



## The Corporation of the Town of Tecumseh

Public Works & Engineering Services

**To:** Mayor and Members of Council

**From:** Phil Bartnik, Director Public Works & Engineering Services

**Date to Council:** October 10, 2023

**Report Number:** PWES-2023-61

**Subject:** Sylvestre Drive Sanitary Sewer Extension  
Part XII Cost Recovery By-Law Final Report

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### Recommendations

It is recommended:

**That** Report PWES-2023-61 titled “Sylvestre Drive Sanitary Sewer Extension, Part XII Recovery By-Law Final Report” **be received**;

**And that** the cost of the sanitary sewer system for the Sylvestre Drive Sanitary Sewer Outlet area **be assessed** against the benefitting lands within that area based on the Extension, Main and Lateral Charges in accordance with Part XII of the *Municipal Act*,

**And further that** consideration **be given** to the first, second, third and final readings of By-law 2023-098, a by-law for the Sylvestre Drive Sanitary Sewer Outlet Main and Lateral Charges that outlines the charges to the benefitting lands for the construction of sanitary sewers within the Sylvestre Drive Sanitary Sewer Outlet area.

### Executive Summary

The purpose of this report is to provide Council with information on the comments and concerns received at the Public Information Centre (PIC) that detailed the proposed sanitary sewer extension project to service approximately 15 Business Park properties within the vicinity of the County Road 19/Sylvestre Drive intersection. The PIC also highlighted the Town’s past practice for the funding of major capital servicing

infrastructure where there is a derived benefit to properties including full cost recovery against those benefitting lands.

## Background

At the January 25, 2022 Regular Meeting of Council, Council approved the recommendations (Motion: RCM-25/22) of Report [PWES-2022-05](#) titled “Sylvestre Drive Sanitary Sewer Extension Main, Lateral and Easement Charges Cost Recovery Part XII By-Law” (see Attachment 5):

That Report PWES-2022-05 entitled “Sylvestre Drive Sanitary Sewer Extension Main, Lateral and Easement Charges Cost Recovery Part XII By-Law,” be received;

And that Administration be authorized to proceed with a Public Information Centre to communicate estimated charges to the property owners within the Sylvestre Drive Sanitary Sewer Extension Study Area;

And further that Administration report back to Council with a summary of the comments received at the Public Information Centre for consideration in preparing the Sylvestre Drive Sanitary Sewer Extension, Main, Lateral and Easement Charges Cost Recovery Part XII By-Law.

Report PWES-2022-05 highlighted pertinent information to provide support for the implementation of the project and cost recovery by-law, including:

- Broad policy basis supporting municipal sanitary sewage servicing such as the Provincial Policy Statement, County of Essex Official Plan, and the Tecumseh Official Plan.
- Town studies which warrant the advancement of sanitary sewage servicing such as the Water and Wastewater Master Plan, Development Charges Background Study, Water and Wastewater Rate Study, and the Sylvestre Drive Sanitary Sewer Extension Class Environmental Assessment.
- A detailed history of previous cost-recovery sanitary sewage servicing projects completed by the Town from the 1970’s to present times.
- The recommended cost recovery method being a cost recovery by-law under Part XII of the *Municipal Act*.

## Comments

### Sylvestre Drive Sanitary Sewer Outlet – Virtual Public Information Centre Summary

A Notice of Virtual Public Information Centre (PIC) was mailed to all property owners within the Sylvestre Drive area on March 23, 2022. The Virtual PIC was posted to the Town’s website on March 25, 2022, with an invitation for comments and questions to be submitted electronically or by mail to the Town on or before April 22, 2022. A copy of the PIC presentation has been enclosed with this Administrative report as Attachment 2 and outlined the following sections: Background, Study Area, Policies Overview, Municipal Class Environmental Assessment, Cost Recovery, Cost Estimate, Preliminary Assessment and Next Steps.

Administration received 33 comments and inquiries in relation to 8 commercial properties within the study area. A summary of the PIC comments received with Administration’s responses is provided in Attachment 4.

