



REPORT TO: Community and Infrastructure Services Committee

DATE OF MEETING: May 30, 2011

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: May 20, 2011

REPORT NO.: INS 11-041

SUBJECT: STORMWATER RATE CREDIT POLICY DEVELOPMENT -
2011 WORK PLAN

RECOMMENDATION:

That the proposed work plan and stakeholder engagement process for the Stormwater Rate Credit Policy Development be received for information.

BACKGROUND:

In November 2004, Council directed staff to proceed with undertaking a Stormwater Management Program and Funding Review Study collaboratively with the City of Waterloo as part of the Shared Services Initiative. The results of the study were presented to Council in October 2009 and recommended that a utility structure and user rate approach be implemented in order to fully fund the City's annual stormwater management program. On June 14th, 2010 City of Kitchener Council approved the implementation of a stormwater rate structure which provides for a fair and equitable approach allocating costs associated with stormwater management to all property owners in the City of Kitchener.

Council also wishes to review options for the implementation of a stormwater credit policy for residential and non-residential properties to be implemented in 2011. 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. Generally, knowledge of the stormwater rate credit policy encourages the implementation of measures on private property will help reduce total runoff volume and pollutant loading discharge to the city's stormwater management system. The proposed policy would be retroactive to January 1, 2011, the start of the stormwater rate billing to property owners.

REPORT:

Council directed staff to report back before December 31, 2011 with alternatives for a proposed stormwater credit rate policy. Staff will continue to work collaboratively with the City of Waterloo

as part of the Shared Services Initiative to develop and implement a stormwater credit policy. The evaluation of the various alternatives will include the following steps:

- Identification of a problem or opportunity
- Identification, assessment of impacts, and evaluation of alternative solutions
- Selection of a preferred solution
- Preparation of the policy

The detailed work plan identifies the significant activities that will need to be completed in order to deliver a report to Council for their consideration in November 2011. The scope of this work plan does not include implementation of potential changes to the utility billing system (CIS), and would be determined based on the preferred alternative selected. A general task description and associated timeline is provided in Table 1.

Table 1: General Description of Work Plan Tasks

Task #	Description
1	Consultation and Communications <ul style="list-style-type: none"> ➤ Develop stakeholder list ➤ Update website ➤ Stakeholder meetings including 2 public information centres
2	Background Review <ul style="list-style-type: none"> ➤ Research other municipal credit policies ➤ Detailed review of relevant policies ➤ Follow up interviews with key staff from other municipalities
3	Data Collection <ul style="list-style-type: none"> ➤ Identify properties eligible for a credit or rebate ➤ Conduct a residential sector survey ➤ Identify where property credit information will be stored
4	Develop Credit Program Alternatives <ul style="list-style-type: none"> ➤ Alternatives related to eligible property types ➤ Alternatives related to eligible best management practices ➤ Alternatives related to application requirements
5	Impact Analysis of Alternatives <ul style="list-style-type: none"> ➤ Identify billing system modifications ➤ Identify resource requirements to administer alternatives ➤ Identify impact to stormwater revenue
6	Evaluation of Alternatives <ul style="list-style-type: none"> ➤ Develop evaluation criteria ➤ Evaluate alternatives ➤ Select preferred alternative
7	Refine Preferred Credit Program Details <ul style="list-style-type: none"> ➤ Communication plan and application requirements ➤ Billing system requirements ➤ Develop implementation work plan ➤ Develop policy and by-law requirements
8	Present Policy Recommendations to Council <ul style="list-style-type: none"> ➤ Report to Council for review and approval



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:

None. Staff time is accounted for in the approved 2011 operating and capital budgets.

COMMUNITY ENGAGEMENT:

Public consultation will be integrated into this process and will include at least two (2) public information centres at which the public will have opportunity to provide input and feedback. Consultation will also take place with the Waterloo Region Home Builders Association, Greater Kitchener-Waterloo Chamber of Commerce, and the City’s Environmental Advisory Committee. A partnership has been developed with the University of Waterloo Research centre to complete a survey of residential property owners in order to assess their relative preferences of various credit policy alternatives (similar to the Your Kitchener Environics study (2009)).

