

REPORT TO: Finance and Corporate Services Committee
DATE OF MEETING: February 27, 2012
SUBMITTED BY: Grant Murphy, Director of Engineering, 741-2410
PREPARED BY: Nick Gollan, Manager, Stormwater Utility, 741-2422
WARD(S) INVOLVED: All
DATE OF REPORT: February 15, 2012
REPORT NO.: INS-12-025
SUBJECT: STORMWATER CREDIT PROGRAM – PUBLIC CONSULTATION FOLLOW-UP

RECOMMENDATION:

That stormwater credit schedules as specified in Appendix B and C of report INS-12-025 be approved and come into effect on October 1, 2012 with eligible credits applied retroactively to January 1, 2011; and,

That the proposed by-law in Appendix D of report INS-12-025, amending the existing By-law 2011-153 (Storm Water Charge By-law) be approved; and further,

That one (1) engineering technologist position (full-time), one (1) program assistant position (full-time), and two (2) engineering co-op student positions (May-August annually) be hired beginning in March 2012 so as to enable the advance of stormwater related programs and the stormwater credit program.

BACKGROUND:

On January 9, 2012 staff provided Council with the recommended stormwater credit policy and proposed rate change. The objective of the proposed stormwater rate credit policy is to encourage the implementation of measures on private property in order to reduce total runoff volume and pollutant loading discharged to the city's stormwater management system, as well as to reward those properties which already have this type of best management practice in place.

This report provides additional information based on inquiries and concerns raised by delegations and members of the Financial and Corporate Services Committee on January 30th related to the proposed stormwater rate credit policy. As such, a decision on stormwater rate credit policy recommendations was deferred to February 27, 2012.

REPORT:

In addition to previous public consultation, staff have had further dialogue with interested parties including the City's Environmental Committee with respect to the recommended credit policy.

On February 16, 2012, staff presented the proposed credit policy to the Environmental Committee. Key components of the policy were highlighted along with the funding that could be received from the Ministry of the Environment to implement a public outreach and education program in conjunction with implementing the credit policy. The committee showed strong support for the implementation of the public outreach and education program. The success and effectiveness of the residential credit policy will be largely based on the city's ability to raise awareness through public education (particularly in the lower tiers). The RAIN program will focus on community outreach and providing residential property owners an opportunity to increase their efficient use of our water resources and subsequently the amount of credit they receive. At the same time this will provide staff an opportunity to evaluate the effectiveness of the program and report back to council on an annual basis as part of the annual stormwater management audit and make recommendations at those times.

On January 9, 2012, a delegation appeared on behalf of the residents of the Queens Heights Condominium. A follow up meeting between staff and the delegation members took place on February 13, 2012. It was resolved that condominium boards were an important avenue to help residents apply for the maximum credit to the stormwater portion of their quarterly utility bill. It was agreed that as part of the RAIN program, staff would identify education opportunities that would engage condominium boards as well as condominium residents to identify opportunities to maximize the potential credit that condominium owners would receive (i.e. public outreach).

On January 9, 2012, residents of the Grand Hill Village Association were concerned that their properties did not produce any stormwater runoff and as such they should be exempt from having to pay the stormwater rate. Staff have reviewed the 32 properties in the area and topographic information shows that approximately 23 of the 32 properties, discharge run-off onto the City's right-of-way (ROW), thereby using the city's stormwater system (e.g. swales and ditches). It appears that 9 properties receive run-off from the City's ROW and that this run-off is then discharged toward the Grand River behind their properties. Upon application, these properties would be eligible for the maximum 45% credit under the residential stormwater credit policy. It also should be noted that under the stormwater utility, all but two (2) properties in this area contribute less funding to stormwater than they did under the tax model due to the shift in funding from the residential sector to the non-residential sector. All properties also have the potential to reduce their stormwater fees even further with the implementation of the credit policy. This additional information was provided to the Grand Hill Village Association by email on February 2nd.

On February 6, 2012, delegations representing the Waterloo Region Chamber of Commerce and Landscape Ontario highlighted that they represent a number of companies in the area that provide stormwater management solutions and that many companies have implemented "green solutions" around the region. They wanted to ensure the RAIN program was not in competition with existing services provided by local business. Staff have clarified the RAIN program is a community outreach and education program that would generate additional opportunities for local businesses to implement stormwater management solutions. On February 13th, the opportunity to be engaged in developing the RAIN program and being members of the expert panel that is to be formed in the coming weeks was extended to these delegations.

In relation to the residential credit policy, a concern was raised about the expected uptake in credits by single detached residential property owners. It was suggested that homeowners who have 1 or 2 rain barrels, should receive a 25% credit instead of 9% as currently proposed and that credit tiers should be collapsed from the current 5 tiers to 3, thereby increasing the costs of

the proposed residential credit program from \$222,679 to \$299,624 (a difference of \$77,000 in 2011).

Typically stormwater devices that hold more water cost significantly more, because they are typically placed underground and are more difficult to construct. As such, these property owners will lose the incentive to maintain these devices if the tiers are substantially compressed and more incentives are provided to property owners that have spent significantly less for the equivalent amount of stored rainfall volume. Further, with a larger credit come higher administrative costs as it would be expected that more resources would be focussed on inspecting and evaluating those properties with a 25% credit. Whereas, the lower tier (9% credit) would require less oversight and is viewed more as an educational awareness opportunity for the residents. At this time, staff do not recommend making a change to the proposed residential credit policy.

