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Arva Sanitary Servicing  
Planner: G. Barrett

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| <b>TO:</b>      | <b>CHAIR AND MEMBERS<br/>BUILT AND NATURAL ENVIRONMENT COMMITTEE<br/>MEETING ON AUGUST 15, 2011</b>  |
| <b>FROM:</b>    | <b>PAT MCNALLY<br/>EXECUTIVE DIRECTOR, PLANNING, ENGINEERING AND<br/>ENVIRONMENTAL SERVICES</b><br><br><b>J. M. FLEMING<br/>DIRECTOR, LAND USE PLANNING AND CITY PLANNER</b> |
| <b>SUBJECT:</b> | <b>REQUEST FROM MUNICIPALITY OF MIDDLESEX CENTRE<br/>SANITARY SERVICING FOR ARVA</b>   |

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| <b>RECOMMENDATION</b> |
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That, on the recommendation of the Executive Director, Planning, Environmental & Engineering Services, and the Director, Land Use Planning and City Planner, regarding the request by the Municipality of Middlesex Centre for an amendment to the servicing agreement between the Municipality and the City to increase the amount of sanitary sewage flows from Arva to the City's collection and treatment system to accommodate growth in that area, the following report **BE RECEIVED** for information.

It being noted that should Municipal Council wish to proceed with an amendment to the servicing agreement between the City of London and the Municipality of Middlesex Centre, that Staff **BE DIRECTED** to prepare an amended agreement to be considered at a future public participation meeting of the Built and Natural Environment Committee.

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| <b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b> |
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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".

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

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

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| <b>BACKGROUND</b> |
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**Overview:**

On February 28, 2011, City Council deferred a request of the Municipality of Middlesex Centre to City staff concerning an amendment to the existing sanitary servicing agreement to increase the amount of sanitary sewage flows directed from the Arva settlement area into the City's sanitary collection and treatment system. The Council resolution is attached as Appendix 'A'

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City Council directed City staff to report back with additional information on the following items:

- limits on capacity,
- mutual future municipal benefits,
- environmental considerations,
- opportunities for partnerships,
- growth plans for Middlesex Centre, and
- the Master Servicing Study completed by the Municipality of Middlesex Centre.

**Brief History:**

On March 22, 2010, a delegation of Middlesex Centre officials, led by Mayor Al Edmondson, attended the Environment and Transportation Committee meeting to request that City Council consider having the existing sanitary servicing agreement between the City and Middlesex Centre amended to increase the amount of sanitary sewage flows directed from the Arva settlement area into the City's sanitary collection and treatment system. The information report, dated September 27, 2010 from the General Manager of Planning and Development, and the General Manager of Environmental and Engineering Services and City Engineer, is attached as for further background concerning this request (see Appendix 'D').

Subsequently, on February 14, 2011, a delegation of Middlesex Centre officials, led by Mayor Al Edmondson, attended the Built and Natural Environment Committee meeting for City Council to reconsider their request to amend the existing sanitary servicing agreement to increase the amount of sanitary sewage flows directed from the Arva settlement area into the City's sanitary collection and treatment system. The February 2011 request from the Municipality of Middlesex Centre is attached as Appendix 'B'.

The following summary of pros & cons is an extract taken from the September 27<sup>th</sup>, 2010 report which highlights some of the key issues concerning growth in Arva and the implications on the City of London:

**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.
- Directing sewage flows to the City's system is a cost-effective servicing solution for growth within the Arva Settlement Area. Continuing to utilize the existing water supply connection is also cost-effective.
- This is a preferred solution from an environmental perspective as it would avoid the potential of a new sewage treatment facility discharging to Medway Creek.
- Lessens the potential for future expansion of the Arva Settlement Area.
- Provides an opportunity for the City to have some control over the rate of growth in Arva including continued volumetric measurement and billing for water supply.
- The servicing requirements to support the estimated proposed growth in Arva can be accommodated within the City's system. The demand flows are relatively small in comparison to the City.

**Cons**

- Facilitating growth outside of our own Urban Growth Area. This will be negatively perceived by most London developers as a potential detriment to their competitive position and a loss of market for new units within the City.
- Facilitating peripheral growth that is not conducive to the intensification of land use and compact urban form.

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- 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.
- The cap on sewage flows under the existing agreement has not yet been reached so there is residual capacity to accommodate some new growth.
- Part of the rationale for the existing agreement was the need to remediate environmental problems. This circumstance no longer exists.

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| <b>ANALYSIS</b> |
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The focus of this report is on issues related to planning and growth management in response to the request by the Municipality of Middlesex Centre to amend the Sanitary Sewage Treatment servicing agreement, between the City and Middlesex Centre, dated April 2, 2000, amended June 21, 2000, and further amended August 15, 2001.

**Middlesex Centre Proposal:**

The 2010 request by Middlesex Centre pertained to the development of three parcels within the Arva Settlement Boundary: two parcels totaling approximately 40 hectares comprising the Weldon lands on the north and south sides of Medway Road, abutting the west side Richmond Street; and, a 12 hectare parcel located north of Medway Creek, abutting the east side of Richmond Street.<sup>a</sup> However, the draft Official Plan amendments currently being considered by Middlesex Centre include the removal of the 12 hectare parcel from the settlement boundary due to servicing and environmental constraints. As a result, the request for amendments to the sanitary servicing agreement now pertains only to the Weldon lands.

Based upon the development potential of these parcels, Middlesex Centre staff have determined population and housing projections for Arva, as outlined in Table 1 below (see also Appendix C).<sup>b</sup>

**TABLE 1: MIDDLESEX CENTRE POPULATION AND HOUSING PROJECTIONS**

|            | Current | Proposed Increase | Total at Build-out |
|------------|---------|-------------------|--------------------|
| Population | 552     | 548               | 1100               |
| Units      | 172     | 184               | 356                |

Middlesex Centre staff are forecasting 15 housing starts per annum as a result of the subdivision proposal for the Weldon lands. Commencing in 2012, all units would be completed at this build-out rate in 12 years (by 2023), producing a population growth rate of 8.3% per year. This represents more than a doubling of the number of housing starts for the past 10 years, which have averaged seven per annum. Additionally, the proposal would almost double the size of the village both in population and in total number of units at full build-out.

According to the amended 2000 sanitary servicing agreement between the City and Middlesex Centre, services are provided for Arva for an average of 10 new residential unit equivalencies per year, with a cap of 50 equivalent units in total for each five year period. Table 2 outlines the equivalencies included in the agreement based on unit type.

<sup>a</sup> There are no future developable lands within the Arva Settlement Boundary designated for commercial, industrial or institutional development.

<sup>b</sup> The projected population and units for the 12 hectare parcel has been omitted with the assumption that this parcel will be removed from the Arva settlement boundary.

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**TABLE 2: SEWAGE TREATMENT AMENDING AGREEMENT UNIT EQUIVALENCIES**

| Unit Type                                | Persons per Unit | Equivalency |
|--|------------------|-------------|
| Single and Semi-Detached – 3 bedroom +   | 3.55             | 1.00 unit   |
| Single and Semi-Detached – 1 & 2 bedroom | 2.20             | 0.61 unit   |
| Apartments – 2 bedroom +                 | 1.80             | 0.50 unit   |
| Apartments – bachelor and 1 bedroom      | 1.40             | 0.39 unit   |
| Other Multiples – 3 bedroom +            | 2.80             | 0.78 unit   |
| Other Multiples – 1 & 2 bedroom          | 1.90             | 0.53 unit   |

Based on the above equivalencies, the Middlesex Centre proposal is adjusted in Table 3. With equivalencies factored in, the number of units comprising the proposal is 170.

**TABLE 3: ADJUSTED MIDDLESEX CENTRE PROPOSAL**

|              | Single Family Detached Units | Townhouse Units (Multiples) <sup>c</sup> | Total |
|--------------|------------------------------|--|-------|
| Weldon Lands | 122                          | 62                                       | 184   |
| Equivalency  | 122                          | 48                                       | 170   |

<sup>c</sup> The 3 bedroom multiple equivalency has been assumed for these units.

If the current 10 starts per year cap was maintained, it would take 17 years to reach full build-out for the settlement (complete by 2028).