CONCLUSION:

In order to address Council’s direction to implement a stormwater rate credit policy for 2012, a detailed work plan has been presented and is currently underway. Various alternatives will be evaluated and a proposed policy will be presented to Council for approval in November 2011.

ACKNOWLEDGED BY: Pauline Houston, Deputy CAO Infrastructure Services Department

10. CSD-11-067 - AMENDMENTS TO CHAPTER 711 (OPEN AIR BURNING), CONT'D

On motion by Mayor C. Zehr -
it was resolved:

"That a by-law be enacted to amend Chapter 711 (Open Air Burning) with regard to the nuisance provision of the by-law and the inclusion of outdoor wood burning appliances, as outlined in Community Services Department report CSD-11-067."

**11. INS-11-046 - DONATION OF WOODLOT LANDS (TILT BUSH)
- DOON SOUTH COMMUNITY**

The Committee considered Infrastructure Services Department report INS-11-046, dated May 13, 2011, recommending acceptance of 8.18 ac. of land containing a portion of Tilt's Bush, being part of ESPA 30, from Dane Gubler.

Councillor Y. Fernandes noted the \$2,000 per acre required for annual maintenance. Ms. Houston advised that the maintenance includes fallen branches and bush cleaning. Councillor Fernandes commented that there is no minimum amount of work done in Brigadoon. Ms. Houston responded that the \$2,000 is not being added to the budget but simply telling the Committee what the cost is. She stated that she is well aware of the fact that forestry management and maintenance is under funded.

Members of the Committee expressed concern about neighbours encroaching onto City woodland and staff was directed to let the residents of Forest Creek Drive know that the City owns the abutting forest, by way of stakes or signs.

On motion by Councillor Y. Fernandes -
it was resolved:

"That the City of Kitchener accept the donation of 3.309 ha (8.18 acres) of land containing a portion of a woodlot, known as Tilt's Bush, that is part of ESPA 30 (Strasburg Floodplain Forest) and described as Part 4 of 58R16158 from Dave Gubler; and,

That the Mayor and Clerk be authorized to execute the required documentation to effect the transfer of title, subject to the terms and conditions as are satisfactory to the City Solicitor; and further,

That the City of Kitchener provide Dave Gubler with a charitable donation receipt for the appraised value (\$81,800.00) of the parcel of land."

**12. INS-11-041 - STORMWATER RATE CREDIT POLICY DEVELOPMENT
- 2011 WORK PLAN**

The Committee considered Infrastructure Services Department report INS-11-041, dated May 20, 2011, advising that the Stormwater Rate Credit Policy is a shared services initiative with the City of Waterloo. Further, this report is for information only. Mr. G. Murphy advised that staff will come back to Committee later this year with a recommended policy. Mr. N. Gollan then presented the information report. Councillor Galloway directed that farmers be included in the list of stakeholders.

On motion by Mayor C. Zehr -
it was resolved:

"That the proposed work plan and stakeholder engagement process for the Stormwater Rate-Credit Policy Development be received for information."



REPORT TO: Community and Infrastructure Services Committee

DATE OF MEETING: November 28, 2011

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: November 23, 2011

REPORT NO.: INS 11-094

SUBJECT: STORMWATER RATE CREDIT POLICY –
PROGRESS UPDATE

RECOMMENDATION:

For information.

BACKGROUND:

On June 14th, 2010 City of Kitchener Council approved the implementation of a stormwater utility rate which provides for fair and equitable allocation of stormwater management program costs, based on impervious area, to all property owners in the City of Kitchener. Council also wishes to review options for the implementation of a stormwater credit policy for residential and non-residential properties. Council directed staff to report back before December 31, 2011 with alternatives for a proposed stormwater credit rate policy. The proposed policy would be retroactive to the start of the stormwater utility billing, January 1, 2011. This report provides a progress update on the stormwater credit policy work plan (refer to INS 11-041 dated May 30, 2011) and a brief overview of the preferred alternative that staff are proposing.

