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<b>TO:</b>	<b>CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON OCTOBER 1, 2012</b>
<b>FROM:</b>	<b>JOHN BRAAM, P. ENG. MANAGING DIRECTOR OF ENGINEERING AND CITY ENGINEER</b>
<b>SUBJECT</b>	<b>PROPOSED AMENDMENTS TO THE SEWER SYSTEM CHARGE BY-LAW (WM-15): MEASURING PROCEDURES AND APPLICATION FOR EXEMPTIONS AND REBATES</b>

### RECOMMENDATION

That, on the recommendation of the Managing Director of Engineering and City Engineer, Environmental and Engineering Services, the attached proposed By-Law (Appendix A) to amend the Sewer System Charge By-law (WM-15) **BE INTRODUCED** at the Municipal Council Meeting on October 9, 2012; it being noted that these changes are being made to clarify imposing sanitary sewer charges where there is a flow differential between the water supply and sanitary sewer flow and to include procedures to apply for exemption and rebates.

### PREVIOUS REPORTS PERTINENT TO THIS MATTER

May 10, 2010. ETC – Proposed Amendment to By-law WM-15: A By-law for Imposing a Sewer System Charge.

### BACKGROUND

The attached by-law amendments refine existing language within the Sewer System Charges By-law and provide additional clarification for current administrative processes as described below:

1. An administrative amendment to the wording related to the cost per metre in Subsection 4. (4) 1.
2. An amendment to Subsection 4 (5) to clarify the measuring procedure for properties that discharge more or less flow to the sanitary sewer system than is supplied from the municipal water system.
3. A clarification to Subsection 6 (2) to ensure that Sewer System Charges are not applied to properties that are not connected to a municipal sanitary sewer pipe.
4. An additional Subsection 6 (4) to include the procedure to apply for exemption from Sewer System Charges.
5. An additional section outlining the application procedure for lands with an industrial sewer rate classification to qualify for a Sanitary Sewer Charge Rebate (new Section 8).
6. Renumbering the by-law from Sections 8. to 15. to accommodate the new Section 8.

The amending by-law will clarify the intent of the existing by-law and endorse current practices of the Corporation. We note that the proposed amendments are not associated with changes to the sewer and water rate structure that will be recommended to the CWC October 22, 2012.

#### **Discussion:**

##### *1. Measuring Sanitary Flows*

The Sanitary Sewer Charge is based on water consumption for Residential, Commercial, Institutional and Industrial classifications. Subsection 4 (5) of the current by-law states:

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*“Despite anything in this section to the contrary, if the quantity of sewage flowing from the land to a municipal sanitary sewer pipe exceeds or is less than the quantity of water supplied to the land by the City based on an industrial classification the amount payable in respect of Sanitary Sewer Charge may be calculated using the following formula:”*

The proposed modification to this clause is as follows:

- “(5) Despite anything in this section to the contrary, if the quantity of sewage flowing from the land to a municipal sanitary sewer pipe:*
- (a) exceeds the quantity of water supplied by the City to the land; or,*
  - (b) in the case of land in the industrial sewer rate classification that has qualified for the Sanitary Sewer Charge Rebate, is less than the quantity of water supplied by the City to the land;”*

The intent of Subsection 4 (5) is to ensure that all customers contributing more sanitary sewage flows than municipal water consumption could be required to monitor the flow rate of sewage and be charged according to the actual sewage flow produced. This may be applied to buildings where significant rainwater collection systems are established as a water supply for plumbing systems under the new Ontario Building Code regulations. These systems are beneficial in reducing water consumption but do not reduce the sanitary sewer flows that are conveyed and treated at the wastewater treatment plants. There are also examples of properties that are serviced by private wells but discharge wastewater flows to the sanitary sewer system. In addition to clarifying the statement above, EESD has also proposed additional clauses to clarify the billing process and measuring procedure (See Appendix A).

Conversely, only Industrial customers may be eligible to monitor sanitary sewer flows that are less than the water consumption, subject to qualifying for the Sanitary Sewer Charge Rebate.

## *2. Sanitary Sewer Charge Rebate*

The Sanitary Sewer Charge rates were developed based on contributed sewage flows to the sanitary sewer being 85% of water consumption on average. A customer of any classification who consumed water from the municipal water supply system for lawn or garden irrigation, filling swimming pools or fountains, once through cooling water discharged to a storm outlet, or plumbing problems will not be considered eligible for Sanitary Sewer Charge Rebate.

Where an industrial customer can demonstrate that the sanitary sewer flows are significantly less than 85% of water consumption, they may, subject to acceptance of their application for Sanitary Sewer Charge Rebate, develop a method to measure their sewage discharge, at their own cost, and pay for sanitary sewer discharge based on recorded/calculated sewage flows.

The procedure for applying for the Rebate has been added to the by-law WM-15 as a new Section 8, requiring the administrative change in numbering from Sections 8-15.