Regarding staff consultation with the owners of River Edge Golf Course, between January 9th and February 17th, while similar circumstances apply in that the property is receiving runoff from the City's ROW, staff noted some key distinctions:

- 1) the large size of the property, mostly made up of open space,
- 2) the amount of the land located in the floodplain, and
- 3) the implementation of large scale stormwater best management practices.

After further review by Legal Services, it is recommended that a change be made to the proposed non-residential credit policy to address these circumstances. This revision has been made to Appendix B and is shown in bold lettering. The implementation of the credit policy will provide for the mechanism for properties with similar circumstances to apply for the requisite stormwater credits.

PUBLIC CONSULTATION

Refer to INS 12-001

ALIGNMENT WITH CITY OF KITCHENER STRATEGIC PLAN:

Community Priority - Environment

"Continue to show leadership in the development of an environmentally sustainable community."
The City continues to ensure effective implementation of the stormwater management facilities in a sustainable and optimized manner in order to protect the environment and source water.

FINANCIAL IMPLICATIONS:

Refer to INS 12-001

COMMUNITY ENGAGEMENT:

Refer to INS 12-001

CONCLUSION:

It is proposed that two (2) policies be created – one for non-residential and multi-residential property owners, and another for residential property owners, due to the influence that they have over stormwater runoff, each of the credit policies are tailored to address specific issues.

Once the policy framework and necessary by-law amendments are in effect, staff will ensure they are implemented as soon as possible, so that customers can begin receiving stormwater credits.

ACKNOWLEDGED BY: Pauline Houston, Deputy CAO Infrastructure Services Department

Appendix A – Schedule ‘A’ Stormwater Rate Schedule

Appendix B – Schedule ‘B’ Stormwater Non-Residential and Multi-Residential Credits

Appendix C – Schedule ‘C’ Stormwater Residential Credits

Appendix D – Stormwater Charge Bylaw Amendment

4. CAO-12-008 - CREATIVE COMMUNITIES PROSPERITY FUND APPLICATION (CONT'D)

project. She explained that the fund will provide up to 80% of the budget of which a portion will be for a consultant and, the remainder will come from the capital account.

In answer to questions if staff could undertake the work a consultant is being retained to do, Ms. York advised that a consultant was retained for limited work on Culture Plan 2 however it is anticipated there will be extensive involvement from the community for the proposed plan and it will be very difficult for staff to undertake this work. She added that should there be no funding from the Province, then staff will have to investigate other options on how to proceed.

Councillor J. Gazzola suggested that the planned project could be led by in-house staff much like it was done for Culture Plan 1 and for the most part with Culture Plan 2. In addition, one of the recommendations from Culture Plan 2, was for additional staff for Arts & Culture. He added that there are other Arts & Culture projects that would benefit from additional funding. Councillor K. Galloway suggested that the time is right to undertake this project however; there has been frustration with respect to implementing parts of the Culture Plan 2 due to lack of resources and staff. She pointed out that there is currently only 1.5 FTEs dedicated to Arts & Culture.

On motion by K. Galloway -
it was resolved:

"That staff preparation of an application to the Province of Ontario's Creative Communities Prosperity Fund be approved, conditional on the official announcement of the fund being available this year."

5. INS-12-025 - STORMWATER CREDIT POLICY - PUBLIC CONSULTATION FOLLOW-UP

The Committee considered Infrastructure Services Department report INS-12-025, dated February 15, 2012, concerning the proposed Stormwater Credit Policy.

Mr. J. Thompson, Chair of the KW Chamber of Commerce Environment Committee, advised that his landscape company along with other members of the Chamber have been involved with stormwater management and is pleased with the program. Mr. Thompson further advised that he was speaking on the matter to ensure the program is just and equitable and to ask that the clause contained in the staff report regarding increased staffing levels, be deferred to allow discussions to take place between the industry and current staff. He explained that the industry already undertakes work in this area and he wants to ensure there is no overlap of jobs and duties with city staff. In addition, Mr. Thompson requested that consideration be given to increasing the maximum credit limit beyond the proposed 45% in order that there is enough incentive for businesses and residents to implement measures on their properties related to managing stormwater runoff.

In answer to questions raised by the committee, Mr. Thompson suggested that the maximum credit should be 65-75% and for those properties that eliminate all runoff from the property that perhaps 100% credit should be considered. He further suggested that reviewing city staffing duties and ensuring no overlap with the private sector may create opportunities to save money that can be better spent within the utility.

Mr. Robert Hannah, representing the Grand Hill Village, advised that the Grand Hill Village has no infrastructure that impacts the city's stormwater management system and as such, he requested that the properties located within the village be exempt from the stormwater management fee. Mr. Hannah explained that the village does not have sanitary or storm sewers and that all water runoff is directed towards the 18 acre forest and wetland area where it is either absorbed into the ground or runs into the river. He added that the village property also handles runoff from outside the village. Mr. Hannah pointed out that the stormwater management utility is a fee for service yet, the Grand Hill Village does not receive the service.

Councillor J. Gazzola advised that with the introduction of the utility and fee, expenditures related to stormwater management were removed from property taxes and therefore a benefit to the village property owners. He added that the fee also goes towards stormwater management projects that benefit the entire community such as the Victoria Park Lake. Mr.

5. INS-12-025 - STORMWATER CREDIT POLICY - PUBLIC CONSULTATION FOLLOW-UP
- (CONT'D)

Hannah responded that the issue is not about the amount of fee but the principle that it is a fee for service which is not being provided to the property owners and therefore should not be paid. He added that the formula being used to calculate the fee should be changed in order to separate direct service of stormwater management from the larger community wide system.