REPORT:

Generally, knowledge of the stormwater rate credit policy encourages the implementation of measures on private property that help reduce total runoff volume and pollutant loading discharge 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.

Since May 2011, staff have continued to work collaboratively with the City of Waterloo, to develop a stormwater credit policy, as part of the Shared Services Initiative. Kitchener and Waterloo recognize that it is important to couple the implementation of stormwater rate structure with that of a credit policy for property owners that own and maintain stormwater management facilities. The stormwater credit policy work plan identifies the key activities that have been

completed (or are in progress) in order to develop a policy for Council's consideration in January 2012. A general task description and status is provided in Table 1.

Table 1: General Description of Work Plan Tasks

Policy Development Work Plan Task	Status
1. Consultation and Communications	
• Develop stakeholder list	Complete
• Update website	Complete
• Stakeholder meetings including 2 public information centres	Complete
2. Background Review	
• Research other municipal credit policies	Complete
• Detailed review of relevant policies	Complete
• Follow up interviews with key staff from other municipalities	Complete
3. Data Collection	
• Identify existing properties eligible for a credit or rebate	Complete
• Conduct a residential sector survey	Complete
• Identify where property credit information will be stored	Ongoing in Dec. 2011
4. Develop Credit Program Alternatives	
• Alternatives related to eligible property types	Complete
• Alternatives related to eligible best management practices	Complete
• Alternatives related to application requirements	Complete
5. Impact Analysis of Alternatives	
• Identify billing system modifications	Complete
• Identify resource requirements to administer alternatives	Ongoing in Dec. 2011
• Identify impact to stormwater revenue	Complete
6. Evaluation of Alternatives	
• Develop evaluation criteria	Complete
• Evaluate alternatives	Complete
• Select preferred alternative	Complete
7. Refine Preferred Credit Program Details	
• Communication plan and application requirements	Ongoing in Dec. 2011
• Billing system requirements	Ongoing in Dec. 2011
• Develop implementation work plan	Ongoing in Dec. 2011
• Develop policy and by-law requirements	Ongoing in Dec. 2011
8. Present Policy Recommendations to Council	
• Report to Council with update	November 28, 2011
• Report to Council for review and approval	January 9, 2012

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. A total of 13 municipalities from Canada and the United States were selected for tier 1 research which included an internet scan and summary of the findings. Based on the findings, a selection of municipalities were shortlisted for tier 2 research which involved follow-up phone interviews for more detailed information. The information gathered from those municipalities that could be contacted has further informed the policy development process.

In addition to researching other municipalities, the City of Kitchener and City of Waterloo partnered with the University of Waterloo to take part in the 2011 Waterloo Regional Area Survey (WRAS). The survey was a partnership between academic and community researchers, including the Cities of Waterloo and Kitchener, Women's Crisis Services of Waterloo Region, the Crime Prevention Council of Waterloo Region, and researchers from the University of Waterloo and Wilfred Laurier University. One component of the survey was to ask residents in each respective municipality questions about their existing behaviours regarding stormwater management practices as well as to gauge their preference of an incentive program to encourage stormwater management practices.

A total of five (5) alternatives were taken into consideration and presented to the public on September 29, 2011 for feedback. The alternatives were:

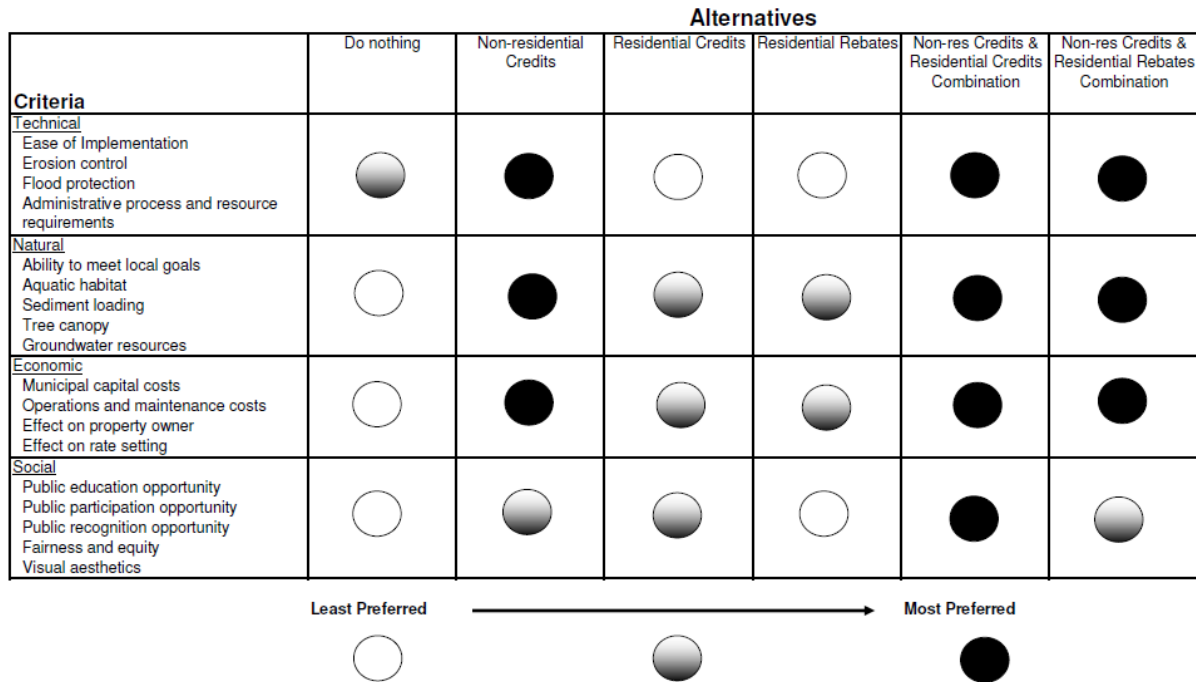
1. Do Nothing
2. Non-Residential Credits
3. Residential Credits
4. Residential Rebates
- 5a. Non-Residential Credits and Residential Credits Combination
- 5b. Non-Residential Credits and Residential Rebate Combination

For the purposes of this study, a credit is defined as a reduction to the stormwater portion of the utility bill on a monthly basis and a rebate is defined as a single lump-sum payment with no ongoing billing change thereafter. Further information on all of the alternatives can be found at the City of Kitchener stormwater policy development website at www.kitchener.ca/stormwatercredit.

Similar to an Environmental Assessment process, the Project Team and Steering Committee established evaluation criteria which were also vetted to the public and evaluated the alternatives based on the technical, natural, economic and social environments. Public feedback from the first public information centre was integrated into the evaluation.

Based on the results of the evaluation process, the preferred alternative was the non-residential and residential credit combination. This alternative offers incentives to all rate payers who demonstrate approved best management practices that reduce the amount and improve the quality of stormwater runoff that goes into the municipal stormwater system. Figure 1 demonstrates how each alternative was ranked relative to the other alternatives that were under consideration.

Figure 1: Evaluation of Credit and Rebate Policy Alternatives



Preferred Alternative - Non-residential and Residential Credit Combination

- The credit for each multi-residential/non-residential property will be evaluated based on approved flood prevention (quantity) and pollution reduction (quality) controls.
- The credit for each residential property will be evaluated based on the amount of runoff diverted from the municipal stormwater management system.
- The maximum amount of credit per property would be 45% of the stormwater portion of the regular utility bill. This amount is based on an assessment of the stormwater program costs that could be influenced by the actions of property owners on the privately owned impervious areas.

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:

None at this time, as funding is available in the approved 2011 stormwater utility operating budget to develop the Stormwater Credit & Rebate Policy.

