

## Report to Planning and Environment Committee

**To:** Chair and Members  
Planning & Environment Committee  
**From:** John M. Fleming, MCIP, RPP  
Managing Director, Planning and City Planner  
**Subject:** Arva Sanitary Servicing Agreement Update  
**Meeting on:** June 17, 2019

## Recommendation

That, on the recommendation of the Managing Director, Planning and City Planner, the following actions be taken with respect to amending the servicing agreement between the City of London and Municipality of Middlesex Centre to increase sanitary servicing capacity for the community of Arva:

- (a) The attached report **BE RECEIVED** for information;
- (b) **NO FURTHER ACTION BE TAKEN** to amend the current servicing agreement between the City of London and the Municipality of Middlesex Centre to increase sanitary servicing capacity for the Arva Sanitary Servicing Area; and,
- (c) Staff **BE DIRECTED** to participate in and comment on the Arva servicing area municipal wastewater treatment facility Environmental Assessment to ensure that any concerns of the City of London are addressed through that process.

## Executive Summary

- The City of London has been providing sanitary sewage treatment services to the Municipality of Middlesex Centre for the Arva Sewage Service Area since April 3, 2000.
- The current servicing agreement provides for the equivalent of 10 units per year, not to exceed an equivalency of 50 units during each 5 year period.
- In 2010, 2011, 2013 and 2015, the Municipality of Middlesex Centre made requests and submissions to the City requesting amendments to the servicing agreement.
- On September 25, 2017, staff presented a report to the Planning and Environment Committee identifying possible amendments to the current servicing agreement.
- A draft amended agreement was provided to Middlesex Centre staff in January, 2018.
- At the April 10, 2019 meeting of the Middlesex Centre Council, the Council directed that staff proceed with the Phase 3 and 4 Environmental Assessment for the Arva Servicing Area to construct a new municipal wastewater treatment facility, thereby making any amendment to the current servicing agreement between the City and Middlesex Centre unnecessary .

## Analysis Background

The City of London provides servicing to several communities within the Municipality of Middlesex Centre. Water servicing is provided through the agreement with the City of London Water System to the communities of Arva, Ballymote and Delaware. Wastewater Servicing is also provided by the City of London by agreement to the Village of Arva via a pumping station owned and operated by Middlesex Centre that discharges to the City of London sanitary sewer collection system. In October 2013, a delegation from the Municipality of Middlesex Centre appeared before the Civic Works Committee requesting that the current Sanitary Service Agreement be amended to allow for future growth servicing of Arva.

In March, 2015, Middlesex Centre again approached the City regarding amending the current agreement to accommodate additional growth in Arva, specifically, the provide servicing for a proposed 184 lot subdivision within the identified Settlement Area boundary of Arva.

In December 2016, City Staff were requested to provide comments on an Environmental Assessment (EA) being undertaken by Middlesex Centre for the community of Delaware. The Delaware Water Supply and Storage Municipal Class Environmental Assessment considers the provision of growth-related water servicing to the community of Delaware and includes a recommendation to amend the current agreement with the City of London to provide additional servicing capacity to the community of Delaware.

In response to this request, staff prepared a report for the September 25, 2017 meeting of the Planning and Environment Committee indicating that no City action was required regarding the Delaware Water Supply and Storage EA. The report did identify matters to be addressed if the City was to proceed with an amendment to the current sanitary servicing agreement for the Arva Servicing Area. These matters included:

- No change in the Agreement to the current cap on flows or number of units
- Middlesex Centre to pay all capital costs associated with the provision of sanitary services
- Agreement to be amended to explicitly permit the carry-over of unused capacity to future years.
- Agreement to be amended to require a payment equal to the City of London's current water and wastewater servicing component of the Development Charge.
- Agreement to be amended to require a payment equal to the City's current water and wastewater servicing component of the Development Charge.

In early 2018, a draft amended agreement incorporating the amendments noted above was provided the Middlesex Centre. There was no response from Staff through 2018, and in early 2019 City staff followed up and were advised that Middlesex Centre staff would be recommending that the Municipality proceed with completing the Environmental Assessment process for a new municipal wastewater treatment facility to provide for additional growth in the Arva Serving Area. A copy of the Middlesex Centre staff report is attached as Appendix "A".

It should be noted that the anticipated discharge from a municipal wastewater treatment facility for the Arva Servicing Area will be to the Medway Creek north of the City boundary. City staff will provide input to the Middlesex Centre EA process to ensure that potential impacts on the Medway Creek are addressed. In addition to matters related to the impacts of any discharge on the natural heritage system, water quality impacts from a treatment facility on the Medway Creek and downstream impacts to the Thames River will be need to be addressed through the EA process.

