

Report to Planning and Environment Committee

To: Chair and Members
Planning and Environment Committee

From: Kelly Scherr, P.Eng., MBA, FEC
Deputy City Manager, Environment and Infrastructure

Scott Mathers, MPA, P.Eng
Deputy City Manager, Housing and Community Growth

Subject: Request from Municipality of Middlesex Centre: Arva Sanitary Servicing

Date: March 18, 2025

Recommendation

That, on the recommendation of the Deputy City Manager, Environment and Infrastructure, and the Deputy City Manager, Housing and Community Growth, regarding the request by the Municipality of Middlesex Centre for an amendment to the servicing agreement between the Municipality and the City of London, the following report **BE RECEIVED** and that the request to amend the sanitary servicing agreement **BE REFUSED**.

Executive Summary

The City of London provides Wastewater Servicing to Arva via a pumping station owned and operated by Middlesex Centre that discharges to the City of London sanitary sewer collection system. The provision of sanitary servicing is governed by an agreement that has been in place since 2002.

The Municipality of Middlesex Centre has requested an amendment to the servicing agreement to allow for more development in Arva. This report discusses the planning considerations as well as the infrastructure and cost challenges associated with the request.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

February 21, 2023 – Report to Planning & Environment Committee: “Request from Municipality of Middlesex Centre: Arva Sanitary Servicing”.

September 25, 2017 – Report to Planning & Environment Committee: “Request from Municipality of Middlesex Centre: Arva Sanitary Servicing and Delaware Water Servicing”.

August 15, 2011 - Report to Built and Natural Environment Committee; Information report on "Request from Municipality of Middlesex Centre - Sanitary Servicing for Arva".

September 27, 2010 - Report to Planning Committee; Information report on "Sanitary Servicing for Arva".

July 19, 2010 - Report to Environment and Transportation Committee; "Consolidated Water Supply Agreement with the Municipality of Middlesex Centre".

March 22, 2010 – Report to Environment and Transportation Committee; "Wastewater Treatment Agreement for Arva, delegation and written communication. (A. Edmondson, Mayor) (item 22)

March 17, 2008 – Report to Environment and Transportation Committee; "Water Supply to Kilworth-Komoka and Mount Brydges". (item 5)

March 31, 2003 – Report to Environment and Transportation Committee; "Principles for Future Negotiation for Water Supply to Areas Outside the City of London from the City's Distribution System and Amendment to the Delaware Water Supply Agreement".

May 23, 2000 - Report to Planning Committee; "Arva Sanitary Sewer System Agreement; Provision for Staging of Development".

Additional: the Sewage Treatment Agreement for the Arva Sewage Service Area, executed April 3, 2000 (as amended, June 21, 2000) – relates to the Arva Water Area.

March 27, 2000 - Report to Planning Committee and ETC; "Connection of Arva to the Sanitary Sewer System".

2.0 Discussion and Considerations

2.1 History

In early 2000, the City received a request from the Township of Middlesex Centre to allow sanitary sewage flows from the hamlet of Arva to be directed into the City's sewer system with all related costs to be borne by the Township. The request followed an Environmental Assessment (EA) of Arva servicing issues and options which determined that faulty septic systems and illegal storm sewer connections were contributing to unacceptable pollutant loading in Medway Creek. The EA identified a connection to the London sewer system as the preferred alternative and this solution was supported by the Ministry of the Environment. The proposal involved the construction of a local collection system and pumping station with sewage flows directed by forcemain along Richmond Street to an existing gravity sewer north of Fanshawe Park Road. The negotiated agreement was clear in expressing that the servicing was being provided for *"existing development in the Arva Sewage Service Area pending finalization of negotiations on the staging of development in the growth area and that there shall be no extension of its sanitary sewer system beyond the limits of the Arva Sewage Service Area without the approval by the City"*.

In 2010, 2011, 2013, and in 2015, Middlesex Centre officials requested that City Council consider having the existing sanitary servicing agreement amended to increase the sanitary sewage flows directed from the Arva settlement area into the City's sanitary collection and treatment system. An amended agreement was drafted following the September 2017 report to the Planning and Environment Committee but was never finalized. In February 2023, a request to amend the agreement to remove the annual and 5-year caps on the number of units that may be added was brought to Planning and Environment Committee. This request was approved and an amended agreement was brought into effect on November 1, 2023. The amendment did not permit any additional units beyond what was contemplated in the existing agreement. The agreement retained the maximum allotted capacity of 175 m³/day and peak flow of 29.6 L/s. Staff advised Middlesex Centre that the City does not currently have capacity beyond the 175 m³/day to allocate to them. The Middlesex Centre Servicing Master Plan (2024) identified that while there is some reserve capacity still available within the existing agreement, projected growth is expected to exceed the current limit.

2.2 Planning Context

Previous decisions regarding the agreement to provide sanitary services to Middlesex Centre have centered around the pros and cons summarized below. These are the factors that originally determined the limit on the number of units that could be developed.

Pros

- Inter-municipal co-operation in the provision of services. The Provincial Policy Statement encourages co-ordination between municipalities on servicing matters which cross municipal borders, and recognizes current agreements.
- The London Plan allows the provision of services to an area in an adjoining municipality where it was previously approved and/or provided for under an agreement between the City and the benefitting municipality [462].
- The provision of sanitary servicing avoids, or at least delays, the potential of a new wastewater treatment facility discharging to Medway Creek.
- Provides an opportunity for the City to have some control over the rate of growth in Arva including delaying the potential future expansion of the Arva Settlement Area.