Mr. R. Tester, representing Landscape Ontario, advised that the landscape industry agrees with the introduction of a stormwater utility but feels that the current fee structure and proposed credit policy does not create enough incentive for property owners to install systems to assist in reducing water runoff. He added that in order to create an incentive, the maximum credit should be based on the work required for a property and be increased to 75-90%.

Mr. G. Murphy then reviewed the staff report advising that staff met with interested parties with respect to the proposed credit policy. Mr. Murphy further advised that staff investigated a suggestion to reduce the number of credit tiers from 5 to 3 and increase the maximum credit for homeowners from 9% to 25% for those with 1-2 rain barrels. This would result in an increase of cost under the credit policy by approximately \$77K therefore, staff is not recommending any changes to the proposed credit policy. In regard to the recommended increase in staff, Mr. Murphy explained that staff will be required to administer the program, not to take away work being done by the landscape industry.

Councillor Gazzola raised a concern that the credit policy does not take into consideration pervious and impervious landscaping or the fact that a large property surrounding a house may contribute to reducing stormwater runoff. He suggested that entire properties need to be looked at in order to determine how much a property impacts the stormwater management system. Mr. Murphy advised that the intent of the residential credit policy as proposed is to provide a streamlined approach to determine approximate runoff and the credit tiers provide a reasonable credit rate. He added that in addition, there are other stormwater management systems that benefit property owners therefore, the utility deals with more than just runoff from a property. Councillor Z. Janecki pointed out that there appears to be some issues regarding the Grand Hill Village properties and suggested that staff should meet with the homeowners' representatives. Mr. Murphy advised that staff attempted to arrange a meeting but were unsuccessful however; staff are prepared to meet with the association to further discuss the issues.

On motion by Councillor B. Vrbanovic, the recommendation contained in report INS-12-025 was brought forward for the committee's consideration. Councillor Gazzola advised that he would bring forward a motion to amend the recommendation by increasing the maximum credit from 45% to 75%.

Several members of the committee raised concern that before any increase in the maximum credit is considered, information on the impact of such an increase should be provided in order to make a decision. It was pointed out that an increase in credits may result in the need to increase fees to ensure the utility is sustainable. It was also suggested that perhaps jumping to 75% credit is too much therefore, information on the impact of increasing the maximum credit should include 55% and 65%. Councillor Vrbanovic advised that in light of an amending motion to increase the maximum credit without benefit of further analysis, he would like to defer the matter to the March 5, 2012 council meeting.

On motion by B. Vrbanovic -
it was resolved:

That consideration of the following recommendation contained in Community and Infrastructure Services Department report INS-12-025 pertaining to a proposed Stormwater Credit Policy **be referred to the March 5, 2012 Council meeting**, to allow for additional information on the impact of a maximum credit of 55, 65 and 75 percent:

"That stormwater credit schedules as specified in Appendix B and C of report INS-12-025 be approved and come into effect on October 1, 2012 with eligible credits applied retroactively to January 1, 2011; and,

5. INS-12-025 - STORMWATER CREDIT POLICY - PUBLIC CONSULTATION FOLLOW-UP
- (CONT'D)

That the proposed by-law in Appendix D of report INS-12-025, amending the existing By-law 2011-153 (Storm Water Charge By-law) be approved; and further,

That one (1) engineering technologist position (full-time), one (1) program assistant position (full-time), and two (2) engineering co-op student positions (May-August annually) be hired beginning in March 2012 so as to enable the advance of stormwater related programs and the stormwater credit program."

6. CAO-12-009 - DELEGATED AUTHORITY FOR THE KITCHENER MARKET

The Committee considered Chief Administrator's Office report CAO-12-009, dated February 14, 2012, concerning delegating authority to sign agreements pertaining to the Kitchener Market.

Mr. R. Regier explained that due to the growing popularity of the Kitchener Market with more mid-week rental agreements and in order to simplify and streamline agreements, it is being proposed that the Market Manager be delegated authority to sign agreements. He added that this will formalize the existing practice and protect the city.

On motion by D. Glenn-Graham -
it was resolved:

"That the Kitchener Market Manager, and in his/her absence the Executive Director of Economic Development, be granted authority to sign all Kitchener Market License Agreements, Facility Rental Agreements and any amendments made thereto, to the satisfaction of the City Solicitor."

7. ADJOURNMENT

On motion, the meeting adjourned at 4:07 p.m.

R. Gosse
City Clerk

A further motion was brought forward by Councillor F. Etherington, seconded by Councillor J. Gazzola, to amend Paragraph 2 of Clause 5 of the Community and Infrastructure Services Committee report to increase the 2012 Tier 2 grant for the Cherry Park Neighbourhood Association (Cherry Festival) to \$10,000.

Councillor F. Etherington's motion was then voted on and **LOST** on a tied recorded vote with Councillors Y. Fernandes, D. Glenn-Graham, J. Gazzola, B. Vrbanovic, and F. Etherington voting in favour; and Mayor C. Zehr and Councillors S. Davey, P. Singh, B. Ioannidis, and K. Galloway voting in opposition. Councillor Z. Janecki was absent from this meeting.

A motion was brought forward by Councillor K. Galloway, seconded by Councillor P. Singh, to amend Paragraph 2 of Clause 5 of the Community and Infrastructure Services Committee report to approve a 2012 Tier 2 grant for the Cherry Park Neighbourhood Association (Cherry Festival) in the amount of \$9,888. (\$8,888. cash; \$1,000. in-kind for marketing and printing).

Councillor K. Galloway's amendment to Paragraph 2 of Clause 5 of the Community and Infrastructure Services Committee report was then voted on and was **Carried**.

