

Report to Planning and Environment Committee

To: Chair and Members
Planning and Environment Committee

From: Kelly Scherr, P.Eng., MBA, FEC
Deputy City Manager, Environment and Infrastructure
Scott Mathers, MPA, P.Eng
Deputy City Manager, Planning and Economic Development

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

Date: February 21, 2023

Recommendation

That, on the recommendation of the Deputy City Manager, Environment and Infrastructure, and the Deputy City Manager, Planning and Economic Development, regarding the request by the Municipality of Middlesex Centre for an amendment to the servicing agreement between the Municipality and the City of London, the following report **BE RECEIVED** and that:

- a) authority **BE DELEGATED** the Deputy City Manager, Environment and Infrastructure, or the Deputy City Manager, Planning and Economic Development to approve an amendment to the Agreement removing the annual and five year limits on units added; and
- b) the Mayor and the City Clerk **BE AUTHORIZED** execute the amendment to the Agreement approved by the Deputy City Manager, Environment and Infrastructure, or the Deputy Ceity Manager, Planning and Economic Development

Executive Summary

Purpose

The purpose of this report is to provide Council with information on the existing agreement with the Municipality of Middlesex Centre for sanitary servicing for the Arva Settlement Area, and the amendment to the agreement that has been requested by Middlesex Centre.

Context

The City of London provides Wastewater Servicing to Arva via a pumping station owned and operated by Middlesex Centre that discharges to the City of London sanitary sewer collection system. Middlesex Centre is currently undertaking a Master Servicing Plan, which includes examining alternatives for the provision of wastewater treatment in the settlement areas such as Arva.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

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

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

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

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

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

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

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

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

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

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

2.0 Discussion and Considerations

2.1 History

In early 2000, the City received a request from the Township of Middlesex Centre to allow sanitary sewage flows from the hamlet of Arva to be directed into the City's sewer system with all related costs to be borne by the Township. The request followed an environmental assessment 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 negotiated agreement was clear in expressing that the servicing was being provided for *"existing development in the Arva Sewage Service Area pending finalization of negotiations on the staging of development in the growth area and that there shall be no extension of its sanitary sewer system beyond the limits of the Arva Sewage Service Area without the approval by the City"*.

In 2010, 2011, 2013, and in 2015, Middlesex Centre officials requested that City Council consider having the existing sanitary servicing agreement amended to increase the amount of sanitary sewage flows directed from the Arva settlement area into the City's sanitary collection and treatment system. An amended agreement was drafted following the September 2017 report to the Planning and Environment Committee but was never finalized. At this time the agreement signed April 3, 2000 is still in effect.

2.2 Planning Context

Decisions regarding the agreement to provide sanitary services to Middlesex Centre have centred around the pros and cons summarized below. These are the factors that resulted in the annual and five-year caps on the number of units that could be developed.

Pros

- Inter-municipal co-operation in the provision of services. The Provincial Policy Statement encourages co-ordination between municipalities on servicing matters which cross municipal borders, and recognizes current agreements.
- The London Plan allows the provision of services to an area in an adjoining municipality where it was previously approved and/or provided for under an agreement between the City and the benefitting municipality [462].
- Directing sewage flows to the City's system is a cost-effective servicing solution for growth within the Arva Settlement Area.
- This is a preferred solution from an environmental perspective as it avoids 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.
- The servicing requirements to support the estimated proposed growth in Arva are accommodated within the City's system. The demand flows are relatively small in comparison to the City.
- No discharge of flows into the Medway Creek.

Cons

- Facilitating growth outside of the City's Urban Growth Area may be negatively perceived by London developers as a potential detriment to their competitive position and a loss of market for new units within the City.
- Facilitating peripheral growth 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.
- While the cap on sewage flows under the existing agreement has not yet been reached, there is residual capacity to accommodate some new growth.
- Part of the rationale for the existing agreement was the need to remediate environmental problems with individual on-site septic systems. This circumstance no longer exists.

2.3 Current Request for Amendment

The City received a request via letter from Middlesex Centre dated November 25, 2022 requesting that the agreement be amended to remove the annual and 5-year caps on the number of units that may be added. This would not amend the agreement to permit any additional units beyond what was contemplated in the existing agreement. The current Agreement provides for the equivalency of 10 units per year, with the total number not to exceed an equivalency of 50 units in each five year period.

This amendment will not accommodate the full development potential of the Arva settlement area. The capacity for growth and development within the settlement area would still be controlled by the agreement with the City of London.

Staff believe it is reasonable to amend the Agreement to remove the annual cap of 10 unit equivalencies per year, but retain the maximum allocated capacity of 175 m³/day and peak flow of 29.6 L/s. This would retain control over the total growth, but would remove any annual control or monitoring of the rate of growth in Arva by the City. Staff

have advised Middlesex Centre that we do not currently have capacity beyond the 175 m3/day to allocate to them. As such, Middlesex Centre has not requested an increase in the total or peak flows at this time.

3.0 Financial Impact/Considerations

There is no overall change in costs to the City as a result of the proposed change. Middlesex Centre is charged at the residential rate for London users.

Conclusion

The Municipality of Middlesex Centre is seeking to remove the annual and 5-year caps on the number of units built in order to allow growth in Arva. They are not currently requesting any additional sanitary servicing capacity beyond what has been previously allocated in the existing sanitary servicing agreement. As such, the City of London's sanitary sewer system can accommodate the removal of the staged capacity allowance.

When this matter was previously raised in 2017, the City was prepared to amend the current agreement to provide for this request and an amended draft agreement was prepared to remove the annual and 5-year caps on the number of units permitted.

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 provision of sanitary servicing to communities outside of the City's boundary is in conformity with The London Plan.

City Staff are seeking direction to confirm that Municipal Council supports the amendment of the current servicing agreement with the Municipality of Middlesex Centre to remove the caps on the number of units permitted.

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Recommended by: Kelly Scherr, P. Eng., MBA, FEC
Deputy City Manager, Environment & Infrastructure

Scott Mathers, MPA, P.Eng.
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cc: Rob Cascaden, Municipality of Middlesex Centre
Heather McNeely, Director, Planning and Development MCIP, RPP