The following summarizes the most frequent questions and comments received at the Public Information Centre:

Question / Comment	Response
<p>Passing the Cost Recovery By-law is premature at this time.</p>	<p>The Environmental Assessment and detailed design have already been completed for the Sylvestre Drive Sanitary Sewer Extension. Given that the extension of wastewater servicing is supported by policies, studies, and historical practices, the next step in this process is to pass the Cost Recovery By-law prior to the commencement of construction.</p> <p>The County of Essex capital plans are updated on a yearly basis and because the Manning Road improvements are currently included in these plans, it is imperative that progress continues with the Town’s project. Further progress of this project will allow for the potential collaboration between the Town’s and County’s projects and ensure that these projects are strategically planned, reducing unnecessary disruption to residents and overall project costs.</p>
<p>Do the total charges include all of the hook up?</p>	<p>The costs presented represent an estimate of the total costs to construct the main sanitary sewer and private connections up to the property (or easement) limit. The property owner</p>

Question / Comment	Response
	would be required to hook up their building(s) to the clean-out at the property (or easement) limit at their own cost.
Can I as a property owner object to the method of cost assignment for the project?	<p>Town Administration has reviewed and presented varying assessment methods and has recommended an assessment method based on what is believed to be most equitable to all properties for current and potential future use of the lands. This approach is in line with other wastewater cost recovery by-laws that the Town has passed in recent years.</p> <p>There is no appeal mechanism under Part XII of the Municipal Act.</p>
Are these costs just an estimate with today's prices?	<p>The costs presented represented the current estimate based on construction rates and indexed lateral charges for 2023.</p> <p>The Part XII Cost Recovery By-law will be structured as such to have flexibility of accounting for a (i) multi-year multi-phased construction project with estimated costs being indexed in accordance with the Construction Price Index, as well as for (ii) a single year single phased construction project whereby the estimated costs could be updated with the actual costs. The intent is to ensure a fair and equitable means for assessing the costs to the landowners who benefit and/or will benefit from the works.</p>

### Additional Landowner Meeting – August 2023

Administration held an additional in-person meeting on August 23, 2023 with a landowner who owns multiple properties in the study area to discuss additional questions and concerns related to the project and planned cost recovery by-law. Comments received included:

- Concerns with indexing estimated costs vs actual costs;
- That the assessment method would be more fair and equitable in a different manner which looked at connections per property, or a per property + area over a specific size;
- Design components such as the location of the pump/lift station and the alignment/location of the sanitary sewer along Manning Road;
- The costs and assessment method for the easements in the study area.

Concerns regarding costs and assessment method are further discussed in subsequent sections of this report. Administration will review the location of the sanitary lift/pump station as it relates to the County Road 19/Sylvestre Drive intersection and the proposed infrastructure improvements within the County of Essex's County Road 19 Improvement project, prior to the design and tender documents being finalized.

## **Revisions Following Public Comment**

### **Main Charge Assessment Rationale**

Following the PIC and August 2023 meeting, Town Administration met with Watson and Associates Economists Ltd. (Watson) to discuss several comments received by landowners. Discussing the cost assessment basis, Watson recommended assessment by land area as the preferred method given it relates to the design of the sewage allocation and sewer infrastructure and is in keeping with past practice by the Town. As such, Town Administration reviewed and revised the previous recommended assessment method (area + easement basis) to be based on **area only**, as previously included as one of the four proposed assessment options.

It is anticipated that this project could be included within the County of Essex's future phases of the County Road 19 Improvements project. This may eliminate the need for sanitary sewer easements and their associated costs, further reducing the overall costs to landowners.

### **Updated Project Costs**

Following report PWES-2022-05 and the PIC, costs associated with the works were updated to reflect a more current estimate based on current construction rates. These have been incorporated within this Administrative report and the associated by-law.

### **Property: 13315 Sylvestre Drive**

13315 Sylvestre Drive was initially included as part of the project site area. However, further discussions with the landowner and a site investigation have determined that they are already connected to the sanitary sewer system. This property has been removed from the preliminary assessment schedule and the rates and assessments have been updated accordingly.

### **Updated Project Timing for County Road 19 Improvements**

Originally noted through consultation with the County of Essex, future improvements to County Road 19 were believed to be scheduled beyond the 10-year timeframe. More recently, County Administration has identified phased improvements to County Road 19 possibly starting with Phase 1 in 2024/2025 (CR22 to Jamsyl Drive), tentatively followed by Phase 2 in 2026/2027 (Jamsyl Drive to CP Rail).

With a portion of the Sylvestre Drive Sanitary Sewer Extension being included as part of the County Road 19 Phase 2 Improvements, it is advisable to coordinate the Town's and County's projects into a singular project for financial and constructability efficiencies.

## Consultations

Development Services  
Financial Services  
Legislative Services & Clerk  
Dillon Consulting Limited  
Watson & Associates Economists Ltd.  
Wolf Hooker Professional Corporation

## Financial Implications

On October 14, 2022, Dillon Consulting Ltd. (Dillon) provided the Town with an updated sanitary cost estimate inclusive of construction and engineering. The updated sanitary cost estimate, **exclusive** of road and stormwater work, is shown in the table below.