**Planning Issues:**

When City Council approved the agreement and its amendments, it was accepted that there would be future growth for Arva based on population and housing projections provided by Middlesex Centre staff. A comparison of the 2000 and 2010 projections is provided in Table 4. Based on the 2000 projected build-out and the construction of an average of 10 equivalent units per year, the Arva settlement would have reached its build-out in 19 years (by 2019). This scenario would have produced an average annual population growth rate for Arva of 6.9%.

**TABLE 4: COMPARISON OF POPULATION AND UNIT PROJECTIONS (2000 vs. 2010)**

|                              | Estimate | Additional | Build-out |
|------------------------------|----------|------------|-----------|
| 2000 Population              | 350      | 460        | 810       |
| 2010 Population <sup>d</sup> | 552      | 548        | 1100      |
| 2000 Units                   | 113      | 184        | 297       |
| 2010 Units <sup>d</sup>      | 172      | 184        | 356       |

<sup>d</sup> Note: these adjusted figures represent the removal of the parcel north of Medway Creek.

While Arva did experience growth in the 2000's, the building activity was limited in the form of 68 townhouse condominium units, at an average of 7 starts per year. These condominium units represented 53 equivalent units according to the equivalency figures included in the amended agreement as noted above; thus, 131 equivalent units remain from the 2000 projected build-out of the Arva settlement. As noted in Table 5, the proposed 170 equivalent units is therefore 39 units more than originally projected at the time of the sanitary servicing agreement.

**TABLE 5: CALCULATION OF UNITS REQUESTED BEYOND 2000 PROJECTIONS**

|   | Number of Units |
|---|-----------------|
| 2000 Forecasted Additional Units                | 184             |
| Less: Constructed Townhouse Equivalent Units    | 53              |
| Remaining 2000 Forecasted Additional Units      | 131             |
| Less: Weldon Lands Subdivision Equivalent Units | 170             |
| Units Beyond 2000 Forecasted Build-out          | 39              |

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**Growth Related Issues:**

Notwithstanding the above, servicing to accommodate additional growth in Arva will likely have long term implications and loss of revenue to the City in perpetuity. Although the proposal represents 170 equivalent units from a sanitary servicing perspective, the build-out of Arva will entail the physical construction of 184 single detached and row housing units. The proposal thus represents 184 units of lost assessment on an annual basis upon the final build-out of the settlement. For comparison, the equivalent of 150 units is a 1/2 year of growth in the City of London, and represents an estimated loss of \$45,000,000 assessment growth. Further, it is anticipated that these units will be purchased by individuals who would have otherwise chosen housing within the City's urban growth boundary. It is also noteworthy that the proposed units will not contribute revenues through property taxes to off-set the cost associated with the construction and on-going maintenance of City community services and facilities likely to be used by new Arva residents.

The City of London Official Plan policies and Growth Management Implementation Strategy restrict growth within our own City, but has allowance for servicing to lands outside the City boundary. Council will need to consider the implications of supporting an increase in sanitary servicing capacity and additional growth outside the City limits, especially given the significant development pressures for sanitary servicing and phasing of development in parts of the City.

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| <b>COMMENTARY</b> |
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The February 28, 2011 resolution of Council requested additional information from staff on the following items: limits on capacity; mutual future municipal benefits; environmental considerations; opportunities for partnerships; growth plans for Middlesex Centre; and, the Master Servicing Study completed by the Municipality of Middlesex Centre. City staff have met and corresponded with staff from Middlesex Centre on a number of occasions to gather greater background information for consideration by Committee and Council. These issues are addressed in turn.

**Limits on Capacity:**

The City Engineer has confirmed that there are no significant engineering issues associated with the request from Middlesex Centre. Further, flow capacity is sufficient to accommodate the total growth proposed for the build-out of Arva. The servicing requirements to support the estimated proposed growth in Arva can be accommodated within the City's system beyond the existing average of 175 cubic metres per day. Additional sanitary servicing capacity is also available to accommodate increased enrollment at Medway High School. Middlesex Centre has agreed to pay for servicing towards fiscal management of the City's plant.

**Mutual Future Municipal Benefits:**

For Middlesex Centre, this proposal would provide for the full development of lands within the Hamlet Settlement Area boundary, excluding the 12.1 hectare parcel northeast of the Mill Pond that is currently proposed to be removed from the Hamlet Settlement Area in the proposed comprehensive Official Plan Amendment.

For the City of London, a future agreement with Middlesex Centre may include a fee equivalent to the City's development charge rates for water and sewer, as well as an annual contribution based upon the flows generated. These are items the City would request in negotiating an amended agreement.

**Environmental Considerations:**

A significant factor in the establishment of the original sanitary servicing agreement between the City and the Municipality was environmental concerns regarding the health of the Medway Creek. An environmental assessment determined that faulty septic systems and illegal storm sewer connections had produced unacceptable levels of contamination to the Creek. The

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establishment of a sanitary servicing agreement with the City was recommended by the environmental assessment as the preferred alternative.

Since the agreement between the City and the Municipality was established, the contamination of the Medway Creek has been addressed through treatment of Arva's sewage at the Adelaide Pollution Control Plant. As a result, there are no environmental concerns with an amended agreement to accommodate future growth within the Arva Settlement Boundary given that sufficient treatment capacity exists within the City's system.

Should the City not proceed with an amended sanitary servicing agreement for Arva, it is possible that a wastewater treatment plant would be constructed by Middlesex Centre to service existing development and future growth. This alternative would create a new point source discharge to the Medway Creek; however the anticipated level of treatment from any new facility would likely exceed the current water quality requirements of the Medway Creek.

**Opportunities for Partnerships:**

The Provincial Policy Statement encourages coordination amongst municipalities when considering growth-related issues, including waste water treatment, transportation and impacts upon public health and the environment. There is significant provincial interest in partnerships between municipalities on a regional basis, especially in the area of sanitary servicing.

Although the City of London requires new urban growth to be developed within the Urban Growth Boundary, there are Official Plan provisions related to growth beyond the municipal boundary. According to subsection 17.2.3 (Municipal Sanitary Sewerage Services):

The City will not extend municipal sanitary sewerage services beyond the Urban Growth Area except for:

- i) the provision of services to areas of existing development that are experiencing health hazards related to their private Wastewater treatment systems or significant environmental problems, or
- ii) the provision of services to areas within an adjoining municipality as provided for under an agreement between the City and benefiting municipality.

Amendments to the existing sanitary servicing agreement would thus not contravene the City's Official Plan policies. Further, the Official Plan supports a regional approach to sanitary servicing on the basis of the factors identified above.

**Growth Plans for Middlesex Centre:**

At present, the Municipality of Middlesex Centre is conducting a comprehensive review of its Official Plan. Consultants retained by the Municipality have recommended the redistribution and reallocation of most existing vacant lands from hamlets to urban settlement areas where full municipal services are available to support future growth. As noted above, the draft Official Plan proposals for Arva include a reduction in the settlement area through the removal of 12.1 hectares adjacent to the Mill Pond. Under the current Official Plan, these lands are permitted for development, and Middlesex Centre staff have projected that 140 units could be constructed on this parcel.

City staff support the removal of the 12.1 hectare parcel from the Arva settlement area. Should the City opt to amend the sanitary servicing agreement, these lands should not be included for future sanitary servicing in the event that the Middlesex Centre Official Plan Amendments pertaining to Arva are not approved by the Municipality or the County of Middlesex.

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**The Master Servicing Study Completed by the Municipality of Middlesex Centre:**

Middlesex Centre’s Master Servicing Study identified three alternatives for future sanitary servicing for Arva: do nothing, an amended agreement with the City of London, and the construction of a wastewater treatment plant. The first alternative was deemed to be unsatisfactory, and an amended agreement was identified as the preferred alternative to accommodate future growth for the Arva settlement. The existing designation of lands within the Arva settlement boundary for future residential development was identified as the main rationale for pursuing an amended agreement.

The secondary recommended alternative is the construction of a package waste water treatment plant for Arva. Several issues to be addressed in considering this alternative were provided in the Master Servicing Study, including the location of the treatment plant, environmental impacts, financial costs, and plant efficiency. Although not explicitly stated in the Study, it is possible that the Arva settlement boundary would be expanded in order to improve the cost effectiveness of constructing a wastewater treatment plant.

