potential fee credits based on the stormwater objectives, evaluation criteria, and credit amounts

Currently, a credit/rebate program for residential properties is not being recommended due to the lower fees and high number of properties. The limited benefit and high cost of program administration do not support a credit/rebate program for residential properties. The use of existing programs at the Region of Halton and Conservation Halton is encouraged for residential properties.

### **A Stormwater Fee Credit Program manual is being developed to provide guidance to non-residential property owners**

Development of a Stormwater Fee Credit Program Manual is currently underway that will provide guidance to eligible property owners on how they can reduce their stormwater fee through participation in the Town's Stormwater Fee Credit Program. The manual will also include procedural guidelines for appeals and credit renewals. However, stormwater fee credit programs generally work as follows:

1. **Application Process:** Property owners submit an application to the Town to receive a credit. The application often includes proof of installation, design performance and other documentation of the stormwater management measures they have implemented.
2. **Qualified Measures:** The Town confirms the land use categories and stormwater measures that can earn credits. Existing infrastructure will qualify
3. **Credit Calculation:** The amount of the credit is often based on the size of the area managed (such as the square footage of impervious surfaces) and the effectiveness of the stormwater management measures. The greater the reduction in runoff or the more effective the on-site management, the higher the credit.
4. **Ongoing Maintenance:** To maintain the credit, property owners would be required to keep their stormwater systems in good working order. This could

involve periodic inspections or submitting maintenance reports every three to five years

**Implementation of the Stormwater Fee**

Upon approval of the stormwater fee, staff will continue to work on an implementation plan and details, with an expected implementation of the fee in Spring/Summer 2026.

**The recommendation is to phase in the new stormwater fees over three years to reduce the immediate financial impact**

The recommended implementation plan is to phase in the fee over three years and gradually increase it to the required annual funding level of \$24 Million. To do this, the fee in year 1 will have a 50% discount, year 2 will have a 25% discount, and the full fee will take effect in year 3. This will reduce the financial impact and provide property owners time to plan for costs and for non-residential property owners to explore options for the credit program. The table below provides an example of how the fee will be phased in for a low-density residential property and a medium-sized non-residential property.

Year	Stormwater Funds Collected Townwide	Low Density Residential	Non-residential - Commercial (Medium Property)	
		Stormwater Fee	Stormwater Fee (before credits)	Stormwater Fee (with max credit 40%)
Year 1	\$12M	\$137	\$18,500	\$11,100
Year 2	\$17M	\$188	\$25,400	\$15,240
Year 3	\$24M	\$273	\$36,900	\$22,140

The stormwater fee rate will be considered by Council through the 2026 budget process as part of the rates and fees schedule, with updates through the annual budget process.

**A Stormwater Fee billing inquiry and appeal process will be developed**

Schedule C of the attached By-law 2025-152 (Appendix C) outlines the Stormwater Fee billing inquiry and appeal process including types of allowed inquiries, appeal mechanisms and decision-making authority.

Additional tasks required to finalize the stormwater fee and billing include:

1. Develop and implement a communications plan to property owners.
2. Finalize the master billing file.

3. Configure and test the billing system / sample bill testing, using the Town's existing tax software.
4. Develop procedures and forms (ex. credit application, appeals review process, billing process/updates, etc.).
5. Prepare templates for appeal forms, credit applications, and billing adjustment requests.

In addition, the stormwater fees/structure are expected to be reviewed every 5 years to ensure an appropriate amount of funding is being collected. The Town will also do regular reporting on the use/allocation of the funds and the fund balances through the Town's quarterly and annual reporting.

### **2026 Budgetary Impacts/Considerations**

Beginning in the first year of implementation, expected to be 2026, all future stormwater operating and capital costs will be funded by the stormwater fee revenue collected. A new Stormwater Program will be created in the budget documents to clearly demonstrate the budgeted operating and capital stormwater costs and any associated stormwater fee revenue. A 10-year capital program based on the needs identified in the RWMP will be prepared to be considered as part the 2026 budget process..