## *3. Sewer System Charge Exemption*

The Sanitary Sewer Charge is intended to be applied to properties that are physically connected to the sanitary sewer system. The wording in by-law WM-15 was amended in May 2010 to clarify that land which is only capable of connecting to a sanitary sewer that is fronting (or in the vicinity of) the land but is not physically connected to the system, should not be imposed the charge. We are recommending further simplification of the wording in Section 6 (2) to:

- “(2) Notwithstanding subsection (1), no Sanitary Sewer Charge imposed under this by-law is payable in respect of land if the land is not connected to a municipal sanitary sewer system.”*

In addition to the Sanitary Sewer Charge, the Storm Drainage Charge is essentially charged to all properties within the Urban Growth Boundary (UGB) of the City of London to contribute to the overall management of stormwater and flood protection for the City. However, if the land is located outside of the UGB or is subject to assessment under the Drainage Act, the land would be exempt from the Storm Drainage Charge.

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The process to apply for exemptions from the Sewer System Charges has been added to Section 6 (4) to facilitate the existing policy.

**Conclusion:**

EESD recommends enacting the proposed by-law changes to clarify the intent of the existing by-law and endorse current practices of the Corporation.

**Acknowledgements:**

This report was prepared by Shawna Milanovic, P.Eng., and Environmental Services Engineer with input from Patricia Lupton, P.Eng., Environmental Services Engineer, Matthew Feldberg, Water Demand Manager, and review by David Mounteer, Solicitor II.

SUBMITTED BY:	RECOMMENDED BY:
<b>TOM COPELAND, P. ENG.</b> <b>DIVISION MANAGER</b> <b>WASTEWATER AND DRAINAGE ENGINEERING</b>	<b>JOHN BRAAM, P.ENG.</b> <b>MANAGING DIRECTOR OF ENGINEERING AND</b> <b>CITY ENGINEER</b>

September 24, 2012

SCM

Attach: Appendix 'A' – Amendment to Drainage By-law (WM-15)

- c.c. R. Welker, Division Manager – Water, 8<sup>th</sup> floor
- T. Van Rossum, Environmental Services Engineer (Greenway)

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**Appendix 'A' – Amendment to Sewer System Charges By-law (WM-15)**

Bill No.  
2012

By-law No. WM-

A by-law to amend By-law WM-15 entitled "A by-law for imposing a sewer system charge"

WHEREAS subsection 5(3) of the *Municipal Act 2001* S.O. 2001, c.25, as amended provides that a municipal power shall be exercised by by-law;

NOW THEREFORE the Municipal Council of the Corporation of the City of London enacts as follows:

1. Section 4. (4) 1. of By-law WM-15 is amended as follows:

"C = the rate expressed ~~as a fraction of one dollar~~ *in terms of dollars and fractions thereof* per cubic metre of water in Table 1, for the appropriate classification for the subject year."

2. By-law WM-15 is amended by deleting Section 4 (5) and replacing it with the following paragraph:

"(5) Despite anything in this section to the contrary, if the quantity of sewage flowing from the land to a municipal sanitary sewer system:

(a) exceeds the quantity of water supplied by the City to the land; or,

(b) in the case of land in the industrial sewer rate classification that has qualified for the Sanitary Sewer Charge Rebate, is less than the quantity of water supplied by the City to the land; then,

the amount payable in respect of the Sanitary Sewer Charge shall be calculated using the following formula:

$$J = K \times L$$

Where:

J = the amount payable in respect of Sanitary Sewer Charge;

K = the number of cubic metres of sewage flowing from the land (as determined by a measuring procedure approved by the City) during the subject year; and,

L = the dividend resulting from dividing the rate (expressed in terms of dollars and fractions thereof per cubic metre of water) in Table 1 for the appropriate classification for the subject year by 0.85.

(c) The costs of any construction, installation of equipment and materials required to implement a measuring procedure to measure/calculate sewage flow volumes shall be borne by the owner of the land.

(d) Annual reporting requirements for the land shall be established within the measuring procedure approved by the City. The annual report shall generally include but not be limited to water consumption, measured/calculated sewage flows, and the measuring procedure used.