**CONCLUSION**

The Municipality of Middlesex Centre is seeking additional sanitary servicing capacity in order to develop two parcels of land into residential lots. This will result in full build-out of the Arva settlement by 2023 in the event that 15 starts per year are achieved. The effect of the Middlesex Centre proposal would be additional capacity for 39 more units than contemplated at the time that the current agreement was established. Given the proposed rate of growth, significant competition will occur between development in Arva and existing/planned subdivisions in the City’s north end.

Additional sanitary servicing capacity within the City’s system is available to accommodate growth for Arva. Middlesex Centre’s Master Servicing Study has recommended securing additional sanitary servicing capacity from the City as the best alternative for Arva, with the second best alternative being the construction of a new wastewater treatment plant for the settlement.

There are no environmental concerns with the Middlesex Centre proposal of the nature that produced the original servicing agreement (i.e., contamination of Medway Creek).


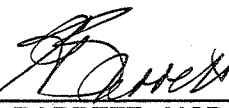


The Provincial Policy Statement encourages coordination amongst municipalities when considering growth-related issues, including waste water treatment, transportation and impacts upon public health and the environment. Additionally, the City’s Official Plan contains policies regarding the provision of sanitary servicing to communities outside of the City’s boundaries. There is a sufficient policy basis to support a regional approach to sanitary servicing in regards to the Arva proposal.

City staff request direction from Committee and Council regarding the request from Middlesex Centre to amend the Arva sanitary servicing agreement in order to provide a response to the Municipality.

**Acknowledgement:** This report was authored in conjunction with Heather McNeely, Senior Planner, Planning Division.

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Arva Sanitary Servicing  
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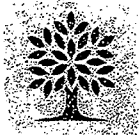
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| <b>PREPARED BY:</b>  | <b>SUBMITTED BY:</b>   |
|     |                            |
| <b>P. YEOMAN<br/>RESEARCH ANALYST,<br/>PLANNING DIVISION</b>                         | <b>G. BARRETT, AICP<br/>MANAGER, CITY PLANNING &amp;<br/>RESEARCH</b>  |
| <b>RECOMMENDED BY:</b>   |  |
|     |                            |
| <b>J. M. FLEMING, MCIP, RPP<br/>DIRECTOR, LAND USE PLANNING AND<br/>CITY PLANNER</b> | <b>P. McNALLY, P.Eng.<br/>EXECUTIVE DIRECTOR, PLANNING,<br/>ENVIRONMENTAL &amp; ENGINEERING<br/>SERVICES</b> |

August 5, 2011  
GB/hmcn/py  
"Attach"

- Appendix A: Council Resolution, February 28, 2011
- Appendix B: Letter from Middlesex Centre, February 3, 2011
- Appendix C: Letter from Middlesex Centre Re: Growth Projections, June 2, 2011
- Appendix D: Planning Committee Report, September 27, 2010

- cc. J. Braam, City Engineer
- R. Standish, Director, Wastewater and Treatment
- T. Copeland, Manager, Wastewater and Treatment
- J. Barber, City Solicitor
- J. Kennedy, London Development Institute
- M. Smibert, Chief Administrative Officer, Municipality of Middlesex Centre





300 Dufferin Avenue  
P.O. Box 5035  
London, ON  
N6A 4L9

**London**  
CANADA

|                        |             |
|------------------------|-------------|
| ENVIRONMENTAL SERVICES |             |
| MAR 08 2011            |             |
| FILE NO.               |             |
| REFER TO               | Pat McNally |

#6548

✓

March 1, 2011

P. McNally  
General Manager of Environmental and Engineering Services and City Engineer

I hereby certify that the Municipal Council, at its session held on February 28, 2011 deferred clause 9 of the 5th Report of the Built and Natural Environment Committee back to the Civic Administration with direction to report back at a future meeting of the Built and Natural Environment Committee with additional information including, but not limited to: limits on capacity, mutual future municipal benefits, environmental considerations, opportunities for partnerships, growth plans for Middlesex Centre and the Master Servicing Study completed by the Municipality of Middlesex Centre.

Clause 9 read as follows:

9. That the following actions be taken with respect to the delegation from Mayor A. Edmondson, Michelle Smibert, Chief Administrative Officer and Maureen Looby, Director, Public Works and Engineering, Municipality of Middlesex Centre with respect to the Wastewater Treatment Agreement for Arva:

- (a) the Civic Administration **BE DIRECTED** to negotiate amendments to the existing wastewater treatment agreement with the Municipality of Middlesex Centre in order to accommodate their need for increased capacity, and to report back at a future public participation meeting of the Built and Natural Environment Committee; and
- (b) the following **BE RECEIVED** for information:
  - (i) a report dated September 27, 2010 from the General Manager of Planning and Development and the General Manager of Environmental and Engineering Services and City Engineer with respect to a previous request by the Municipality of Middlesex Centre relating to this matter; and

the actions taken by the Planning Committee in response to the above-noted request at its meeting held on September 27, 2010. (2011-W06-00) (9/5/BNEC) (AS AMENDED)

C. Saunders  
City Clerk  
/jb

- cc:
- Mayor A. Edmondson, Municipality of Arva, 10227 Ilderton Road, RR#2 Ilderton, ON N0M 2A0
  - Michelle Smibert, Chief Administrative Officer, Municipality of Arva, 10227 Ilderton Road, RR#2 Ilderton, ON N0M 2A0
  - R. E. Morton, 24 Croydon Place, Arva, ON N0M 1C0
  - J. Kennedy, London Development Institute, 630 Colborne Street, Suite 203, London, ON N6B 2V2
  - D. Pepino, by e-mail
  - B and C Hill, by e-mail
  - L. Holmes, by e-mail
  - J and W Fryday, 26 Croydon Drive, Arva, ON N0M 1C0
  - R. Standish, Director, Wastewater and Treatment
  - BNEC Deferred



## MIDDLESEX CENTRE

February 3rd, 2011

City of London  
London City Hall  
300 Dufferin Avenue  
London, ON N6A 4L9

Attention: Chair Polhill and Members of the Built & Natural Environment Committee

**RE: Request for Delegation Status – Monday February 14<sup>th</sup>, 2011 Built & Natural Environment Committee Meeting  
Municipality of Middlesex Centre  
Wastewater Treatment Agreement for Arva**

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Further to our request in 2010, Middlesex Centre would again like to request delegation status to discuss the wastewater treatment agreement for Arva.

In 2009 Middlesex Centre commissioned a Master Servicing Study for the Municipality in support of its 5 year Strategic Plan. The 2010 Master Servicing Plan is a strategic document looking forward for a period up to 20 years and was carried out in accordance with Phases 1 and 2 of environmental assessment requirements.

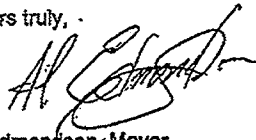
A component of the document focused on the community of Arva and recognized current development interest with the resultant need for increased wastewater treatment capacity. The preferred option identified for Middlesex Centre is to approach the City of London with a request to have the existing Sanitary Agreement amended.

We would like to thank the City of London administration for its review of this matter over the past few months and we are very hopeful that the Committee will see the positives relating to this proposal such as:

- inter-municipal co-operation as encouraged by the Provincial Policy Statement,
- cost effectiveness for servicing this area by utilizing existing sewage and water infrastructure,
- environmental considerations in that this proposal would avoid the potential of a new sewage treatment facility discharging to Medway Creek,
- the servicing requirements to support the estimated growth in Arva can be accommodated within the City's systems and the demand flows that are contemplated are relatively small in comparison to the City.

We would be pleased to answer any questions that the Committee may have with respect to this matter.

Yours truly,

A handwritten signature in black ink, appearing to read 'Al Edmondson', written over a faint, illegible stamp or background.

Al Edmondson, Mayor  
Municipality of Middlesex Centre

Copy to: Mayor Joe Fontana



# MIDDLESEX CENTRE

June 2, 2011

City of London  
300 Dufferin Avenue,  
P.O. Box 5035,  
London, Ontario  
N6A 4L9

Att: Heather McNeely, MCIP, RPP  
Senior Planner

Dear Ms. McNeely:

Re: Arva wastewater servicing and growth potential

CITY OF LONDON  
PLANNING DIVISION  
JUN 6 2011  
FILE NO.  
PREPARED TO  
PROJECT REFERENCE  
ADDRESS  
CITY OF LONDON  
DATE

As requested, please find the information regarding the above noted matter:

**1. Growth Potential – residential lots**

As noted in a memorandum dated July 27, 2010 from Ms. Looby and the undersigned to MM. Standish and Panzer, the potential number of single-detached and multiple units would be generated from the development of the Weldon lands situated on the north and south sides of Medway Road (County Road 28) and west of Richmond Street (Highway 4). This is identified in the table below in respect of the potential number of single detached units (122) and multiple units (62). In regards to the vacant residential land potential, remnant lands include a 27.88 acre parcel situated on the east side of Richmond Street (Highway 4) north of the Medway Creek. It would be fair to assume that the development potential of these lands will be reduced to some degree due to environmental constraints related to existing natural heritage features as well as the Regulation Limit associated with the Medway Creek.