Mr. Dave Van Dam, Monarch Landscaping, attended in support of Item B.3(i) of the Committee of the Whole agenda of this date with respect to Committee of Adjustment Submission No. FN 2012-001 (2 Westgate Walk).

Moved by Councillor Y. Fernandes
Seconded by Councillor J. Gazzola

"That the application of Peter Hodson & Vicki Gohl (FN 2012-001 – 2 Westgate Walk) requesting legalization of a brick fence under construction be used to support a pergola structure, having a height of 2.9m (9.51') rather than the permitted 2.44m (8.0'), as shown in the drawings provided with this application, on Lot 1, Plan 977, 2 Westgate Walk, **BE APPROVED.**"

Carried.

Mr. Doug Brunton, resident, Grand Hill Village, gave a presentation in opposition to the stormwater management fee being applied to the area of Grand Hill Village, as it has no infrastructure that impacts the City's stormwater management system. Accordingly, he requested that the properties located within the Village be exempt from the stormwater management fee. He displayed photographs showing the lack of sanitary or storm sewers in the Village and indicated that all water runoff is directed towards the 18-acre forest and wetland area where it either is absorbed into the ground or runs into the river. He commented that the stormwater management utility is a fee for service; however, the Grand Hill Village does not receive the service, and therefore should not have to pay this fee.

Mr. Rob Tester, Landscape Ontario, addressed Council requesting the maximum credit be increased above the currently proposed 45%, as a means of creating a greater incentive for property owners to install systems to assist in reducing water runoff. He stated that he received correspondence from Mr. G. Murphy, Director of Engineering, which clarified that there would be no overlap of jobs and duties between the private sector and City staff. He expressed concern with the role the Residential Energy Efficiency Project (REEP) would be taking with respect to community outreach through their RAIN program. He indicated a number of private sector companies already offer similar services, which would now have to compete with REEP, and requested REEP's role be changed to avoid a conflict.

Mr. Jeff Thompson, Chair, Greater KW Chamber of Commerce Environment Committee, advised that approximately 30 companies who belong to the Chamber provide stormwater management solutions in this area. He also expressed concerns with the role proposed to be undertaken by REEP and questioned if they would be able to provide the same level of expertise as their private sector counter parts. In addition, he requested that the maximum rebate provide through the Stormwater Management Credit Policy be increased to ensure greater uptake and reduce the demand on the City's stormwater management system.

Moved by Councillor S. Davey
Seconded by Councillor P. Singh

"That Clause 5 of the Finance and Corporate Services Committee report of this date, be adopted."

Councillor J. Gazzola questioned the formula used to calculate the financial effects of providing a maximum credit rate of 55%, 65% and 75%, compared to the recommended 45% maximum credit limit. In addition, he expressed concern with how the figures for the number of residential properties were derived; estimating that only 7,500 residential properties would apply for stormwater credits when the program is implemented; rather than the projected 8,300. He added his calculations of the starting point for non-residential properties indicate that the 75% credit level would impact the stormwater utility by \$466,000., as opposed to \$560,000. He suggested that the projected increased starting point lends itself to the conclusion that the higher the maximum credit rate, the greater the negative financial impact on the stormwater utility.

Mr. Murphy advised that the analysis assumes that for every 10% increase in the quantum of the maximum credit equates to an expected 10% increase in the number of potential applicants. He stated staffs' projection was determined by reviewing the building permit systems and engineering documentation for the number of properties with existing stormwater facilities. He added that staff is not assuming 100% uptake for all possible credit applications in the first year. He acknowledged there are many scenarios that could be developed by adjusting the rate of new applicants; however, the projected 8,300 was reached utilizing the best information available at this time.

Questions were raised regarding the need to incur costs to hire additional staff for the utility. Mr. Murphy advised that the volume of applications in the first year is anticipated to be high and staffing is needed to administer the process; as well as, to assist in public outreach and to ensure those receiving credit maintain compliance with functioning stormwater facilities. He added through discussions with Green Communities Canada it has been identified that approximately \$20,000. to \$30,000. may be available in 2012-2013 to assist with the costs related to the two engineering co-op student positions.

In response to the concerns raised by the residents of Grand Hill Village, Mr. Murphy advised that a review was undertaken of those properties and it was found that under the stormwater utility, all but two would contribute less funding to stormwater than they did under the tax model due to the shift in funding from the residential sector to the non-residential sector. He confirmed that all properties also have the potential to reduce their stormwater fees even further with the implementation of the credit policy.

A motion by Councillor J. Gazzola, seconded by Councillor D. Glenn-Graham, was brought forward to amend Paragraph 1 of Clause 5 of the Finance and Corporate Services Committee report to increase the maximum credit provided under the residential stormwater credit policy from 45% to 65%.

Councillor B. Vrbanovic expressed concern that the proposed increase from 45% to 65% could result in an unreasonable burden being borne by the stormwater utility. He added that in staffs' professional opinion, if the maximum stormwater credits were increased beyond 45%, a situation would be created where an inappropriate amount of funding is being allocated to credits and away from core stormwater activities. He stated that this would leave the utility in a negative balance for a prolonged period, which would not be prudent fiscal management of the utility in these early stages. He suggested that the credit policy could be re-visited in one to two years by which time the actual uptake would be known and the maximum credit levels could be adjusted accordingly.

Councillor Gazzola advised that he was in opposition to the establishment of the stormwater utility, but was hopeful that the subsequent credit policy would be fair and equitable. He stated that he can find no prior indication that the credit limit would be capped at 45%, and disagreed with the implication that 55% of the stormwater management fee would be applied toward common good projects. He questioned the validity of the figures used to compare the impact of a maximum credit of 55%, 65% and 75%, commenting that in his opinion, the stormwater utility could support an increased credit limit.

