RECOMMENDATION

The following recommendation is provided for Committee of the Whole’s consideration:

That Committee of Whole recommend to Council that it enact a by-law to implement a Municipal Service Capacity Allocation Policy.

BACKGROUND

The Municipality’s Water Pollution Control Plant (WPCP) and Municipal Water Supply System have limited uncommitted reserve capacity available for allocation to new development. The uncommitted reserve capacities must be regularly monitored to ensure that development approvals do not exceed capacity. The calculated uncommitted reserve capacity is reported annually to the Ministry of Environment, Climate Change & Parks (MOECP).

In order to properly manage the uncommitted reserve capacity of the Municipality’s wastewater treatment system and water supply system, and in order to ensure that servicing capacity can be provided to those projects that provide the greatest benefit to the Municipality and that are most likely to proceed in the immediate future, it is proposed that the Municipality adopt a Service Capacity Allocation Policy.

It is the intention of Council that they will manage the uncommitted reserve capacities of the WPCP and Water Supply System in a sustainable and logical manner. Therefore, a policy has been developed and should be adopted as a means of managing the allocation of the uncommitted reserve capacity of the Municipal wastewater treatment system and water supply system.

ANALYSIS

In order to fairly allocate capacity, the policy contains provisions to weigh the relative merits of competing development applications for allocation. The policy sets out the annual allocation threshold of sewage treatment and water supply capacity as well as the means by which the servicing demands of development will be calculated.

The allocation of service capacity is not inherent in the approval of a draft plan of subdivision or a site plan or in the granting of consent to sever a property. Accordingly, the conditions of draft approval or conditional approval of a consent will contain a clause to that effect that the Municipality is not obligated to provide a service allocation within the term of the draft approval or conditional consent. The allocation will be required as part of the clearance of the subdivision or consent conditions. Likewise, where approval
of a site plan control application is required, allocation will not be granted until the final approval of the site plan.

ALTERNATIVES

1. Council could decide not to implement a service capacity allocation policy. This is not a desirable option as it would permit unmanaged growth to continue until sewage treatment plant capacity and water supply capacity is completely depleted. This could also lead to serious liability issues if capacity was allocated beyond the Municipal infrastructure's ability to provide it.

FINANCIAL/STAFFING IMPLICATIONS

This item has been identified in the current budget: Yes □ No □ N/A X
This item is within the budgeted amount: Yes □ No □ N/A X

Staffing implications, as they relate to implementing Council’s decision on this matter, are limited to the existing staff complement and applicable administrative policies as approved by Council.

LINK TO COUNCIL WORK PLAN 2019

This report will help to contribute towards the achievement of the following goals:
- Pursue a common vision and better alignment for community development, economic development and planning goals
- Protect our water sources and waterways
- Responsibly manage the resources and tax base of North Grenville in a transparent manner

Prepared by: Reviewed by:

Original signed by
Phil Gerrard
Director of Planning & Development

Karen Dunlop
Director of Public Works

Reviewed by: Recommendation submitted for Committee of the Whole consideration by:

Mike Finley
Superintendent of Environmental Services

Brian J. Carré
CAO
WHEREAS Subsections 82(2) and 86(2) of the Municipal Act, 2001, as amended, permits a municipality to allocate the supply of its public utility services among its customers;

AND WHEREAS the Environmental Protection Act and the Ontario Water Resources Act and their regulations and guidelines provide guidance and parameters for the calculation and allocation of uncommitted reserve capacity in the Municipality's wastewater and water supply systems;

AND WHEREAS the Municipality's Water Pollution Control Plant and Municipal Water Supply System have limited uncommitted reserve capacity available for allocation to new development;

AND WHEREAS the Council of the Municipality of North Grenville wishes to manage the uncommitted reserve capacity of the Water Pollution Control Plant and the Municipal Water Supply System in a sustainable and logical manner;

NOW THEREFORE the Council of the Corporation of the Municipality of North Grenville enacts as follows:

DEFINITIONS

1. In order to properly manage the Municipality's uncommitted reserve capacity of its wastewater treatment system and water supply system, and in order to ensure that servicing capacity can be provided to those projects that provide the greatest benefit to the Municipality and that are most likely to proceed in the immediate future, the Service Capacity Allocation Policy as set out in Schedule "A" attached and forming part of this by-law, is hereby adopted.