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| <b>Current Population</b><br>(based on an inventory of existing residences @ 3.21 persons per unit) | 552   |
| <i>Potential number of single-detached units (122) @ 3.21 persons per unit</i>                      | 392   |
| <b>Population Growth</b><br><i>Potential number of multiple units (62) @ 2.51 persons per unit</i>  | 156   |
| <i>Vacant land potential of 27.88 ac @ 5 units per ac @ 3.21 persons per unit</i>                   | 448   |
| <b>Total Population</b><br>@full residential build-out  | 1,548 |

We wish to point out that limited building activity has transpired historically that could be used to project the full residential build-out of the village. Although Arva did experience growth in the 2000s, it was generally limited to 67 townhouse condominium units with an average of 7 housing starts per annum. Given the number of the potential units related to the Weldon lands, we are however forecasting 15 housing starts per annum. Based on a potential supply of 262 single-detached units (including 27.88 ac @

5u/ac = 140 units) and 62 multiple units, we are projecting a 21 year build-out. We wish to point out that there are no opportunities for commercial, industrial or institutional development within Arva given all such designated lands are developed.

## 2. Sewage Treatment Agreement

According to the Sewage Treatment Agreement between the City and Middlesex Centre dated the 3<sup>rd</sup> of April, 2000, amended the 21<sup>st</sup> of June, 2000, and further amended the 15<sup>th</sup> day of August, 2001, development within Arva is to be staged subject to the following parameters:

|   |   |   |               |             |   |               |             |                             |               |             |                                      |               |             |                                  |               |             |                                    |               |             |
|---|---|---|---------------|-------------|---|---------------|-------------|-----------------------------|---------------|-------------|--------------------------------------|---------------|-------------|----------------------------------|---------------|-------------|------------------------------------|---------------|-------------|
| <b>Residential</b>                          | Services will be provided for an average equivalency of 10 new residential units per year with the total number not to exceed an equivalent of 50 residential units during each 5 year period. The equivalency of new residential units is calculated as follows using the Township of Middlesex Centre Development Charges Background Studies report dated June 29, 1999 as amended August 4, 1999:  |   |               |             |   |               |             |                             |               |             |                                      |               |             |                                  |               |             |                                    |               |             |
|   | <table> <tr> <td>A. Single and Semi-Detached – 3 bedroom +</td> <td>(3.55 p.p.u.)</td> <td>= 1.00 unit</td> </tr> <tr> <td>B. Single and Semi-Detached – 1 &amp; 2 bedroom</td> <td>(2.20 p.p.u.)</td> <td>= 0.61 unit</td> </tr> <tr> <td>C. Apartments – 2 bedroom +</td> <td>(1.80 p.p.u.)</td> <td>= 0.50 unit</td> </tr> <tr> <td>D. Apartments – bachelor + 1 bedroom</td> <td>(1.40 p.p.u.)</td> <td>= 0.39 unit</td> </tr> <tr> <td>E. Other Multiples – 3 bedroom +</td> <td>(2.80 p.p.u.)</td> <td>= 0.78 unit</td> </tr> <tr> <td>F. Other Multiples – 1 &amp; 2 bedroom</td> <td>(1.90 p.p.u.)</td> <td>= 0.53 unit</td> </tr> </table> | A. Single and Semi-Detached – 3 bedroom + | (3.55 p.p.u.) | = 1.00 unit | B. Single and Semi-Detached – 1 & 2 bedroom | (2.20 p.p.u.) | = 0.61 unit | C. Apartments – 2 bedroom + | (1.80 p.p.u.) | = 0.50 unit | D. Apartments – bachelor + 1 bedroom | (1.40 p.p.u.) | = 0.39 unit | E. Other Multiples – 3 bedroom + | (2.80 p.p.u.) | = 0.78 unit | F. Other Multiples – 1 & 2 bedroom | (1.90 p.p.u.) | = 0.53 unit |
| A. Single and Semi-Detached – 3 bedroom +   | (3.55 p.p.u.)   | = 1.00 unit                               |               |             |   |               |             |                             |               |             |                                      |               |             |                                  |               |             |                                    |               |             |
| B. Single and Semi-Detached – 1 & 2 bedroom | (2.20 p.p.u.)   | = 0.61 unit                               |               |             |   |               |             |                             |               |             |                                      |               |             |                                  |               |             |                                    |               |             |
| C. Apartments – 2 bedroom +                 | (1.80 p.p.u.)   | = 0.50 unit                               |               |             |   |               |             |                             |               |             |                                      |               |             |                                  |               |             |                                    |               |             |
| D. Apartments – bachelor + 1 bedroom        | (1.40 p.p.u.)   | = 0.39 unit                               |               |             |   |               |             |                             |               |             |                                      |               |             |                                  |               |             |                                    |               |             |
| E. Other Multiples – 3 bedroom +            | (2.80 p.p.u.)   | = 0.78 unit                               |               |             |   |               |             |                             |               |             |                                      |               |             |                                  |               |             |                                    |               |             |
| F. Other Multiples – 1 & 2 bedroom          | (1.90 p.p.u.)   | = 0.53 unit                               |               |             |   |               |             |                             |               |             |                                      |               |             |                                  |               |             |                                    |               |             |
| <b>Services</b>                             | Services will be provided for up to 1,000 square metres (10,764 ft <sup>2</sup> ) of new commercial floor space in any given year, with the total amount of new floor space not to exceed 4,500 square metres (48,439 ft <sup>2</sup> ) over a 10 year period.  |   |               |             |   |               |             |                             |               |             |                                      |               |             |                                  |               |             |                                    |               |             |

The limit of the Arva Sewage Service Area as defined by the Agreement coincides with the boundary of the Community Settlement Area of Arva as shown on Schedule A-3 of the Middlesex Centre Official Plan.

Since 2001, we can advise that residential development has been limited to 67 townhouse condominium units and 2 single detached units have been constructed in conformity with the terms of the Agreement. There has been no new commercial development in Arva during the same period.

## 3. Community Settlement Area of Arva – no plans to expand at this time

Regarding Middlesex Centre as a whole, we have a current oversupply of land designated for our projected growth needs. According to our Official Plan, our settlement area structure is as follows:

### Urban Settlement Area

Ilderton  
Komoka-Kilworth

### Community Settlement Areas

Arva  
Delaware

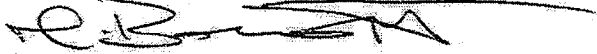
### Hamlets

Ballymote  
Birr  
Bryanston  
Denfield  
Lobo  
Melrose  
Poplar Hill-Coldstream

Although we have eleven (11) distinct settlement areas with varying degrees of municipal services, we do not have the ability to consider each settlement area as being mutually exclusive in managing future growth needs.

If clarification is required, please feel free to contact the undersigned.

Yours truly,

A handwritten signature in black ink, appearing to read 'M. Bancroft', with a long horizontal flourish extending to the right.