Councillor Gazzola's motion to amend Clause 5 was then voted on and **LOST** on a recorded vote with Councillors Y. Fernandes, D. Glenn-Graham and J. Gazzola voting in favour and Mayor C. Zehr and Councillors B. Vrbanovic, S. Davey, F. Etherington, P. Singh, B. Ioannidis, and K. Galloway voting in opposition. Councillor Z. Janecki was absent from this meeting.

Councillor Singh spoke to the previously proposed reduction of the number of credit tiers from 5 to 3, with an increase to the maximum credit for residential properties from 9% to 25% for those with 1-2 rain barrels. He questioned what the effect would be if the rate was only increased to 20%, as opposed to 25%, and the resulting impact on the remaining tiers. Mr. Murphy advised the proposed consolidation of Tiers 1 and 2 at a maximum credit of 20% would mimic the estimate given for the 25% increase. He suggested that if such a consolidation were pursued, Tiers 3 and 4 should be collapsed with a maximum credit of 30%; and, the existing Tier 5 should become the new Tier 3 with the maximum credit remaining at 45%.

A motion by Councillor P. Singh, seconded by Councillor B. Vrbanovic, was brought forward to amend Clause 5 of the Finance and Corporate Services Committee report to reduce the number of residential stormwater credit tiers in Appendix 'C' (Stormwater Residential Credits) from 5 to 3 as follows:

- Tiers 1 (200 - 400 L) and 2 (401 - 800 L) be collapsed into a new Tier 1 with the maximum available credit being 20%;
- Tiers 3 (801 - 2400 L) and 4 (2401 - 3200 L) be collapsed into a new Tier 2 with the maximum available credit being 30%; and,
- Tier 5 (3201 L or more) to now be referred to as Tier 3 with the maximum available credit to remain at 45%.

Councillor Singh's motion to amend Clause 5 was then voted on and **Carried** on a recorded vote with Mayor C. Zehr and Councillors B. Vrbanovic, S. Davey, F. Etherington, P. Singh, Y. Fernandes and J. Gazzola voting in favour; and, Councillors D. Glenn-Graham, B. Ioannidis, and K. Galloway voting in opposition. Councillor Z. Janecki was absent from this meeting.

At the suggestion of Mayor C. Zehr, it was agreed, that the stormwater credit schedule as specified in Appendix 'B' (Stormwater Non-Residential and Multi-Residential Credits) of Infrastructure Services Department report INS-12-025, outlined in Paragraph 1 of Clause 5 of the Finance and Corporate Services Committee report would be considered separately.

Appendix 'B' of Report INS-12-025 was then voted on and **Carried** on a recorded vote with Mayor C. Zehr and Councillors B. Vrbanovic, S. Davey, F. Etherington, P. Singh, D. Glenn-Graham, B. Ioannidis and K. Galloway voting in favour; and, Councillors Y. Fernandes and J. Gazzola voting in opposition. Councillor Z. Janecki was absent from this meeting.

A motion was brought forward by Councillor B. Vrbanovic, seconded by Councillor P. Singh, to amend Clause 5 of the Finance and Corporate Services Committee report by adding a paragraph directing staff to report back on the Stormwater Credit Policy in 2015, as a means of updating the new term of City Council.

Councillor Vrbanovic's amendment was voted on and **Carried** on a recorded vote with Mayor C. Zehr and Councillors B. Vrbanovic, S. Davey, F. Etherington, P. Singh, B. Ioannidis, J. Gazzola and K. Galloway voting in favour; and, Councillors Y. Fernandes and D. Glenn-Graham voting in opposition. Councillor Z. Janecki was absent from this meeting.

Paragraph 2 of Clause 5 of the Finance and Corporate Services Committee report of this date related to the proposed by-law in Appendix 'D' of Report INS-12-025, amending By-law 2011-153 (Storm Water Charge By-law) was then voted on and **Carried**.

A motion by Councillor Y. Fernandes, seconded by Councillor D. Glenn-Graham, was brought forward to amend Paragraph 3 of Clause 5 of the Finance and Corporate Services Committee report, to remove the engineering technologist and program assistant positions, but maintain the two engineering co-op student positions.

Councillor Fernandes suggested that consideration could be given to hiring the engineering technologist and program assistant positions during Council's 2013 Budget deliberations. She commented that in the interim, those roles could be accommodated by the two engineering co-op student positions.

Councillor Fernandes' amendment was voted on and **LOST** on a recorded vote with Councillors Y. Fernandes, J. Gazzola and D. Glenn-Graham voting in favour and Mayor C. Zehr and Councillors B. Vrbanovic, S. Davey, F. Etherington, P. Singh, B. Ioannidis and K. Galloway voting in opposition. Councillor Z. Janecki was absent from this meeting.

Paragraph 3 of Clause 5 of the Finance and Corporate Services Committee report of this date was voted on and **Carried** on a recorded vote with Mayor C. Zehr and Councillors B. Vrbanovic, S. Davey, F. Etherington, P. Singh, B. Ioannidis and K. Galloway voting in favour; and, Councillors Y. Fernandes, J. Gazzola and D. Glenn-Graham voting in opposition. Councillor Z. Janecki was absent from this meeting.

Mr. L. Gordon, Director of Supply Services, was in attendance with respect to the tenders listed on the Committee of the Whole agenda.

Moved by Councillor K. Galloway
Seconded by Councillor S. Davey

"That Tender T12-017 – Five (5) 4,037 kg (8,900 lb) G.V.W. Standard Extended Vans, be awarded to **Georgian Commercial Centre, Barrie, Ontario**, at their tendered price of \$124,500., plus H.S.T. of \$16,185., for a total of \$140,685."