Description	Cost
Sanitary Main	\$ 1,117,835
Sanitary Lateral	\$ 155,736
<b>Total</b>	<b>\$ 1,273,571</b>

## Assessment Basis Review

Four different assessment methods were considered to determine the most appropriate way to recover project costs for the sanitary sewer extension. These assessment methods were:

- Properties Serviced (Each)
- Frontage Serviced
- Area Serviced
- Area Serviced with Easement Charge

The table below depicts the four different assessment options discussed above against four properties within the study area.

Property	Assessed Area (Ha)	Frontage (m)	Easement Area (Ha)	Property	Frontage	Area	Area + Easement
Property A	0.59	108.4	0.01	\$79,845	\$140,052	\$74,169	\$76,888
Property B	0.67	75.4	-	\$79,845	\$ 97,417	\$85,053	\$83,974
Property C	0.29	36	-	\$79,845	\$ 46,512	\$36,686	\$36,221
Property D	2.48	27	-	\$79,845	\$ 34,884	\$313,730	\$311,755

Administration is recommending that the “Area Serviced” basis be used as the preferred method of cost recovery. This method is seen to be the most equitable and fair cost recovery method.

### Main Charge

The Main Charge is the charge for the capital cost of the sewer main. Each benefitting property receives this charge regardless of location, area or if they require an easement.

Utilizing the “Area Serviced” basis, the current sanitary main cost estimate of approximately \$1,117,835 can be divided by the total area (8.84 Ha) for a charge rate per acre and hectare. The following table details the main charge rate based on area.

Total Area	Main Charge
21.84 Acres	<b>\$ 51,195 Per Acre</b>
8.84 Hectares	<b>\$ 126,504 Per Hectare</b>

It should be noted that these are preliminary charge rates based on the current estimate provided by the Town’s Consultant exclusive of Lateral Charges. Any variation seen in these numbers when performing calculations can be attributed to rounding in this report.

### Lateral Charge

The Lateral Charge is the charge for the installation of a sewer lateral which connects to the sewer main. Lateral Charge rates have been derived from By-Law 2014-85 within the Oldcastle Hamlet area as these values have been seen as a fair representation of construction costs. These charges have been indexed for the 2023 calendar year in the following table.

<b>Lateral Description</b>	<b>Cost</b>
150 mm (6 inch) no inspection manhole	\$ 3,974
150 mm (6 inch) with inspection manhole	\$ 11,124
200 mm (8 inch) with inspection manhole	\$ 12,399
250 mm (10 inch) with inspection manhole	\$ 14,306

### **Preliminary Assessment Schedule**

The rationale listed in this report and displayed in the Public Information Centre Presentation (see Attachment 2) has been used to generate preliminary assessments based on current estimates relating to the Main and Lateral Charges. A copy of the preliminary assessment schedule is included in Attachment 3.

The Part XII Cost Recovery By-law will be structured to have flexibility in accounting for a (i) multi-year multi-phased construction project with estimated costs being indexed in accordance with the Construction Price Index, as well as for (ii) a single year single phased construction project whereby the estimated costs could be updated with the actual costs. The intent is to ensure a fair and equitable means for assessing the costs to the landowners.

### **Link to Strategic Priorities**

<b>Applicable</b>	<b>2023-2026 Strategic Priorities</b>
<input checked="" type="checkbox"/>	Sustainable Growth: Achieve prosperity and a livable community through sustainable growth.
<input type="checkbox"/>	Community Health and Inclusion: Integrate community health and inclusion into our places and spaces and everything we do.
<input type="checkbox"/>	Service Experience: Enhance the experience of Team Tecumseh and our citizens through responsive and respectful service.



## Communications

Not applicable

Website

Social Media

News Release

Local Newspaper

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Dana Reid  
Public Works & Engineering Services Assistant

Reviewed by:

Cameron Hedges, P. Eng.  
Engineering Project Manager

Reviewed by:

Brian Hillman, MA, MCIP, RPP  
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Reviewed by:

Tom Kitsos, CPA, CMA, BComm  
Director Financial Services & Chief Financial Officer

Reviewed by:

Robert Auger, LL.B.  
Director Legislative Services & Clerk

Reviewed by:

Phil Bartnik, P.Eng.  
Director Public Works & Engineering Services

Recommended by:

Margaret Misek-Evans, MCIP, RPP  
Chief Administrative Officer

<b>Attachment Number</b>	<b>Attachment Name</b>
1	Study Area Map
2	Public Information Centre Presentation
3	Preliminary Assessment Schedule
4	Public Comments Received
5	Report PWES-2022-05
6	Dillon Consulting Limited Letter dated October 14, 2022