Cons

- Allocating additional capacity will trigger significant infrastructure upgrades within the City's boundaries.
- Allocating additional treatment capacity will directly, negatively impact the capacity available for growth within the City's boundaries.
- Facilitating growth outside of the City's Urban Growth Area may be negatively perceived by London developers as a potential detriment to their competitive position and a loss of market for new units within the City.
- Facilitating peripheral growth is not conducive to the intensification of land use and compact urban form.
- Potential loss of DC revenues to the City unless an appropriate payment for sanitary and water servicing in lieu of these components of the City's DC fee is negotiated.
- Part of the rationale for the existing agreement was the need to remediate environmental problems with individual on-site septic systems. This circumstance no longer exists.

2.3 Current Request for Amendment

The City received a request via letter from Middlesex Centre dated July 8, 2024 requesting that the agreement be amended to provide for additional sanitary capacity. Subsequent communications with staff identified the following detailed requests:

- Increase the maximum average daily flow, on a two month rolling average, to 1000 m³/day (1MLD)
- Redirect the existing forcemain to Villagewalk Boulevard sanitary sewer system
- Increase the rated pump station capacity to the range of 40-50 l/s

This request was made to accommodate a major proposed development within the Arva Settlement Area covering an area of approximately 23.5 hectares. The currently serviced area is approximately 33 hectares.

Aside from the request to redirect the existing forcemain, which has been the long-standing intention and can thus be accommodated, the requested sewage flows are a significant increase from the existing servicing allocation.

The Middlesex Centre Servicing Master Plan identified renegotiating the agreement with the City as its preferred alternative to meet sanitary servicing needs in the Arva Settlement Area. If this is not agreed to by the City, Middlesex Centre may revisit the construction of a wastewater treatment plant that would discharge to Medway Creek. It is likely that the decision to build a wastewater treatment plant would trigger a review of the current settlement boundary and the potential inclusion of new development lands to assist in the cost effectiveness of a new plant. However, this is a likely eventual outcome as the current request will maximize the development capacity within the current boundary, leaving no further room for future growth. In the past much of the discussion around providing sanitary service to Arva centred around the ability for the City to control Arva's rate of growth and to avoid a wastewater treatment plant discharging into Medway Creek.

Without additional wastewater servicing capacity from London, it is expected that Middlesex Centre will at some point choose to construct a wastewater treatment plant and expand the Arva Settlement Boundary. As such, London must contemplate how infrastructure upgrades to accommodate growth in Arva impacts London in the context of the City's growth constraints and environmental considerations.

A parallel request to allow for connection to the City's sanitary sewer system for Centennial Central Public School was received at the same time. That connection was allowed, and that servicing agreement is separate from this agreement.

2.4 Infrastructure Considerations

There are three parts of London's sanitary collection and treatment system that were considered when determining if Middlesex Centre's request could be accommodated: the gravity collection system, the Medway Sanitary Pump Station (Medway PS) and forcemain, and treatment capacity.

The gravity sewer on Villagewalk Boulevard, the intended connection point for the Arva forcemain, was designed with a 30L/s placeholder for the current Arva sanitary servicing agreement. The sizing of the sewer did not contemplate increased flows for Arva and remaining capacity is earmarked for development within London's boundary. Given the rate of development in the north end of London, it must be assumed that all lands tributary to this sewer will develop in the relatively near term. This sewer is less than 15 years old and thus does not have any lifecycle needs that a sewer upsizing could be coordinated with. Upsizing this sewer would also trigger premature replacement of other infrastructure including other underground utilities and surface works.

Medway PS would require upgrades to both the pumping capacity and overflow structure. This pump station is currently one the locations where overflows are most likely to occur during wet weather. As such, upgrades will need to address both increased capacity and the reduction of overflows. This pump station cannot accept additional flows without risking an increase in overflows. Due to the size of the pump station as well as its complexity it will be a difficult upgrade project with an estimated minimum cost of at least \$7-10M. Forcemain upgrades would also be required with an estimated cost of at least \$5M.

Medway PS can direct flows to either the Greenway or the Adelaide Wastewater Treatment Plants. Neither of these treatment plants has available capacity beyond what is needed to accommodate planned growth within London. Furthermore, recent direction to consider the expansion of London's Urban Growth Boundary (UGB), a trend towards higher densities, and staff concerns regarding per capita flows all put additional pressure on treatment plant capacity that will accelerate the need for plant expansions to support London's growth. Currently, staff and capital resources are not available to

undertake an additional plant expansion project. It should be noted that the requested 1MLD (1,000 m³) of treatment equates to approximately \$3.5M in initial capital cost in plant capacity.

London is also seeing a trend towards higher densities being requested in development applications than originally anticipated. As a result, the sanitary collection and treatment system may be even more constrained than the current numbers indicate.

3.0 Financial Impact/Considerations

As noted above, the capital costs associated with upgrades required to accommodate the request are \$13-16M at a minimum. It is likely that costs could exceed \$20M once study work, engineering design, staffing needs, and projects within the gravity sewer system are fully costed.

It is recommended that any consideration of providing additional capacity to Middlesex Centre for the Arva Settlement Area be refused at this time.

Conclusion

The Municipality of Middlesex Centre is requesting a significant increase in sanitary servicing capacity. The City of London's sanitary sewer system cannot accommodate the additional capacity allowance without potentially hindering London's own growth or triggering significant infrastructure upgrades. As such, Staff recommend refusal of the request to amend the agreement to increase the capacity allotted to Middlesex Centre for the Arva Settlement Area.

Submitted by: Ashley M. Rammeloo, MMSc., P.Eng
Director, Water, Wastewater, and Stormwater

**Reviewed
& Concurred by:** Heather McNeely
Director, Planning & Development

Recommended by: Kelly Scherr, P. Eng., MBA, FEC
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cc: Rob Cascaden, Municipality of Middlesex Centre