2. This by-law shall take effect on the date of passing.

3. The Clerk of the Municipality of North Grenville is hereby authorized to make any minor modifications or corrections of an administrative, numeric, grammatical, semantic or descriptive nature or kind to the by-law and schedule(s) as may be deemed necessary after the passage of this by-law, where such modifications or corrections do not alter the intent of the by-law.

PASSED AND ENACTED
THIS DAY OF , 2019

NANCY PECKFORD
Mayor

CAHL POMINVILLE
Clerk
1. POLICY STATEMENT:

The Municipality's Water Pollution Control Plant (WPCP) and Municipal Water Supply System have limited uncommitted reserve capacity available for allocation to new development. The uncommitted reserve capacities must be regularly monitored to ensure that development approvals do not exceed capacity.

It is the intention of the Municipal Council that they will manage the uncommitted reserve capacity of the Water Pollution Control Plant and the Municipal Water Supply System in a sustainable and logical manner. Therefore, Council has established and adopted this Policy as a means of managing the allocation of the uncommitted reserve capacity of its wastewater treatment system and water supply system.

In order to accomplish this objective, Council will weigh the relative merits of competing development applications for allocation by using the criteria developed in this Policy to set out the annual allocation threshold of sewage treatment and water supply capacity as well as the means by which the servicing demands of development will be calculated.

2. SCOPE:

This Policy shall apply to the following types of projects within the Urban Service Area:

- Subdivision Draft Plan Approval
- Condominium Draft Plan Approval
- Site Plan Approval
- Consent Applications
- Committee of Adjustment Permission Applications
- Lifting of Part Lot Control

At the time of implementation of this Policy, projects which have reached the following stages in the development approval process, prior to the date of adoption of this Policy, are deemed to have sewer and water capacity allocation confirmed:

- Plans of Subdivision which have been registered
- Plans of Condominium which have been registered
- Site Plans Control applications which have received final approval
- Consent applications which have received conditional approval
- Committee of Adjustment Permission Applications which have received conditional approval
- Applications to lift Part Lot Control where the associated Plan of Subdivision has been registered

3. DEFINITIONS:

a) “Corporation” shall mean the Corporation of the Municipality of North Grenville.

b) "Council" shall mean the elected Municipal Council of the Municipality of North Grenville.
4. RESPONSIBILITY FOR POLICY IMPLEMENTATION

The allocation of service capacity is not inherent in the draft approval of a plan of subdivision or in the granting of conditional consent to sever a property or the approval of a site plan. Accordingly, the conditions of draft approval or conditional approval of a consent will contain a clause to that effect that the Municipality is not obligated to provide a service allocation within the term of the draft approval or conditional consent. The allocation will be required as part of the clearance of the subdivision or consent conditions.

The provision of service allocation will be considered by Council at approximately the same time each year and competing applications will be evaluated against the criteria outlined in this Policy and in accordance with the annual uncommitted sewer and water reserve capacity. This Policy establishes an environmentally and economically sustainable approach to service on-going growth and will serve to provide clarity and fairness to all project proponents.

Annual calculations undertaken by the Municipality in accordance with all Provincial regulations and guidelines will continue to report the annual sewage flows and uncommitted reserve capacity at the WPCP and Municipal water facilities. Should it be determined through an annual calculation exercise that the remaining uncommitted reserve capacity at the WPCP or the water supply facilities is less than the remaining number of units that could be allocated through this Policy, then the lesser shall prevail as the remaining WPCP or water supply capacity that can be allocated from that point forward. Furthermore, Council may, at its discretion, review the uncommitted reserve capacity numbers at any time, at their sole discretion.

5. POLICY REQUIREMENTS

PROCEDURE

The following procedure outlines the process by which an allocation will be considered by Council for any development in any given year:

a) Requests for servicing capacity allocation will be considered by Council at one point during any calendar year. Applications for an annual servicing capacity allocation will be accepted after February 1st and prior to March 1st of any given year. Council will consider competing requests for allocation, in accordance with this Policy at an open meeting of Council after that deadline.

b) A proponent shall file a request, in writing, for consideration by Council in accordance with the deadline for applications. The supporting documentation will indicate:
   • the status of the project or project phase in terms of planning and engineering approvals;
   • the number and type of units to be serviced in the project or project phase; and
   • will be supported by design flow calculations, prepared by a professional engineer, for projected sanitary and water flows.
   The application will not be considered complete until the applicable application fee has been paid.

c) Each request shall be evaluated by staff against the criteria outlined in this Policy, the details of which will be presented to Council in a report for consideration.

d) Council will consider all requests received in a given year, at the same time, on their respective merits in light of the annual servicing capacity allotment and the criteria outlined
in this Policy. Capacity allocations will be granted by resolution of Council up to the annual allotment as outlined below:

**Annual Sewage Treatment Allocation Limit**

An annual sewage treatment allocation of no more than the equivalent of 125 single detached residential units will be allocated by Council in any given year.