Marc Bancroft, MPL, MCIP, RPP  
Senior Planner

cc. Michelle Smibert, Chief Administrative Officer  
Maureen Looby, Director of Public Works and Engineering

|                 |   |
|-----------------|---|
| <b>TO:</b>      | <b>CHAIR AND MEMBERS<br/>PLANNING COMMITTEE</b>   |
| <b>FROM:</b>    | <b>R. PANZER<br/>GENERAL MANAGER OF PLANNING AND DEVELOPMENT<br/>AND<br/>P. McNALLY<br/>GENERAL MANAGER OF EESD &amp; CITY ENGINEER</b> |
| <b>SUBJECT:</b> | <b>REQUEST FROM TOWN OF MIDDLESEX CENTRE<br/>SANITARY SERVICING FOR ARVA<br/>MEETING ON SEPTEMBER 27, 2010</b>                          |

|                       |
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| <b>RECOMMENDATION</b> |
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That, on the recommendation of the General Manager of Planning and Development and General Manager of Environmental and Engineering Services, concerning the request by the Town of Middlesex Centre for an amendment to the servicing agreement between the Town and the City to increase the amount of sanitary sewage flows from Arva to the City's collection and treatment system to accommodate growth in that area:

- (i) the following report providing background information and staff comments be received; and
- (ii) should Council support the Town's request, that the Administration be directed to negotiate an amended agreement that would address limitations on the amount of development permitted per annum, the payment of fees to the City based on the sanitary and water servicing components of the City's development charges, a commitment by the Town not to expand the Arva settlement area over the term of the agreement, flow monitoring and reporting requirements and such other provisions that are appropriate to carry-over from the existing agreement.

|                                 |
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| <b>PREVIOUS RELATED REPORTS</b> |
|---------------------------------|

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

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

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

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| <b>BACKGROUND</b> |
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On March 22, 2010, a delegation of Middlesex Centre officials led by Mayor Edmondson attended at the Environment and Transportation Committee meeting to request that City Council consider having the existing sanitary servicing agreement between the City and Town amended to increase the amount of sanitary sewage flows directed from the Arva settlement area into the City's sanitary collection and treatment system. The Town's written submission is attached as Appendix "A". A map showing the Arva Settlement Area is attached as Appendix "B". The Town recently completed a Master Servicing Plan which recognizes current development interest within the Arva settlement area and the need for continued water supply and increased wastewater treatment capacity to support anticipated growth. The Servicing Plan, which was prepared in accordance with Phases 1 and 2 of the environmental assessment process, identifies an amendment to the servicing agreement as the preferred option for providing the required wastewater treatment. The Town's written submission outlines the financial, environmental and social benefits of this approach from its perspective. The March and May 2000 staff reports noted above and the April 2000 original servicing agreement were also

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provided to the ETC at its March 22, 2010 meeting. Following a brief discussion of the delegation's submissions and request, the ETC asked the Civic Administration to review this matter and "...report back to the appropriate standing committee."

Concurrent to the request to consider amendments to the current sanitary servicing agreement, Administration had submitted a report recommending that the various water supply agreements between the City and Town be consolidated into a single, consolidated, and comprehensive Water Supply Agreement and corresponding by-law. Therein, projections of water supply flow requirements to Arva were provided by Town staff, based on Arva's growth projections. At the July 26, 2010 Municipal Council meeting, Administration requested that the by-law not be moved forward and that the report be referred back to staff, in order to ensure proper correlation between volumetric water supply and the sewage treatment allocation limitations being considered in this report. It is noted that the Arva Water Area depicted in the consolidated Water Supply Agreement accounted for the same service area that the City has allocated sanitary sewage treatment capacity through the current Sewage Treatment Agreement. Should Council direct staff to proceed with negotiations, then resolution to the volumetric water supply within the Water Supply Agreement should be carried out coupled with that negotiation.

The submission of services to support growth in a surrounding municipality involves both servicing and infrastructure issues that fall within ETC's mandate, and Official Plan policy and land use planning considerations that more closely relate to the Planning Committee's mandate. Since previous reports on this matter have been directed to the Planning Committee, the Administration has determined that this report would be appropriately directed to Planning.

Planning and EESD staff have met with their counterparts at the Town of Middlesex Centre to discuss the servicing and planning issues and have collaborated on the preparation of this report.

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| <b>COMMENTARY</b> |
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What are the provisions of the existing sewage and water servicing agreements?

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 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 which is part of the Adelaide PCP collection system.

The request was recommended for approval by the Commissioners of Planning and Development and Environmental and Engineering Services on the grounds that it would contribute to improvements to water quality in Medway Creek and help to resolve sewage disposal issues at Medway High School; that all related costs would be borne by the Township; that the proposal conformed to the City's Official Plan policies for the extension of services and that limits on the amount of growth to be serviced could be set out in a servicing agreement. It was also noted that the agreement would be structured so that development charges for sewer service in the Arva area would always be equal to or higher than those in the City so that there was no financial advantage created for development outside of the City.

The recommendation was adopted and the April, 2000 servicing agreement was prepared. Some of the key provisions of the agreement include:

- The sanitary servicing would only be 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 of the City"
- The local collection system pump station and forcemain all to be built at the expense of the Township;



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- The Township to install and maintain meter equipment to record sewage flows into the City's system;
- The Township to pay a sewage treatment fee which at the time of the original agreement was \$0.0224 per cubic meter of sewage which was the equivalent to the sewer improvement tax rate charged to residential users within the City (current charges are \$1.54688 per cubic metre which is the City's 2010 sanitary servicing charge);
- The maximum sewage flow that the City would be required to receive would be an average of 175 cubic metres per day based on a two month rolling average;
- The City to receive a one-time payment of \$129,512 towards the capital cost of the treatment facility;
- The City and Township can mutually agree to increase the flows beyond 175 cubic metres provided that any increase used for post January 1, 2000 development would be subject to a cost that would be the greater of the sewage treatment component of the City's Development Charges By-law or the average of the Township's DC By-law charge for sewage treatment for Kilworth/Komoka and Ilderton; and,
- The City has the right at all times and in its sole discretion to restrict the amount of sewage it will receive in the event that there is a shortage in treatment capacity or a maintenance problem affecting the City's collection and treatment system and such restriction is comparable to limitations imposed within the City.

In June of 2000 and August of 2001, the agreement was amended to add development staging provisions, the effect of which are to limit development to an average equivalent of 10 new residential units per year with the total not to exceed an equivalent of 50 units during each five year period. Commercial development was limited to 1000 square metres of floor area per annum with a maximum cap of 4,500 square metres over 10years. The overall cap of 175 cubic metres of daily sewage flow remains in place.

The estimates in 2000 were that Arva had a population of approximately 350 residents and 113 dwelling units. The build out of the settlement area was projected at 810 residents and 297 units with a maximum of 4,500 square metres of commercial space.

The agreement, as amended, remains in effect.

The current water supply agreement applicable to the Arva Water Area originated in 1971. It has been modified numerous times, mostly in terms of additions and deletions of applicable areas, such as removing the "Northcrest-Uplands Water Area" due to annexation, and adding the "Ballymote Water Area". Through all the modifications, the original volumetric allocation has not been adjusted. The current "Arva Water Area", with its boundary adjustments over time, nearly accounts for the same area as the current boundaries identified in the current Sewage Treatment Agreement. Administratively, billings have been generated by actual volumes taken through meter readings, and using applicable water rates charges.

The current arrangement whereby the City provides both water and sanitary servicing provides for appropriate accounting, control, measurement, and delivery of both water and sewer utility services to the Town while ensuring protection of the City's infrastructure investments.

How much development has occurred in Arva under the terms of the servicing agreement?

Almost all of the new units built in Arva since 2000 have been part of two condominium townhouse developments, totalling 68 units, located on the east side of Richmond Street, north of the City boundary. Housing starts have averaged 7 units per year over that period. Middlesex Centre staff have estimated that Arva has a current population of 550. They have also advised that Medway High School has a current enrolment of 1,011 students.

What are the Relevant Provisions of the Middlesex Centre Official Plan

Arva is identified in the Middlesex Centre Official Plan as a "Community Settlement Area". Community Settlement Areas are intended to accommodate limited amounts of growth subject

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to servicing availability. Such areas are intended to develop on municipal services but if such services are not available, communal services may be considered if appropriate justification is provided. Interim development on less than full municipal service may be approved if provided for in a master servicing strategy pursuant to a Settlement Capability Study or Environmental Assessment. The Official Plan, which was adopted by Town Council in April of 2000, does not anticipate an expansion of the Arva Settlement Area during the 20 year planning horizon, as growth is to be mostly directed to the larger Urban Settlement Areas of Ilderton and Komoka – Kilworth. The 2008 update to the Official Plan did not result in any changes to the Settlement Area boundary for Arva or to the servicing policies that would apply.

Through its recent Official Plan Review, the Town determined that it has a 33 year supply of vacant land in its Settlement Areas to accommodate projected growth. From a Provincial Policy Statement perspective, projected growth is to be accommodated cumulatively across the various Settlement Areas and is not specifically allocated to specific centres. In other words, there is no policy basis for allocating a specific proportion of the Town's projected growth to Arva. Middlesex County is the approval authority for Official Plan amendments and subdivisions in Middlesex Centre. Middlesex County Official Plan policies would generally require that subdivision development occur on full municipal services.