## Conclusion

As Middlesex Centre has now decided to proceed with the completion of an Environmental Assessment for a new wastewater treatment facility to support future growth in the Arva Servicing Area, they are no longer pursuing an amendment to the current servicing agreement with the City, therefore, no further action is required.

Staff from Engineering and Environmental Services and City Planning will participate in the EA process to ensure that any City concerns are addressed, noting that staff will report to Council if any further direction is required.

<b>Submitted by:</b>	<b>Gregg Barrett, AICP Manager, Long Range Planning and Sustainability</b>
<b>Recommended by:</b>	<b>John M. Fleming, MCIP, RPP Managing Director, Planning and City Planner</b>
Note: The opinions contained herein are offered by a person or persons qualified to provide expert opinion. Further detail with respect to qualifications can be obtained from Planning Services	

June 7, 2019

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Appendix "A"

April 10, 2019

Page 1 of 4



## Staff Report

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**Report No.:** PWE 10-2019  
**Meeting Date:** April 10<sup>th</sup>, 2019  
**Submitted by:** Jake Straus, C.E.T. – Transportation Manager  
**Written by:** Jake DeRidder, C.Tech. – Development Review Coordinator  
**Subject:** Arva Sanitary Servicing – Environmental Assessment

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**Recommendation:**

THAT Report PWE 10-2019 be received as information.

**Purpose:**

The purpose of this report is to provide Council with information regarding the potential need for an Arva Community Wastewater Treatment Municipal Class Environmental Assessment and the impacts of the assessment.

**Background:**

In early 2000, the City of London received a request from then 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 environmental assessment identified a connection to the London sewer system as the preferred alternative and this solution was supported by the Ministry of the Environment. The negotiated agreement was clear in expressing that the servicing was being provided for "new 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 April 2010, a Master Servicing Plan Class EA was completed for Middlesex Centre by Stantec Consulting. The study was conducted in accordance with the requirements of phases 1 and 2 of the Municipal Class Environmental Assessment. The study reviewed Municipal Services including water, sanitary, storm, transportation and solid waste for both existing and future developments in the Municipality. The Master Plan reviewed Arva's current wastewater treatment and identified that the cap on increased sanitary servicing in the current agreement with the City of London and the lack of an Arva WWTF both limit the total potential growth and rate of growth in Arva. Three options were identified in the Master Plan,

- **Do nothing** – this option does not solve the lack of sanitary capacity in Arva and would restrict future growth.
- **Amend City of London Agreement** – This option was identified as the preferred solution; it would require Middlesex Centre to negotiate with the City of London to amend the current agreement to increase allowable flows/development rate from Arva to the City thereby



## Staff Report

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providing sanitary capacity to allow for increased development within the current Arva settlement boundary.

- **Construct a new Municipal wastewater treatment facility (WWTF)** – This would involve the construction of a new WWTF, the facility would be sized (or designed to be expandable) to support existing and future development in Arva. The WWTF would be constructed to service future development first and existing development over time, existing residents would not be brought onto the new system until it's deemed in the rate payers' best interest.

In 2010, 2011, and in 2013, delegations from Middlesex Centre officials led by Mayor Al Edmondson attended committee meetings to request that City Council consider having the existing sanitary servicing agreement amended to increase the allowable amount of sanitary sewage flows directed from the Arva settlement area into the City's sanitary collection and treatment system.

In March 2015, Middlesex Centre administration staff again approached the City regarding amending the current agreement to accommodate additional growth in Arva, specifically, the provision of servicing for a proposed 184 lot subdivision within the identified Settlement Area boundary of Arva.

In October 2017, City planning staff presented City Council with a report following Middlesex Centre's request to amend the current servicing agreement. City Council directed staff to draft an amendment to the agreement; however this amendment would not include an increase to the permitted capacity, it would remove the annual cap of 10 units per year but still retain a maximum of 50 units in each five year period. At this time the agreement signed April 3, 2000 (subject to amending agreements signed in June, 2000 and August, 2001).is still in effect

### Analysis:

A Class EA is a planning document which sets out the process that a proponent must follow in order to meet the requirements of the EA Act. There are 5 key elements of the Class EA planning process:

Phase 1 – Identification of the problem

Phase 2 – Identification of alternative solutions to address the problem

Phase 3 – Examination of alternative methods of implementing the preferred solution

Phase 4 – Preparation of an Environmental Study Report

Phase 5 – Completion of contract drawings and documents

The Master Servicing plan that was completed in April 2010, satisfied the requirements for a phase 1 and 2 EA, it can be assumed the portion for the phase 1 and 2 Arva WWTF EA would be equivalent to roughly \$15,000-\$25,000. The costs for a phase 1 and 2 EA can vary based on the project in question, however phases 1 and 2 are the initial steps of an EA and do not included extensive details therefore the costs are typically minimal compared to the costs of the entire EA process.