A recorded vote was requested.

In Favour: Mayor C. Zehr and Councillors S. Davey, B. Vrbanovic, J. Gazzola, K. Galloway, P. Singh, B. Ioannidis and F. Etherington

Contra: Councillors Y. Fernandes and D. Glenn-Graham

Absent: Councillor Z. Janecki

Carried.

Moved by Councillor K. Galloway
Seconded by Councillor S. Davey

"That Quotation Q12-012 - Two (2) 4,491 kg (9,900 lb) G.V.W. High Roof Cargo Vans, be awarded to **Waterloo Nissan, Waterloo, Ontario**, at their tendered price of \$65,522.40, plus H.S.T. of \$8,517.91, for a total of \$74,040.31."

A recorded vote was requested.

In Favour: Mayor C. Zehr and Councillors S. Davey, B. Vrbanovic, J. Gazzola, K. Galloway, P. Singh, B. Ioannidis and F. Etherington

Contra: Councillors Y. Fernandes and D. Glenn-Graham

Absent: Councillor Z. Janecki

Carried.

Moved by Councillor K. Galloway
Seconded by Councillor S. Davey

"That Tender T12-023 - Three (3) Self Propelled Ice Resurfacers with a 2.66 Cu. Metre (94 Cu. Ft) Snow Tank, be awarded to **Zamboni Company Ltd, Brantford, Ontario**, at their tendered price of \$231,397.60, plus H.S.T. of \$30,081.69, for a total of \$261,479.29."

A recorded vote was requested.

In Favour: Mayor C. Zehr and Councillors S. Davey, B. Vrbanovic, J. Gazzola, K. Galloway, P. Singh, B. Ioannidis and F. Etherington

Contra: Councillors Y. Fernandes and D. Glenn-Graham

Projected Credit Payments – Kitchener Impact Analysis Summary

Non Residential & Multi Residential Credits

Known Since 2001:

176 cash in lieu payments

125 quality properties

232 quantity properties

Annual revenue from controlled sites:	\$ 913,861.00 (2011)
Total number of controlled sites:	246 (combined quantity and quality)
Average revenue per site:	\$ 3,715.00

Quality and Quantity

Assume every site directs 90% of impervious areas to quantity control and normal quality control is used for all affected areas.

= 0.9(0.10)(125)(\$3715)	= \$ 41,794.00 (pollution reduction)
= 0.9(0.25)(232)(\$3715)	= \$ 193,923.00 (flood prevention)

Education Credit

Assume 50% of controlled sites will also request education credit

= (246)(0.5)(0.05)(\$3715)	= \$ 22,847.00
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Total Non Residential & Multi Residential program cost = \$ 258,564.00

Residential Credits – Volumetric Method

Volume Captured	Credit
200 – 400 L	9%
401 – 800 L	18%
801 – 2400 L	27%
2401 – 3200 L	36%
3201 L or more	45%

Known since 2001:

16,103 rain barrels distributed by Region

4,884 residential building permits listed as requiring infiltration galleries

\$119 average annual stormwater utility bill for residential (2011)

59% uptake of program based on WRAS survey

Assume 80% residential properties had soils suitable for infiltration and 45% credit and 80% uptake.

$$= 0.8(4884)(0.8)(0.45)(\$119) = \$ 167,384.00$$

Assume 80% of rain barrels are on properties with 2 barrels per home and 9% credit.

$$= 0.80(16103) / 2 = 6,441 \text{ homes}$$

$$= 0.59(6441)(0.09)(\$119) = \$ 40,700.00$$

Assume remainder of barrels in 401 – 800L category with an average of 4 barrels per home and 18% credit.

$$= (16103-12882) / 4 = 805 \text{ homes}$$

$$= 0.59(805)(0.18)(\$119) = \$ 10,173.00$$

Assume 100 homes with cisterns or landscaping features in the 801 - 2400L category and 27% credit.

$$= 0.59(100)(0.27)(\$119) = \$ 1,895.00$$

Assume 100 homes with cisterns or landscaping features in the 2401 - 3200L category and 36% credit.

$$= 0.59(100)(0.36)(\$119) = \$ 2,527.00$$

$$\textbf{Total Residential program cost} = \$ 222,679.00$$

$$\textbf{GRAND TOTAL (2011)} = \$ 481,243.00$$

$$\textbf{TOTAL AFFECTED ACCOUNTS} = \textbf{8,300 Residential}$$

$$= \textbf{246 Non Residential / Multi Residential}$$



REPORT TO: Finance and Corporate Services Committee
DATE OF MEETING: January 30, 2012
SUBMITTED BY: Grant Murphy, Director of Engineering, 741-2410
PREPARED BY: Nick Gollan, Manager, Stormwater Utility, 741-2422
WARD(S) INVOLVED: All
DATE OF REPORT: January 23, 2012
REPORT NO.: INS-12-020
SUBJECT: STORMWATER CREDIT PROGRAM – JANUARY 9 2012
DEFERAL

RECOMMENDATION:

That stormwater credit schedules as specified in Appendix B and C of report INS-12-001 be approved and come into effect on July 1, 2012 with eligible credits applied retroactively to January 1, 2011; and,

That the proposed by-law in Appendix D of report INS-12-001, amending the existing By-law 2011-153 (Storm Water Charge By-law) be approved; and further,

That one (1) engineering technologist position (full-time), one (1) program assistant position (full-time), and two (2) engineering co-op student positions (May-August annually) be hired beginning in January 2012 so as to enable the advance of stormwater related programs and the stormwater credit program.