What is the Development Potential of the Arva Settlement Area?

The remaining undeveloped lands within the Arva settlement include the 40 hectare area subject to a current subdivision proposal, as described in the following section, and a 10 hectare parcel on the east side of Richmond, north of Medway Creek. The latter parcel is subject to significant natural heritage constraints.

Town staff have estimated that full build-out of the Settlement Area would add 324 residential units and result in a total population of 1,547 (an increase of 995). At an estimated take-up of 15 units per year, the Settlement Area would reach full build-out in 21 years. They have also indicated that there are no vacant lands to accommodate new industrial, commercial or institutional growth within the Settlement Area.

What Development Has Been Proposed For Arva?

In early 2008, a subdivision development proposal for approximately 40 hectares of land located north and south of Medway Road, west of Richmond Street was submitted to the Town. The subject lands are located within the Arva Settlement Area. Approximately 20 hectares would be developable with the remainder to be set aside as Open Space due to flood and slope hazards. One hundred and eighty four residential units are proposed.

Documents submitted in support of the subdivision proposal focus on an amended agreement with the City as the optimum sanitary servicing solution for this development. The engineering consultant for the proponent has determined that there is sufficient capacity in the pump station and in the City's sewer network to accommodate the estimated flows from the development. The alternative of a package treatment plant to service Arva is briefly mentioned with an acknowledgement that such a proposal would necessitate detailed studies and an environmental assessment.

To date, the subdivision development has not progressed beyond the proposal stage as Town officials have taken the position that it is premature for lack of sanitary servicing.

What Are the Recommendations in the Town of Middlesex Centre Master Servicing Plan?

The Master Servicing Plan, which was completed earlier this year, deals with water, sanitary, storm, transportation and solid waste services for a twenty year period. The principal settlement areas within the Town are Ilderton, Delaware, Kilworth – Komoka and Arva.

With regard to sanitary services to support continued growth within Arva, three options were considered – do nothing, seek an amended agreement with the City to increase sewage flows to the City's system, or build a new wastewater treatment facility outletting to Medway Creek. "Do nothing" was the least preferred option as it would not accommodate the build out of the Arva settlement area. The recommended option is for Middlesex Centre to negotiate the terms of an amended sanitary agreement with the City of London to allow for development to occur within the current Settlement Area boundary. The Servicing Plan notes that if an agreement can not

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be reached with the City, Middlesex Centre may need to proceed with a Class EA as soon as possible. The third option to construct a new municipal wastewater treatment facility for Arva would require a municipal decision that a new plant is justified and in the interests of existing Arva residents. There would be several constraints to overcome such as finding a site that can meet buffer zone requirements and demonstrating that Medway Creek would have sufficient assimilative capacity to handle the outflows. Part of the justification process would likely include the consideration of an expansion to the Settlement Area to help offset the cost of the treatment facility.

What Policies in the City of London Official Plan Would Apply?

Policies in the City of London Official Plan that are relevant to the Arva servicing issue include:

Growth Servicing Policies

2.6.4.1      The City will apply the following policies to the planning, review and approval of General servicing proposals:

- viii)      The City will not extend municipal water and sewer services beyond the limits of the land designated for urban growth except as set out in policies 17.2.3 and 17.7.5

Sanitary Sewerage Policies

17.2.3      The City will not extend municipal sanitary sewerage services beyond the Urban Municipal Growth Area except for:

Sanitary Sewerage Services

- i)      the provision of services to areas of existing development that are experiencing health hazards related to their private Wastewater treatment systems or significant environmental problems, or
- ii)      the provision of services to areas within an adjoining municipality as provided for under an agreement between the City and benefiting municipality.

Section 17.7.5 references water supply in the same context as sanitary servicing described above.

On the basis of ii) above, Council's acceptance of an amended agreement to increase the amount of sewage flows from Arva would not contravene its Official Plan policies. It should be noted, however, that in 2000 the agreement also addressed existing health hazards and environmental problems related to private wastewater treatment systems, conditions which do not exist today.

Official Plan growth management and sanitary servicing policies are structured to promote the provision of full municipal services that are sufficient to accommodate planned growth within the City's Urban Growth Area in a timely, cost effective manner. Through the Growth Management Implementation Strategy major servicing infrastructure projects are being timed to co-ordinate with the staging of development approvals. As a consequence, there are current constraints within our own Urban Growth Area related to the lack of servicing availability and any consideration of measures to accommodate development in settlement areas outside of the City should take this into account.

How Much New Development Can Be Accommodated Under the Current Servicing Agreement?

A letter from Middlesex Centre dated July 27, 2010 estimates an existing population of 552 people in Arva plus a high school of 1,011 students. In accordance with the City of London Design Standards, the current population has a calculated average flow including infiltration that exceeds 175 m<sup>3</sup>/day already allotted by the 2000 agreement.

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That said, the flow monitoring at the pump station reveals that the monthly average between 2002 and 2009 was 120 m<sup>3</sup>/day. In general, the flows from Arva vary significantly on a month by month basis, having a peak month of 162 m<sup>3</sup>/day in 2004 but as low as 83 m<sup>3</sup>/day in December 2009.

The average monitored flow rates suggest that there is room for growth in Arva; however, the peak flow capacity is limited due to inflow and infiltration during rain events. The City will continue to request Arva to provide monthly average flow monitoring to ensure that the rolling 2 month average does not exceed 175 m<sup>3</sup>/day, in accordance with the 2000 agreement.

The City's water supply system can provide the projected volumetric water needs to meet the Town's projections through their existing connection to the City's transmission main, without compromise to the water supply needs of the City. The area proposed to be developed is within the current Arva Water Area service boundary.

Can the City's Sewer System and Treatment Facilities Accommodate Increased Flows from the Arva Settlement Area?

Town staff project an average of 15 housing starts per annum in Arva if the settlement area is built out. The potential 324 units would imply 21 years of growth in the community to 2031. For sanitary purposes, this would add approximately 995 people to its existing population of 552.

The projected ultimate build out population for the community of Arva is approximately 1550 people plus the high school of approximately 1100 people.

The City's existing sewer system can generally convey the ultimate projected flows. The Arva area was considered in the design of two of the City's trunk sewers as "external lands":

1. Medway Valley Trunk Sewer – The Arva flows could be diverted into a new trunk sewer that will run through the Medway Valley. The new trunk sanitary sewer is identified as a growth project in the latest Development Charges Study (AECOM, 2009). We note that the subdivision through which the trunk sewer would be routed is currently draft approved; however, we have not received a design submission to date. As an UWRF project, the timing of construction will be subject to the schedule of the developer.
2. Richmond Street Trunk Sewer – If servicing is required prior to the construction of the Medway Valley Trunk Sewer, there is also the option of conveying the flows from Arva through the Richmond Street Trunk Sewer; however, the 525 mm diameter pipe sections on Windermere Road would require upsizing between Richmond Street and Western Road. EESD notes that this area was subject to flooding in 2008, however, the cause of the flooding was identified as high wet weather flows coupled with the overflow at the Medway Pump Station (PS) not operating due to high levels at the Medway Creek outlet.

While both the Medway Valley and Richmond Street trunk sewer outlets are physically possible, this does not account for the fact that the Medway PS has had overflows during wet weather events as well as basement flooding for homes serviced by the section of pipe on Windermere Road. EESD is currently working with AECOM to address the overflows at Medway PS as part of the long term servicing plan for the sewershed.

Would Increased Flows from Arva Have Implications For the Amount of Growth That Can be Accommodated In our own Urban Growth Area?

Allowing increased sewage flows from Arva would not have any significant implications for the amount of growth that the City can accommodate within its own Growth Area. It would, however, reduce by up to 15 units per year the number of housing starts in the City and as a result, the City would forego development charge revenues (\$23,300 per unit for single detached dwellings). This can be offset by a negotiated payment towards the capital cost of the treatment facility as occurred at the time of the original agreement.

The ultimate proposed buildout average flow of 694 m<sup>3</sup>/day (0.694 MLD) from Arva is relatively small in comparison with the flows that are available for growth at the Medway PS. The Medway PS has a rated capacity of 51.8 MLD and it will likely need to be expanded beyond the 20 year period to address buildout within the City of London.