This number may increase by up to 20% at the sole discretion of Council, depending on the applications and the proposed phasing of development plans under consideration.

No one phase of any development project shall be greater than the equivalent of 30 single detached residential units.

**Aggregate Total Allocation**

Council shall ensure that, beginning on January 1, 2020, at no time will the aggregate total amount of allocated sewage treatment capacity exceed the equivalent of 600 single detached residential units. This has been deemed by Council to be the safe ceiling on the remaining capacity of the existing WPCP.

e) Following Council’s approval of a request, the proponent(s) must execute a Service Capacity Allocation Agreement acknowledging that the allocation will expire if the plan has not been registered or the consent to sever finalized within 12 months. If the subdivision, condominium or site plan has not been registered or the consent finalized within 12 months, Council may grant an extension to a Service Capacity Allocation Agreement at its sole discretion. The proponent(s) shall be required to file a subsequent request for reconsideration.

f) Following the execution of the Service Capacity Allocation Agreement, the project or project phase will be deemed to have received a "provisional" service capacity allocation.

g) Final capacity allocation will be granted by a resolution of Council at such time as the conditions established for reserving capacity allocation have been demonstrated to have been met and confirmed upon:
   i. execution and registration of a subdivision, condominium or site plan control agreement; or,
   ii. approval of a service connection application in the event of a consent or Committee of Adjustment permission approval involving an infill or intensification project.

h) Capacity allocation may not be transferred from one project to another.

**Competing Applications for Allocation**

If there are competing applications for servicing capacity, Council will assess the relative merits of a request for allocation by considering the following criteria, which are set out in order of priority:

1. The ability for the project to be serviced immediately with minimal or no Municipal investment in infrastructure.

2. Priority will be given to institutional, commercial and industrial (ICI) projects over residential projects, as a means of diversifying the tax base.
3. Priority will be given to ICI projects which provide significant new employment opportunities over those ICI projects which provide fewer direct jobs or only construction and spin-off jobs.

4. Priority will be given to projects which are farther advanced through the development approval process, in terms of planning and engineering approvals.

5. The priority among residential projects will be given to:
   a) affordable housing projects which contribute towards a diversification or a variety of unit types, tenures, lot sizes, etc.
   b) residential intensification and infilling projects which achieve the targets of the Municipality's Official Plan.

6. The provision of public facilities beyond those facilities which are required to be provided by the developer by legislation, including development of lands for a public park, trail or pathway, recreational facility purposes or other key elements of public infrastructure.

7. The consideration of other possible factors such as:
   a) prior investment in public infrastructure improvements;
   b) the provision of serviced employment lands;
   c) the provision of a minor or major collector road or the completion of existing local streets; and
   d) any other public benefits as determined by Council.

Special Reserve Allocation

Notwithstanding the section above, Council hereby reserves water and wastewater system capacity for the development of a hotel, subject to the following:

1. The reservation of capacity shall be confirmed by a resolution of Council which may only be enacted following the submission of a complete application for site plan approval.

2. The reservation of capacity does not guarantee that any development approvals will be granted. The development approvals are the subject of separate processes under the Planning Act.

3. The owner of the property for which capacity has been reserved shall be required to enter into a Service Capacity Allocation Agreement which shall contain all of the conditions imposed by Council in granting the reservation of capacity.

4. The reservation of capacity shall remain in effect for a period of time as determined by Council, with such period of time not to exceed 2 years from the date of execution of the Site Plan Control Agreement, as set out in the Service Capacity Allocation Agreement, following which reservation of capacity shall be automatically withdrawn, if by that time a building permit has not been issued.

5. Where the hotel is included within a larger development, the phasing of construction for the overall development shall provide that the hotel component shall be constructed before any other component of the development.