BACKGROUND:

On January 9, 2012 staff provided Council with the recommended stormwater credit policy and proposed rate change. A decision on the remaining credit policy recommendations was deferred to January 30, 2012.

REPORT:

The objective of the proposed stormwater rate credit policy is to encourage the implementation of measures on private property in order to reduce total runoff volume and pollutant loading discharged to the city's stormwater management system. Property owners would qualify for stormwater rate credits when they can demonstrate that their existing or proposed stormwater facilities or applied best management practices are functioning as approved. Please refer to INS 12-001 (January 9, 2012) for further details.

PUBLIC CONSULTATION

Refer to INS 12-001

ALIGNMENT WITH CITY OF KITCHENER STRATEGIC PLAN:

Community Priority - Environment

“Continue to show leadership in the development of an environmentally sustainable community.”
The City continues to ensure effective implementation of the stormwater management facilities in a sustainable and optimized manner in order to protect the environment and source water.

FINANCIAL IMPLICATIONS:

Refer to INS 12-001

COMMUNITY ENGAGEMENT:

Refer to INS 12-001

CONCLUSION:

It is proposed that two (2) policies be created – one for non-residential and multi-residential property owners, and another for residential property owners, due to the influence that they have over stormwater runoff, each of the credit policies are tailored to address specific issues.

Once the policy framework and necessary by-law amendments are in effect, staff will ensure they are implemented as soon as possible, so that customers can begin receiving stormwater credits.

The policies would be retroactive to the January 1, 2011 for all eligible property owners applying before March 1, 2013.

ACKNOWLEDGED BY: Pauline Houston, Deputy CAO Infrastructure Services Department

4. INS-12-006 - SHOWCASING WATER INNOVATIONS GRANT AWARD (CONT'D)

"That the Deputy CAO of Finance and Corporate Services be authorized to execute the two (2) Funding Agreements with the Ministry of the Environment to the satisfaction of the City Solicitor for the following two (2) projects:

1. RAIN: An Ecological Approach to Storm Water Management in Kitchener and Waterloo;
2. Beyond the Landfill: Finding Better Uses for Storm water Pond Sediments; and further,

That a Deputy CAO be authorized to sign any other requisite agreements with project partners to the satisfaction of the City Solicitor."

5. INS-12-020 - STORM WATER CREDIT PROGRAM - FINAL REPORT

The Committee considered Infrastructure Services Department report INS-12-020, dated January 23, 2012, concerning recommendations to implement a storm water credit program. In addition the Committee was in receipt this date of a fee schedule for the Grand Hill Village Association properties. The fee schedule outlines their potential credit amounts in the proposed structure of the Storm Water Credit Policy, including a comparison of their 2011 City tax versus 2012 with the inclusion of the storm water rate.

Councillor Y. Fernandes stated that members of the Environmental Committee had an initial presentation in October 2011, at which time the preferred alternative was not known and submitted comments based on the initial presentation. She expressed concerns that the Committee was not consulted to give input on the preferred alternative.

Mr. N. Gollan gave a follow up presentation on the implementation of the Storm water Credit Policy, advising that at Finance and Corporate Services Committee dated January 9, 2012, staff presented a recommendation for the City's Storm water Credit Policy contained in report INS-12-001. He noted that during that meeting Council expressed their concerns for the direction of the policy and requested additional information on the impact to residential homeowners. He provided some additional background information advising that in June 2010, both the City of Kitchener and the City of Waterloo approved the implementation of a storm water utility rate and since then staff have: provided Council a detailed Work Plan; hosted two public open houses; and, provided progress reports on the status of the project. He commented that the attendance at the public open houses was approximately 100 residents, of which 80% of the attendees comments favoured a Credit Policy for all property owners.

Mr. Gollan advised that the overall objective of the Storm Water Rate Credit Policy is to encourage homeowners to adopt storm water management options on their properties to reduce their runoff volumes and pollutants on the City's Storm water Management System. He indicated that staff is aware of properties that already have systems in place to mitigate their impacts on the storm water system and stated that those initiatives will qualify them for storm water credits. He further advised that staff have proposed two policy options: the first dealing with non-residential properties and multi-residential (greater than 5 dwelling units); and, other residential (5 or less dwelling units). He stated that each of the credit policies have been tailored to address specific issues.

Mr. Gollan noted that the credit policy percentages are based on a 2 year storm with any larger or less frequent event resulting in runoff coming from all properties and entering the municipal storm water system. These larger events will still have impact from residential property owners even though there may be the presence of a SWM facility because the ground may become saturated and no longer be able to absorb all of the property's runoff. He further advised that the City has spent the majority of 2011 completing research; analyzing; consulting with the public; and, reporting to committees. There has been a significant due diligence on the part of staff to begin implementation of the Storm Water Credit Policy. He stated that staff has currently identified July 1, 2012 as a start date, and any approval delays beyond the end of January 2012 will result in a delay of the implementation date. Mr. Gollan indicated that staff

5. INS-12-020 - STORM WATER CREDIT PROGRAM - FINAL REPORT (CONT'D)

realize that there has been some dissatisfaction with the policy as it stands; however, there are several residents that have identified value in the policy and the approach that is being proposed. He stated that staff is prepared to implement the program in its current form recognizing that adjustments will need to be made to the policies as we learn more about the uptake of the program and its effects on the community.