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From both a pipe capacity and treatment plant perspective, the City can manage more than 175 m<sup>3</sup>/day, subject to resolving the aforementioned limitations of the system at the Medway PS and the 525 mm section of pipe on Windermere.

As noted earlier in this report a number of principles were established in regards to the year 2000 agreement of which is noted here:

- The City and Town can mutually agree to increase the flows beyond 175 cubic metres provided that any increase used for post January 1, 2000 development would be subject to a cost that would be greater of the sewage treatment component of the City's Development Charges By-law or the average of the Township's DC By-law charge for sewage treatment for Kilworth/Komoka and Ilderton.

If the City is prepared to provide additional servicing to Arva, then it would be appropriate in this context for either the Town or the developer within the municipality to pay to the City the equivalent of the City's development charges in effect at the time in order to purchase capacity within the City's trunk system and at its treatment plants. Although the same provision ought to be applied for the provision of water, it is noted that the distribution costs will not increase with the anticipated growth allocation for the area and development under consideration and Water Supply charges are incorporated through primary rates and passed along through the rate structure. Current charges are noted in the following table:

|  | Single Family | Townhouse |
|--|---------------|-----------|
| Sanitary system charge                             | \$3,762       | \$2,699   |
| Water distribution charge (calc'd but not applied) | \$ 948        | \$ 680    |
| Water supply charge (calc'd but not applied)       | \$ 816        | \$ 586    |
| Total  | \$3,762       | \$2,699   |

The available information indicates an interest in developing in the order of 262 single family units and 62 townhouses over a period of approximately 20 years. The Town would need to clearly state its servicing objectives such that the City could incorporate same into the design of its future works.

In addition, consideration should be given to having the Town pay the going water and sewer rates plus a small premium for additional administrative costs.

The consideration for additional water and sewer servicing would be considered as an integrated service only, ie. the provision of Sewage servicing would be contingent with Water servicing.

What Are The Pros and Cons of the Middlesex Centre Proposal?

The following summary of points for and against the proposal to amend the existing servicing agreement is intended to assist Council in its deliberations. Council may want to seek input from the other interest groups before making any decision to take no action or to direct that negotiations for an amended agreement be initiated. Also, there is a need to clarify the Town's related request for water service.

Pros


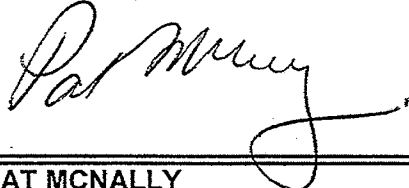
- Inter-municipal co-operation in the provision of services. The Provincial Policy Statement encourages co-ordination between municipalities on servicing matters which cross municipal borders, and recognizes current agreements.
- Directing sewage flows to the City's system is a cost-effective servicing solution for growth within the Arva Settlement Area. Continuing to utilize the existing water supply connection is also cost-effective.
- This is a preferred solution from an environmental perspective as it would avoid the potential of a new sewage treatment facility discharging to Medway Creek.
- Lessens the potential for future expansion of the Arva Settlement Area.
- Provides an opportunity for the City to have some control over the rate of growth in Arva including continued volumetric measurement and billing for water supply.
- The servicing requirements to support the estimated proposed growth in Arva can be accommodated within the City's system. The demand flows are relatively small in

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comparison to the City.

Cons

- Facilitating growth outside of our own Urban Growth Area. This will be negatively perceived by most London developers as a potential detriment to their competitive position and a loss of market for new units within the City.
- Facilitating peripheral growth that 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.
- The cap on sewage flows under the existing agreement has not yet been reached so there is residual capacity to accommodate some new growth.
- Part of the rationale for the existing agreement was the need to remediate environmental problems. This circumstance no longer exists.

| PREPARED AND RECOMMENDED BY:  | PREPARED AND RECOMMENDED BY:  |
|---|---|
|  |         |
| <b>ROB PANZER</b><br>GENERAL MANAGER, PLANNING & DEVELOPMENT                        | <b>PAT MCNALLY</b><br>GENERAL MANAGER, ENGINEERING & ENVIRONMENTAL SERVICES & CITY ENGINEER |

September 17, 2010

RP/mh

cc:

Y:/users/mhicks/wpdocs/planning.div/2010/PC Report – Request from Town of Middlesex Centre Sanitary Servicing for Arva

APPENDIX 'A'

LETTER FROM MIDDLESEX CENTRE DATED MARCH 11, 2010



# MIDDLESEX CENTRE

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March 11, 2010

City of London  
London City Hall  
300 Dufferin Avenue  
London ON N6A 4L9

Attention: Chair and Members of the Environment and Transportation Committee

**RE: Request for Delegation Status – March 22, 2010 ETC Meeting  
Municipality of Middlesex Centre – City of London  
Wastewater Treatment Agreement for Arva**

In 2009 Middlesex Centre commissioned a Master Servicing Study for the Municipality in support of its 5 year Strategic Plan. The 2010 Master Servicing Plan is a strategic document looking forward for a period up to 20 years and was carried out in accordance with Phases 1 and 2 of environmental assessment requirements.

A component of the document focused on the community of Arva and recognized current development interest with the resultant need for increased wastewater treatment capacity. The preferred option identified for Middlesex Centre is to approach the City of London with a request to have the existing Sanitary Agreement amended.

As neighbouring Municipalities it is to be expected that such a proposal would need to show benefits for both London and Middlesex Centre. The following summary provides some key elements in this regard.

1. Beneficial Business Arrangement

- ✓ Current 2001 Agreement provides community treatment service to Middlesex Centre (Arva) at an economic gain for London
- ✓ Medway High School in Arva which has recently undergone a major expansion is a significant part of the Education System in the area
- ✓ Middlesex Centre in its Official Plan has committed to maintaining Arva as a community settlement area thereby limiting capacity needs
- ✓ Renewed Agreement would demonstrate further cooperation for the benefit of the residents and the environment
- ✓ Preference to expand the Arva treatment capacity through the London agreement rather than a new treatment facility intending to avoid a possible area expansion for economic reasons and such would have a greater impact for both Municipalities



# MIDDLESEX CENTRE

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2. Planning Policies
  - ✓ The current Middlesex Centre Official Plan identifies Arva developing within its current settlement boundary
  - ✓ The Official Plan further speaks to new development having to occur on full municipal services
3. Southwest Economic Alliance (SWEA)
  - ✓ Both Middlesex Centre and London are supporters of the SWEA message
  - ✓ Future planned community development will contribute to economic growth opportunities in the region and primarily for London
  - ✓ Middlesex Centre is represented as part of the County of Middlesex and there are numerous beneficial partnerships in existence between the County and London such as the land ambulance service and social services programs
4. Social and Cultural Common Interests
  - ✓ Middlesex Centre and London share in their support of a variety of interests as many Middlesex Centre residents and businesses have demonstrated. Examples include the entertainment venues in London and Middlesex Centre's consultation with London in planning our new Community Wellness and Recreation Centre in Komoka, close to London's southwest area
5. Cross Boundary Cooperation
  - ✓ Middlesex Centre and London are already linked through our transportation network systems and we continue to work together as more environmentally friendly and efficient modes of public transportation are being considered in and through our municipalities
  - ✓ Existing water supply agreements have been present for some time between Middlesex Centre and London supplying Lake Huron water to Arva, Ballymote and Delaware
  - ✓ Other sharing opportunities have already been mentioned through the Education System and social venues

With this information in hand Middlesex Centre Council respectfully requests delegation status at the March 22, 2010 ETC meeting.