It is expected that additional resources will be required to implement and sustain the credit program and some of the activities will be:

- Processing credit applications
- Responding to customer inquiries
- Inspecting private stormwater infrastructure
- Administering billing account credits in the billing system
- Database entry
- Public education/marketing.

In January 2012, as part of the report to Council on the proposed policy, staff will identify resource and financial implications to implement and sustain the proposed policy.

COMMUNITY ENGAGEMENT:

Public consultation has been a key component of this process and has been integrated as follows:

- The Cities have collaborated with the University of Waterloo Survey Research Centre to complete a survey of residential property owners in order to assess their relative preferences of various credit policy alternatives (similar to the Your Kitchener Environics Study (2009)).
- The first public information centre to present the five alternatives to the public was conducted on September 29, 2011. Input and feedback was received and incorporated into the evaluation of alternatives.
- The proposed preferred alternative was presented at the second public information centre on Wednesday, November 23, 2011. The public will have opportunity to provide input and feedback for the proposed preferred alternative.
- The City of Kitchener website has been updated throughout the process to keep the public informed.
- Consultation has also taken place with the Grand River Conservation Authority, Waterloo Region Home Builders Association, Greater Kitchener-Waterloo Chamber of Commerce, Grand River Property Manager's Association, and the Kitchener Environmental Committee.

CONCLUSION:

In order to address Council's direction to implement a stormwater rate credit policy for 2012, a detailed work plan has been presented and is largely complete.

A proposed stormwater rate credit policy and summary report will be presented to Council for approval on January 9, 2012.

ACKNOWLEDGED BY: Pauline Houston, Deputy CAO Infrastructure Services Department

Attachments: Public Information Centre #2 Boards

REPORT TO: Finance and Corporate Services Committee
DATE OF MEETING: January 9, 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: December 23, 2011
REPORT NO.: INS-12-001
SUBJECT: STORMWATER CREDIT PROGRAM – FINAL REPORT

RECOMMENDATION:

That subject to consideration during the 2012 Final Budget deliberations, the stormwater rate schedule as specified in Appendix A of Infrastructure Services Department report INS-12-001, be approved and come into effect on March 1, 2012; and,

That subject to consideration during the 2012 Final Budget deliberations, the 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 storm water related programs and the storm water credit program.

BACKGROUND:

On June 14th, 2010 City of Kitchener Council approved the implementation of a stormwater utility rate which provides for fair and equitable allocation of stormwater management program costs, based on impervious area, to all property owners in the City of Kitchener (refer to DTS-10-94, DTS-10-100, and DTS-10-120 reports). Council also wishes to review options for the implementation of a stormwater credit policy for residential and non-residential properties. Council directed staff to report back before December 31, 2011 with alternatives for a proposed stormwater credit rate policy. Staff provided Council with stormwater credit program development progress updates on May 30, 2011 (refer to INS 11-041) and November 28, 2011 (refer to INS 11-094). The proposed policy would be retroactive to the start of the stormwater utility billing, January 1, 2011. This report provides the final recommendations stemming from the completion of the stormwater credit policy development work plan and an overview of the recommended stormwater credit program.

REPORT:

Since May 2011, staff have worked collaboratively with the City of Waterloo, to develop a stormwater credit policy, as part of the Shared Services Initiative. Kitchener and Waterloo recognize that it is important to couple the implementation of a stormwater rate structure with that of a credit policy for property owners that own and maintain stormwater management facilities. Staff provided an update to Council related to the stormwater credit policy work plan on November 28, 2011 (refer to INS 11-094 report).

The objective of the city's 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.

Through analysis it was determined that the appropriate upset limit of the stormwater credits would be 45%. The analysis considered the stormwater utility operating and capital budget forecast as well as known and existing stormwater management best practices already in place on many properties throughout the city. The upset limit is based on an assessment of the stormwater program costs that could potentially be influenced by the long term actions of property owners on the privately owned impervious areas.