Councillor J. Gazzola suggested that this matter be deferred to the next Committee meeting to allow staff an opportunity to further consult with the residents of the Grand Hill Village Association, regarding the provided fee schedule, and the City's Environmental Committee. He stated that there are still many concerns that have been identified that have not yet been addressed and as Council has approved the Storm Water Rate with the provision that the Credit Policy would be retro-active back to January 1, 2011, any additional deferrals would not negatively impact implementation of the Credit system.

Councillor Y. Fernandes stated that she could support the deferral to allow further consultation with the Environmental Committee at its meeting scheduled for February 16, 2012.

Councillor D. Glenn-Graham stated that he could support the deferral. He noted that there is no doubt that a Storm Water Credit Policy will be implemented; however, he expressed concerns that some homeowners who feel they should be exempt will only be entitled to a maximum credit of 45%.

Councillor Z. Janecki questioned whether the homeowners in the Grand Hill neighbourhood were provided the fee schedule. Mr. Murphy advised that staff have tried to contact their Association representative without success but indicated that one area resident has advised that they intend to make a presentation at the February 6, 2012 Council meeting. Councillor Z. Janecki expressed support for the deferral to allow interested parties the opportunity to speak to the fee schedule.

Councillor S. Davey requested clarification on the Showcasing Water Innovations Grant award and whether a deferral would impact the City's ability to receive the approved funding. Mr. Murphy stated that he could not speak on behalf of the province but the deferral recommendation as proposed could still be forwarded to the province to show Council's intentions to approve a Storm Water Credit Policy.

Mayor C. Zehr questioned whether the proposed motion to defer should identify a date in which Council intends to deal with the Credit Policy, to demonstrate to the province that this is still an active initiative that Council is pursuing. Mr. Murphy advised that actions taken to date have indicated Council's intent to develop a Policy and suggested that a deferral motion could indicate Council's intent to further consider the matter at the February 27, 2012 Standing Committee meeting.

Mayor C. Zehr requested additional clarification on the implementation date and what impact a deferral would have on the July 1st, 2012 execution date. Mr. Gollan advised that a deferral to February 27 would likely delay the implementation to September 1 rather than August due to staffing challenges over the summer months and significant work that would have to be done on the billing system.

Councillor S. Davey questioned what additional information members of Council are specifically requesting to ensure that there is clarity as to expectations for the February 27 Committee meeting.

Councillors J. Gazzola and Y. Fernandes stated that they would not require any additional information themselves but would like staff to further consult with the Grand Hill Neighbourhood Association; and the Environmental Committee.

The following motion was then voted on by a recorded vote and **Carried**, with Councillors J. Gazzola, D. Glenn-Graham, Y. Fernandes, S. Davey, Z. Janecki, P. Singh voting in favour; and Mayor C. Zehr and Councillors B. Ioannidis, and F. Etherington voting in opposition.

5. INS-12-020 - STORM WATER CREDIT PROGRAM - FINAL REPORT (CONT'D)

On motion by Councillor J. Gazzola -
it was resolved

"That the following recommendation contained in Infrastructure Services Department report INS-12-020, dated January 23, 2012, **be deferred to the February 27, 2012, Finance and Corporate Services Committee meeting**, to allow staff an opportunity for dialogue with all interested parties, including: the Grand Hill Village Neighbourhood Association and the City's Environmental Committee:

'That storm water credit schedules as specified in Appendix B and C of report INS-12-001 be approved and come into effect on July 1, 2012 with eligible credits applied retroactively to January 1, 2011; and,

That the proposed by-law in Appendix D of report INS-12-001, amending the existing By-law 2011-153 (Storm water Charge By-law) be approved; and further,

That one (1) engineering technologist position (full-time), one (1) program assistant position (full-time), and two (2) engineering co-op student positions (May-August annually) be hired beginning in January 2012 so as to enable the advance of storm water related programs and the storm water credit program.'

6. ADJOURNMENT

On motion, the meeting adjourned at 3:19 p.m.

D. Saunderson
Committee Administrator

REPORTS ADOPTED BY COUNCIL

FINANCE AND CORPORATE SERVICES COMMITTEE – (CONT'D)

3. (Cont'd)

3. to abide by a set 60% monthly ratio of alcohol sales to gross refreshment sales (including food and other sundries), in other words alcohol sales will be limited to 60% of gross refreshment sales; and,
4. to stop serving alcohol by 2:00 a.m. daily, to stop serving alcohol by 1:30 a.m. daily on the outdoor patio area, and to clear all beverages and clients from the outdoor patio by 1:45 a.m. daily; and,
8. the outdoor patio area shall be enclosed by a fencing barrier constructed at a height of approximately 5' or greater to assist in preventing the passing of beverages or other objects over it and shall be constructed of material that will prevent the passing of beverages through it; and further,
9. no music (live or pre-recorded) shall be played in the outdoor patio area after 11:00 pm.

(Dealt with under Delegations and Carried, as Amended, on a recorded vote)

4. That the Deputy CAO of Finance and Corporate Services be authorized to execute the two (2) Funding Agreements with the Ministry of the Environment to the satisfaction of the City Solicitor for the following two (2) projects:

1. RAIN: An Ecological Approach to Stormwater Management in Kitchener and Waterloo;
2. Beyond the Landfill: Finding Better Uses for Stormwater Pond Sediments; and further,

That a Deputy CAO be authorized to sign any other requisite agreements with project partners to the satisfaction of the City Solicitor.

(Dealt with under Delegations and Carried)

5. That the following recommendation contained in Infrastructure Services Department report INS-12-020, dated January 23, 2012, **be deferred to the February 27, 2012, Finance and Corporate Services Committee meeting**, to allow staff an opportunity for dialogue with all interested parties, including: the Grand Hill Village Neighbourhood Association and the City's Environmental Committee:

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