



MEMORANDUM

City of Kitchener
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Date: December 16, 2011
To: Steering Committee Members
From: Nick Gollan and Nancy Corbett
cc: Working Group Members
Subject: **Credit Policy Development – Memorandum #5
Public Consultation Process**

INTRODUCTION

Early on in the development of the credit policy, it was recognized that public communication and outreach would be key to the success of the policy. To this end, during the initial implementation of the stormwater rate, when property owners requested additional information on the intended credit policy, staff added them to a stakeholder list. The public consultation process consisted of the following steps:

1. Partnership with the City of Waterloo and University of Waterloo Survey Research Centre to participate in the Waterloo Region Area Survey
2. Development of a Tactical Communications and Marketing Plan
3. Public Information Centre #1
4. Presentation at the Environmental Advisory Committee Meeting
5. Public Information Centre #2

As noted in Memo #1, research was conducted to identify best practices used by other municipalities in developing a stormwater credit and/or rebate policy as well as to share lessons learned. Details from the background research were previously presented in Appendix C and Appendix D.

Furthermore, Memo #1 documented the 2011 Waterloo Regional Area Survey (WRAS) that the the City of Kitchener and City of Waterloo partnered with the University of Waterloo to undertake. The survey results were provided in Appendix E.

The tactical communications plan set the framework for how progress during the policy development would be communicated to the public. The target audience included stakeholders actively involved in the stormwater rate development discussion, residential homeowners, multi-residential property owners, places of worship, business owners, institutional organizations, educational facilities industrial landowners and environmentalists. Market research was conducted via the Waterloo Region Area Survey related to practices and opinions on the desired outcome of the credit policy. Finally, key messages that were the focus of the communications plan were:

- The City of Kitchener and the City of Waterloo are conducting consultations on a stormwater credit policy,
- In Kitchener, council has directed that credits and/or rebates be applied for stormwater fees paid since January 1, 2011,

- The credits, combined with education, will ensure uptake of stormwater management best practices that will conserve treated municipal water and recharge groundwater aquifers,
- The city has information for property owners on best practices for conserving water and managing stormwater. Practical how-to information and basic skills to implement these practices are therefore available,
- Changes to a property and practices that mitigate stormwater impacts will reduce the stormwater rate on the regular municipal utility bill.

Two public information centres were held in both Kitchener and Waterloo between the months of September and November.

Public Information Centre #1 for the City of Kitchener was held on September 29, 2011 at the Downtown Community Centre. Notices for the public information centre were placed in The Record and a copy of the notice is included in Appendix I. The purpose of this information centre was to explain the role of stormwater management and provide a description of the alternatives being considered for the credit program. The format of the information centre included a number of information boards with staff present to answer questions. The information centre boards are included in Appendix I. In addition, an information package was available to attendees which included a comment sheet as shown in Appendix I. A copy of all the comments received at Public Information Centre #1 as well as subsequent to the information centre is provided in Appendix I. In addition, a number of letters were submitted to staff in response to the first public information centre and these are also included in Appendix I. A summary of the comments received was compiled and is included in Appendix I.

Public Information Centre #2 for the City of Kitchener was held on November 23, 2011 at the Downtown Community Centre. Notices for the public information centre were placed in The Record and a copy of the notice is included in Appendix J. The purpose of this information centre was to discuss the evaluation of the alternatives and the preliminary preferred alternative for the credit program. The format of the information centre included a number of information boards with staff present to answer questions. The information centre boards are included in Appendix J. In addition, an information package was available to attendees which included a comment sheet as shown in Appendix J. A copy of all the comments received at Public Information Centre #2 as well as subsequent to the information centre is provided in Appendix J. In addition, a number of letters were submitted to staff in response to the first public information centre and these are also included in Appendix J. A summary of the comments received was compiled and is included in Appendix J.

The presentation at the Environmental Advisory Committee provided a rationale for the development of the credit policy as well as explaining the process that was followed and the preferred alternative. The presentation utilized the Public Information Centre boards from the second public information centre.

Many comments and inquiries were raised by the public during the consultation process about the scope and structure of the credit policy. The project team has taken many of the public comments into consideration in the proposed design of the stormwater credit program. The following responses are provided to specific policy and program issues.

1. *Can the proposed credit percentage of 45% be increased in order to encourage more people to participate at a greater scale?*

No. The appropriate upset limit of 45% credit off the stormwater portion of the utility bill amount is based on an assessment of the stormwater program costs that could potentially be influenced by the actions of property owners on the privately owned impervious areas.

Capital and operating programs that are funded by the stormwater utility include:

- a. Operation and maintenance of existing infrastructure
 - i. Preventative maintenance (e.g. cleaning stormwater ponds)
 - ii. Reactive maintenance (e.g. repairing collapsed culverts)
- b. Environmental compliance
 - i. Responding to chemical spills
 - ii. Stormwater monitoring
- c. Capital infrastructure program
 - i. System rehabilitation projects
 - ii. Stormwater pond retrofits
 - iii. Accelerated infrastructure renewal program
 - iv. Regional road projects
- d. General capital projects – corporate
 - i. Corporate information system enhancements
 - ii. Equipment acquisition and upgrades

For example, if every non-residential property installed an oil-grit-separator (a type of pollution reduction device) and properly maintained it the municipality could potentially expect to see a reduction in the cost to clean stormsewers, catchbasins and stormwater management ponds. The material that is typically deposited in this municipal infrastructure would actually be captured at the source and dealt with by the property owner. As another example, regardless of how many private properties install stormwater control devices we know the need to replace aging infrastructure will not be diminished in any way and the stormwater utility funds a portion of all infrastructure renewal projects (e.g. road reconstructions).