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- (e) Additional charges or credits shall be calculated based on the annual reports of monitored sanitary sewer flows and shall be calculated by the formula identified in this subsection. These charges or credits shall be issued by the City's Finance Department or designate.
  - (f) The City or designate may audit the procedure and records that are kept to measure and calculate sewage flow volumes without notice.
  - (g) Where the owner of the land fails to maintain the approved measurement procedure for the calculation of sewage flow volumes:
    - i) The City may establish a suitable monitoring procedure and invoice the charges for time and materials associated with calculating annual sanitary sewage flow to the land; or,
    - ii) The grant of the rebate identified in Section 8 may be terminated in writing by the City Engineer or designate. In this case, rebates for sanitary sewer charges based on flow differential shall cease, and the owner of the land shall be billed for sanitary sewer charges according to normal billing procedures.”
3. Subsection 6(2) of By-law WM-15 is amended by deleting it in its entirety and replacing it with the new subsection 6 (2):
- “(2) Notwithstanding subsection (1), no Sanitary Sewer Charge imposed under this by-law is payable in respect of land if the land is not connected to a municipal sanitary sewer system.”
4. By-law WM-15 is amended by adding the following Subsection 6 (4):
- “(4) Further to subsections (2) and (3), the following procedure shall apply to determine if the Sewer System Charge shall be imposed:
- (a) The owner of the land shall contact the Company’s customer service department or the City’s Water or Wastewater and Drainage Engineering division with the address of the land;
  - (b) The City shall assess the status of the land against the criteria identified in subsections (2) and (3);
  - (c) Where the City determines that a Sewer System Charge should not be imposed, the land shall become exempted from further Sewer System Charges until there is a change to the status of the land or a change in City policy.”
5. By-law WM-15 is amended by adding the following section:
- “SANITARY SEWER CHARGE REBATE FOR INDUSTRIAL LANDS**
8. (1) In this section, “flow differential” means the difference between the volume of water supplied by the municipal distribution system and other water supply systems, and the volume discharged to the sanitary sewer or the volume of consumed municipal water that is not discharged to the sanitary sewer.
- (2) Applications for a Sanitary Sewer Charge rebate shall only be considered for land within the industrial sewer rate classification where the owner of the land can demonstrate a minimum flow differential exceeding 85% of water consumption.
- (3) Water from the municipal water supply system consumed for the following uses shall not be eligible for rebates:

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- (a) Lawn or garden irrigation;
  - (b) Filling swimming pools, hot tubs, or fountains;
  - (c) Once through cooling water;
  - (d) Plumbing problems; or,
  - (e) Other uses not listed above as determined by the City Engineer.
- (4) An application for the Sanitary Sewer Charge Rebate shall be made to the City Engineer in writing. The Application shall include but not be limited to the following:
- (a) contact name(s) of employee or representative, the “Applicant”;
  - (b) the number of water meters supplying water and the water account number(s), a listing of other water supplies and an estimate of volume consumed from these sources;
  - (c) A description of the basis of the application for sanitary sewer charge rebate;
  - (d) Water consumption information for a period of at least one year;
  - (e) Estimation, calculation or measurement of flow differential for same period of time; and,
  - (f) Proposed methods for measurement/calculation of sewage flow volume.
- (5) The City shall acknowledge the Application in writing within 30 days of receipt.
- (6) The City Engineer or designate shall assess the Application on behalf of the City and may request site visits and additional information or consultation with the applicant prior to concluding the assessment.
- (7) Upon approval of the City Engineer, the City shall determine eligibility of the Application for the Sanitary Sewer Charge Rebate and notify the Applicant of the decision in writing.
- (8) Should the Sanitary Sewer Charge Rebate apply, the City may provide the following information:
- (a) A measuring procedure for reporting the sewage flow volumes; and,
  - (b) Requirements for maintenance and calibration of flow measurement equipment to be used for determining sewage flow volumes.
- (9) Where the Applicant objects to or wishes to amend the decision of the City, the Applicant shall respond in writing within 30 days of receipt of the decision stating the rationale for the objection or requested amendment. The decision of the City Engineer shall be final and not subject to appeal.
- (10) Where the Applicant and the City are in agreement with the decision to grant a Sanitary Sewer Charge Rebate, the Applicant shall provide fully executed and sealed copies of the following documents to the satisfaction of the City:
- (a) Flow Monitoring Procedure Letter; and,
  - (b) Full and Final Release.
- (11) The Sanitary Sewer Charge Rebate shall come into effect upon the delivery of the documents identified in subsection (10) above and after the Applicant has implemented the agreed upon measuring procedure.
- (12) The City may at any time revoke the grant of rebate because of a change in land ownership, change in process, or use. The City may also revoke the grant of rebate where the Applicant fails to provide the required reporting information; fails to maintain

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adequate records of the measurement of sewage flows for audit purposes; or, fails to maintain equipment for flow measurement in an adequate manner.”

6. By-law WM-15 is amended administratively by renumbering the following sections:
  - a. Section 8 becomes Section 9.
  - b. Section 9 becomes Section 10.
  - c. Section 10 becomes Section 11.
  - d. Section 11 becomes Section 12.
  - e. Section 12 becomes section 13.
  - f. Section 13 becomes Section 14.
  - g. Section 14 becomes Section 15.
  - h. Section 15 becomes Section 16.

7. This by-law comes into force and effect on the day it is passed.

PASSED in Open Council on October 9, 2012.

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Joseph Fontana  
Mayor

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Cathy Saunders  
City Clerk

First reading – October 9, 2012  
 Second reading - October 9, 2012  
 Third reading - October 9, 2012