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## Staff Report

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In general, an Environmental Assessment is valid for a period of 10 years following its completion (completion and approval of the ESR). The current progress made on the Arva WWTF EA is not subject to this 10-year expiration because a WWTF requires a Schedule C EA, which includes all the phases mentioned above. The EA would only be subject to a 10 year expiration if Phases 1 to 4 had been completed. The cost to complete phases 1 and 2 today is estimated to be \$30,000. It should be noted that this cost could be considered negligible as during the remaining EA phases, the consultant will need to reconsider and/or reevaluate the problem and the alternate solutions to that problem. Typically it is best practice to complete the entire EA process from start to finish rather than separating out the phases.

The Arva WWTF Class EA was identified in the 2014 Development Charge Background Study at a cost of \$150,000 and later updated in the 2017 Development Charge Background Update Study to a cost of \$234,446. The costs for the remaining phases (Schedule C) of the EA will be recoverable through development charges over the next several years, however the upfront cost will need to be borne by the Municipality.

Timing of the completion of the remaining phases (Schedule C) of the WWTF EA should also be considered. The Municipality is currently in the beginning stages of its Official Plan review whereby one of the tasks is to review the current settlement area boundaries in all of our communities. Under the current servicing agreement with the City of London, Arva's growth is restricted due to the lack of sanitary capacity therefore Arva's settlement area boundary is likely to be unchanged during the Official Plan review. Completion of the remaining phases of the WWTF Schedule C EA would assist in giving planning staff direction on whether or not the construction of a WWTF in Arva is possible and if so, would help potentially support the justification for expanding Arva's current settlement area boundary, however completion of the EA in no way guarantees the expansion of the settlement area boundary. If the Municipality undertakes a full Schedule C EA for a WWTF and the development boundary is changed as a result, there may be increased pressure to proceed with the construction of the WWTF.

The Municipal Class Environmental Assessment process would typically be led by an Engineering consultant on behalf of the Municipality. The Municipality will issue a request for proposal which will include the terms of reference outlining the requirements of the selected consultant. The terms of reference have been drafted by a previous staff member for the undertaking of a Schedule C environmental assessment.

### Conclusion

The Municipality of Middlesex Centre has sought additional sanitary servicing capacity from the City of London in order to support growth in Arva with little success and have exhausted the preferred solution identified in the phase 2 of the Arva WWTF EA. In order to support growth in Arva, the remaining option would be to proceed with a Schedule C Municipal Class Environmental Assessment for a new waste water treatment facility.



## Staff Report

Staff propose the following options for Council to consider

Option	Pros	Cons
Add the Arva WWTF EA back into the 2019 budget and proceed with undertaking the EA this year	<ul style="list-style-type: none"><li>- Support timing of the Official Plan review</li><li>- Support eager developers in Arva</li></ul>	<ul style="list-style-type: none"><li>- Debt incurred in 2019 and 2020</li><li>- No full time Engineer</li></ul>
Postpone the undertaking of the EA to next year (2020)	<ul style="list-style-type: none"><li>- Potential Full time Engineer</li><li>- No debt incurred for 2019</li></ul>	<ul style="list-style-type: none"><li>- May cause potential impacts to the Official Plan review</li></ul>
Do nothing and leave the current agreement with the City of London in place	<ul style="list-style-type: none"><li>- No debt for EA and construction of a WWTF</li></ul>	<ul style="list-style-type: none"><li>- Limited growth in Arva</li><li>- Lost tax revenue from the new homes</li><li>-</li></ul>

Departmental administrative staff request direction from Council as to whether or not to proceed with the undertaking of an Arva Community Wastewater Treatment Municipal Class Environmental Assessment.

### Financial Implications:

All costs associated with the installation of a new Arva Community Wastewater Treatment Facility would be detailed in a future staff report following the conclusions of the Municipal Class Environmental Assessment.

### Strategic Plan:

Middlesex Centre's 2012-2017 Strategic Plan identifies three relevant strategic themes such as Increase Customer Satisfaction, Manage Costs, and Environmental Sustainability.