As part of the RWMP, additional staff resources required to deliver the capital program and administer the stormwater program have been estimated and included as part of the annual \$24.4 million requirement. The previous stormwater capital program focused primarily on on-going state of good repair needs averaging approximately \$10 million per year. The revised capital plan outlined in the RWMP introduces much needed stormwater infrastructure upgrades doubling the size of the program. In addition, existing staff resources in finance and asset management are already at capacity and are not able to take on additional tasks related to ongoing administration and management of the stormwater fee program.

The preliminary staff resourcing plan estimates the need for 7 new staff which will be 100% funded from the fee to support various functions. Six staff are estimated to support the increase in capital program delivery, the credit program and required consultation, as well as on-going 30-year program development and required asset data and property analytics with one staff member to support management of billing/revenue collection and for inquiries related to the new fee. The request for additional FTEs will be presented as part of the 2026 budget for approval by Council.

Staff will also undertake a coinciding stormwater organizational review to look at the broader staffing needs, alignment of roles and responsibilities, and structure for the

stormwater program and will revise the resourcing plan as necessary in future budgets.

### **A new discretionary reserve fund will be created to ensure accountability and transparency**

One of the recommendations above is to establish a new discretionary reserve fund to be used as the funding source for stormwater related projects and initiatives. Establishing a dedicated reserve fund for the use of the funds generated by the stormwater fee ensures that the funds are used for stormwater related purposes and is in keeping with the Town's goals of being transparent and accountable to the public. This new reserve will be included alongside the Town's other reserves and reserve funds in regular financial reporting and through the budget process to ensure that Council and the public are aware of the balance in the fund and what projects and initiatives the fee is funding.

### **Conclusion**

The recommended stormwater fee structure and fees outlined in this report and appendices provide the desired balance of fairness, equity, and transparency along with ease of administration. It reflects the significant amount of technical analysis and considerations undergone as part of the study and multiple rounds of public feedback. The proposed fee model 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:

- Balances the cost distribution between residential and non-residential properties.
- Distributes stormwater costs to different property types based on estimated runoff area.
- Dividing the residential sector into three tiers to reflect average property sizes.
- Offering a credit program for non-residential property owners encouraging green principles.
- Providing a long-term sustainable funding source.
- Equitable for the wide range of property types.
- Easy to understand/explain to the public.
- Easy to administer and less potential for disputes.

The proposed three-year phasing of the fee will allow time for property owners to plan and budget for the new fee while still allowing much needed stormwater infrastructure renewals and improvements to proceed.

**CONSIDERATIONS:****(A) PUBLIC**

The stormwater feasibility study included three rounds of extensive public and stakeholder engagement that supports the successful development of a long-term stormwater infrastructure funding source and implementation plan presented in this report.

**(B) FINANCIAL**

The overall objective of this process is to develop a long-term stormwater infrastructure and financial plan to support the 30-year stormwater program needed to maintain state of good repair and improvements to increase resiliency. Ontario Regulation 588/17 requires that the municipality has a sustainable funding source to support its core assets.

The recommendations in this report and the new stormwater funding model (once approved) will provide a long-term sustainable source of funding and achieve the objectives of being fair and equitable, justifiable, promoting climate resilience, and being easy to understand and administer.

As noted above, upon approval of the stormwater fee and beginning in the first year of implementation, future stormwater operating and capital costs will be funded from the stormwater fee.

**(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) COUNCIL STRATEGIC PRIORITIES**

This report addresses the following 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 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 severe weather events.

**APPENDICES:**

Appendix A – Communication and Public Engagement Plan

Appendix B – Summary of Property Type Fee Exemptions

Appendix C – By-law 2025-152 and Schedule A (Rates for Stormwater Management Fees and Charges), Schedule B (Credit Program) and Schedule C (Billing Inquiry and Appeal)

Appendix D – Stormwater Management Fee Policy

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