2. *Can rural, estate and agricultural properties be eligible for an exemption to the stormwater rate as opposed to receiving a credit for managing stormwater?*

No. All properties with impervious areas (hard surfaces such as roof tops, driveways, etc.) contribute stormwater runoff (precipitation that does not infiltrate into the ground but rather flows overland). In rural areas, this runoff is often directed to roadways, ditches and watercourses, all of which must be maintained by the City of Kitchener. In addition, stormwater runoff eventually ends up in our creeks and if left untreated, degrades the aquatic habitat and water quality of the streams.

The proper maintenance of our existing infrastructure as well as the retrofit and construction of new infrastructure will result in fewer pollutants being released in the environment. This in turn will result in fewer pollutants in our drinking water. It is important to understand surface water runoff and underground aquifers (underground rivers that public and private wells draw water from) are all connected and the impacts that pollution have on water affect both urban and rural properties. Since all of us rely on similar drinking water sources,

regardless of whether it is through a private well or city pipes, stormwater management and the management of water as a whole affects us all.

3. Has the City taken into account the costs to implement the credit program?

Yes. The next steps in implementing the credit program include modifying the existing billing system software, developing credit registration forms, developing public communication tools, processing application forms, reviewing engineering documentation and conducting on-site inspections. As much as possible, the application and program administration is being automated and will be designed to increase the efficiency of data input functions. We are also reviewing our existing business process to integrate the credit application for new customers who apply under the site plan review process.

While there will be costs associated with the administration of the credit program (approximately 1.3% of the total 2012 stormwater utility budget), the municipalities of Kitchener and Waterloo plan to reduce the mailing and administrative costs by working with neighbourhood and business associations and community service organizations to distribute municipal education programs and stormwater credit program materials.

4. Will the city inspect my property to ensure the best management practices are working correctly to divert stormwater from the municipal infrastructure?

Yes. For non-residential properties, each property will be inspected at the time of application to the program. In addition to the initial inspection, these properties will also have follow-up inspections as required based on a review of yearly self-certification reports that need to be submitted. It is anticipated that 250 non-residential and multi-residential properties will apply for and be eligible for stormwater credits at the time the program is implemented. The follow-up inspection is to ensure the stormwater best management practices are functioning as designed and proper maintenance is being carried out.

While for residential properties, it anticipated that 8,300 residential properties will apply for and be eligible for stormwater credits at the time the program is implemented. It is not

expected that every property that submits a stormwater credit registration form will be inspected. Similar to the way the Region of Waterloo does quality assurance/quality control testing with the low flow toilet rebate program, a sample of residential properties that are enrolled in the credit program will be inspected each year of the program.

Those properties found not to be complying with the requirements of the stormwater credit program will lose their stormwater credits and not be eligible to re-apply for a period of 12 months and not until the noted deficiencies have been rectified.

5. Will a credit be available for having large mature trees on my property?

No. In Kitchener, staff currently do not have enough information to quantify the benefits that trees provide to the municipal stormwater management system. It is proposed that the benefit of trees be studied further and if merit is found, to provide stormwater credits for certain types and sizes of trees, then this would be taken into consideration in the future.

6. *I own a property on the banks of one of the watercourses in the city; is there a stormwater credit for owning this type of riparian property?*

No. The natural watercourses throughout the municipality are considered part of the municipal stormwater management system. As identified in the 2008 stormwater management audit more than \$130M of stormwater pond retrofits and watercourse capital works are necessary over the next 20 years in order to meet local water quality targets. As all properties that have impervious surfaces also increase the amount of uncontrolled run-off entering our natural watercourses, there is no credit specific for riparian properties. These properties are still eligible for the other stormwater credits proposed in this policy.

7. *How do we apply for the stormwater credit and when can we begin to apply for it?*

Council approval for the stormwater credit policy is being sought on January 16, 2012. If approved, an implementation phase will begin during which the billing system modifications will be made and the stormwater credit application forms will be developed. Once these necessary steps and processes are completed the stormwater credit program will be in effect and approved customers will begin to see stormwater credits appear on their monthly utility bill. It is anticipated the stormwater credit program will be effective July 1, 2012, based on receiving Council approval on January 16, 2012. Property owners will also be able to apply for retroactive credits for a period of about 1 year after council approval. Customers would need to apply for retroactive credits prior to March 1, 2013 to remain eligible for retroactive credits.

Conclusion

The credit program will be presented to the City of Kitchener Council on January 9, 2012 (standing committee) and also on January 16, 2012 for approval. The public will have an opportunity to express their opinion at the January 9th meeting prior to a final recommendation being made by staff.