Yours truly

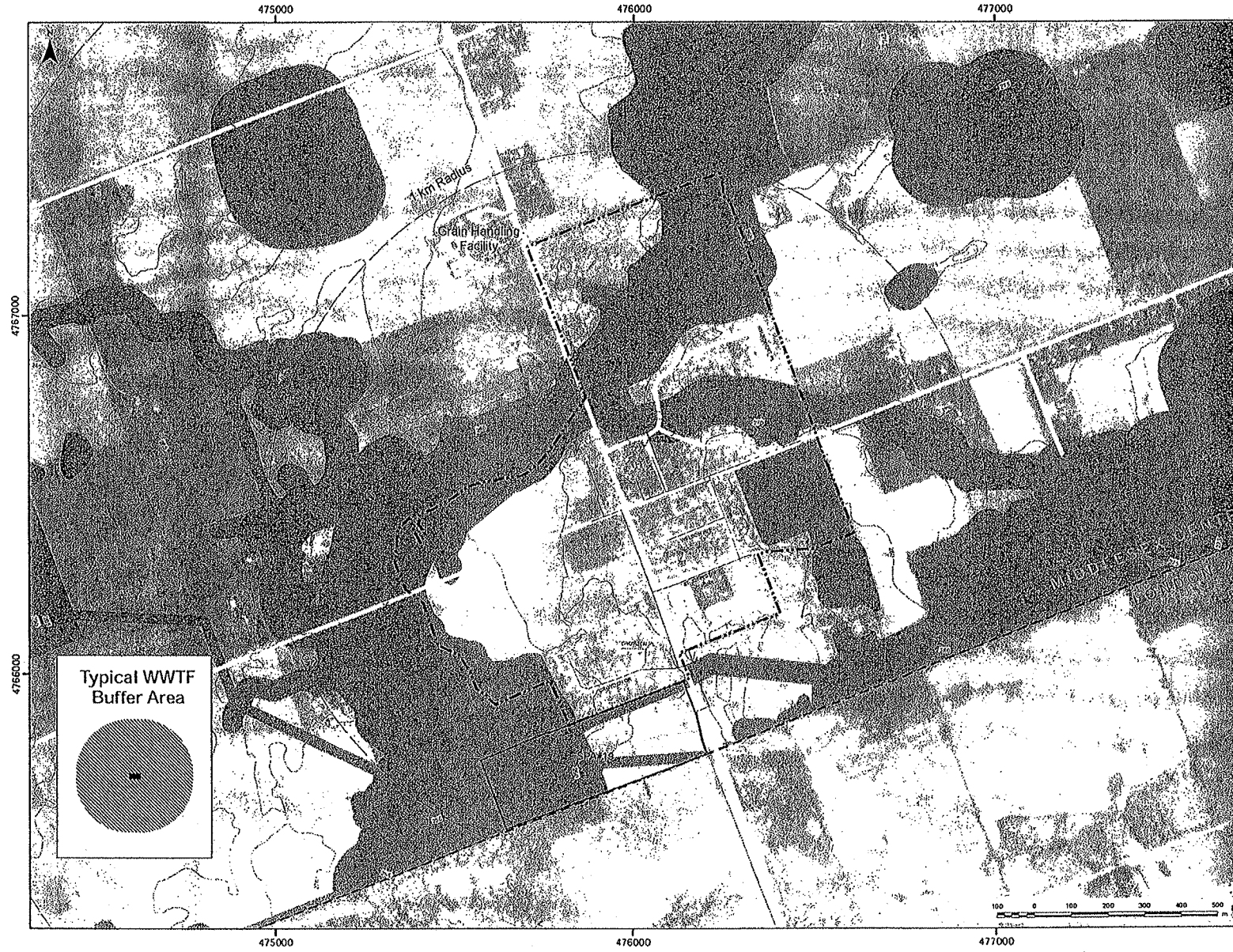
A handwritten signature in black ink, appearing to read "Al Edmondson".

Al Edmondson, Mayor  
Middlesex Centre

c. Mayor Anne-Marie DeCicco - Best



APPENDIX 'B'  
ARVA SETTLEMENT AREA



- Legend**
- Typical WWTF (~ 500 m<sup>2</sup>/day)
  - 150 m Buffer Area
  - 5 m Contour
  - Sanitary Sewer or Forcemain
  - Watercourse
  - Municipal Boundary
  - Planning Constraints
  - Official Plan Settlement Area
  - Official Plan Landuse**
    - Hamlet
    - Natural Environment
    - Parks and Recreation
    - Residential
    - Settlement Commercial
    - Settlement Employment
    - Rural Industrial
    - Village Centre
  - Special Policy Area

**Notes**  
Not an official planning document. Consult appropriate agencies for policies and mapping. Data used under license with Middlesex Centre and the Ontario Ministry of Natural Resources. Projection: UTM Zone 17N, NAD 1983

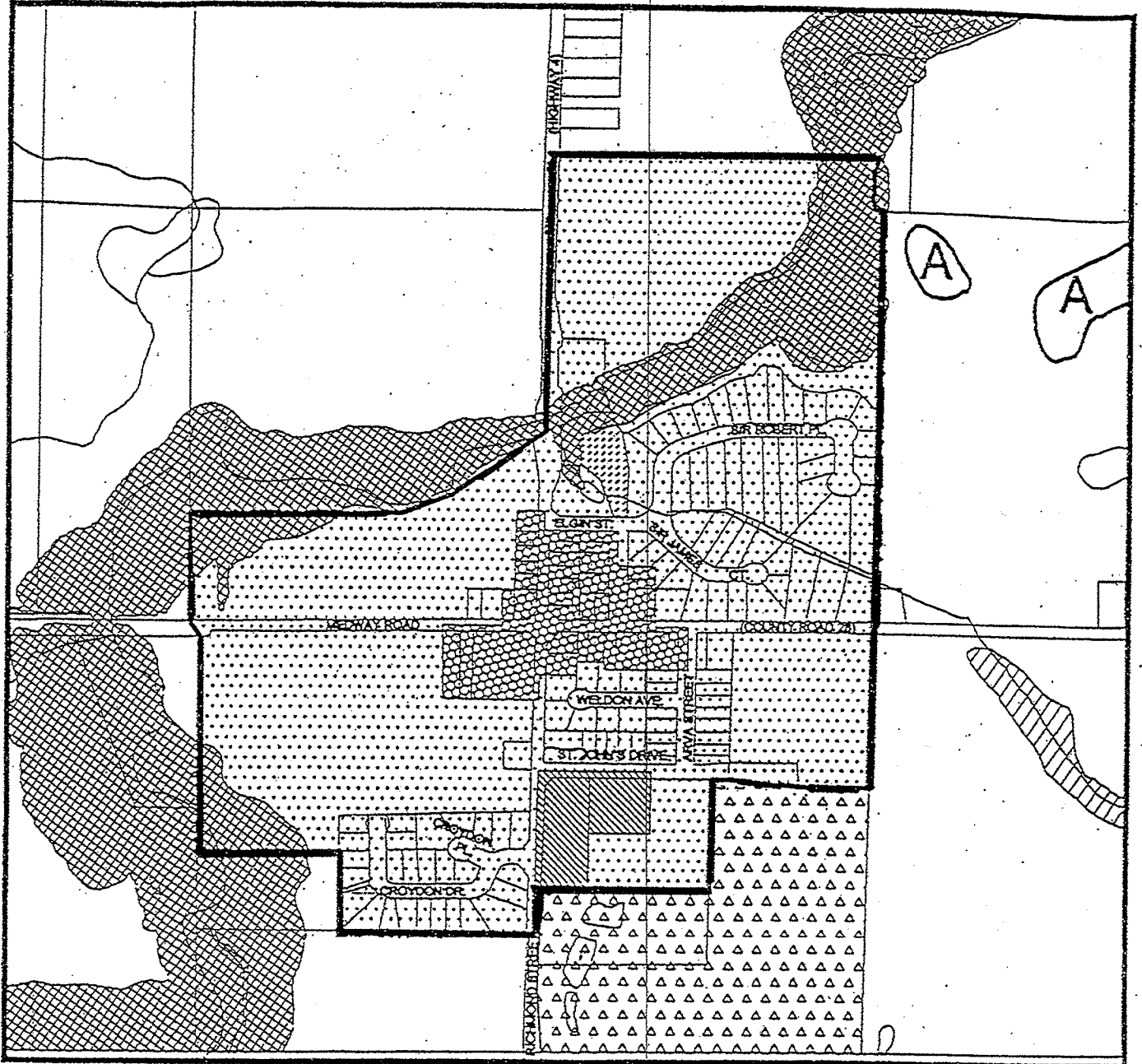
**Project**  
Middlesex Centre  
Master Servicing Plan

| Figure No. | Revision No. | Date      |
|------------|--------------|-----------|
| 4.3        | 2            | Feb. 2010 |

**Title**  
Arva Area

APPENDIX 'C'

ARVA SEWAGE SERVICE AREA



Legend

— Boundary of Arva Sewage Service Area



SCALE 1:10,000