Staff propose to create two (2) policies – one for non-residential and multi-residential property owners and another for residential property owners, due to the influence that they have over stormwater run-off, each of the credit policies are tailored to address specific issues. Once implemented, property owners will be required to apply for stormwater credits. Separate detailed registration forms would be developed for residential and non-residential/multi-residential program applicants. The information gathered during the application process would be stored in a corporate database. The database would enable the administration of credit and rebate payments to property owners. All of the applicable information entered into the database would require verification via inspections or other customer follow-up for a certain percentage (%) of properties for quality assurance/quality control purposes.

Once the application forms are developed, the information from those forms would be transferred to a corporate database that can communicate with the billing system. Storing relevant information in such a database would enable a degree of automation in administering credit and rebate payments as well as provide a source of data to verify the eligibility of a property to receive credits/rebates. Additionally, access to this information will allow the evaluation of the achievements of the credit policy. The options selected as the preferred alternative will have an impact on the scale of the corporate database that is required and the level of effort required implementing it.

The credit policy implementation project would market and achieve stormwater best management practices and green infrastructure installations that help mitigate stormwater concerns. Two main types of achievements are sought with this program. The credit incentives would be paid to properties that decrease volume (flood prevention) and those that focus on pollutants and filter out oil and grit (pollution reduction).

The two key measureables will be:

1. Reduced stormwater runoff volumes; and,
2. Reduced non-point source pollution.

A method to measure these criteria will need to be established during the implementation of the stormwater credit program. Tracking stormwater credit program results will include the area affected, volume of water diverted and the amount of pollutants removed from the municipal stormwater management system. The City has been conducting annual stormwater management audits since 2001, which include parameters related to pollutant loading and these additional metrics could be incorporated into the annual audit as well.

The next steps to implement the proposed stormwater credits will be carried out over the next 6 months. Table 1 provides an overview of the implementation milestones.

Table 1: Implementation Steps

<u>Implement Stormwater Credit Program</u>	
• Make modifications to billing system software	February – June 2012
• Develop credit registration forms	March – April 2012
• Develop communications and marketing plan	May – June 2012
• Begin processing stormwater credit applications	July 2012

Due to the work required to modify the billing system and develop the application forms, customers eligible for stormwater credits will not see this adjustment until July 2012. However, staff are recommending that an additional period of time is made available for customers to apply and receive the benefit of retroactivity to the beginning of January 2011.

NON-RESIDENTIAL AND MULTI-RESIDENTIAL CREDITS

The typical properties that would fit into this category include public and private schools, universities, colleges, government buildings, commercial plazas, industrial facilities, places of worship and apartment buildings with more than 5 dwelling units.

The stormwater credits will be provided to eligible non-residential and multi-residential property owners based on stormwater management controls on their property. This credit policy as outlined in Schedule B of the by-law provides up to a 45% credit to all customers who currently pay the stormwater rate. The credit is made up of three (3) components and these various credits could be additive up to 45% of the stormwater rate:

- a) Flood Prevention (up to 25%)
- b) Pollution Reduction (up to 15%)
- c) Educational Programs (up to 5%)

Flood Prevention (Quantity) Credit Rationale:

The credit for quantity control will be based on the percentage of impervious area that is directed to the control infrastructure. Examples of control infrastructure include super-pipe storage, orifice controls, parking lot storage, flood control ponds and roof-top storage. All stormwater control BMPs must be an accepted practice referred to in the applicable City of Kitchener Development Manual at the time of registration, as certified by a qualified person (e.g. professional engineer).

Pollution Reduction (Quality) Credit Rationale:

The primary indicator of the quality of stormwater runoff is total suspended solids (TSS). As such, the Ontario Ministry of the Environment has established three (3) levels of protection with the goal of maintaining or enhancing the existing aquatic habitat, based on the suspended solids removal efficiency of different stormwater management facilities:

1. Enhanced Protection - long term average removal of 80% of suspended solids.
2. Normal Protection - long term average removal of 70% of suspended solids.
3. Basic Protection - long term average removal of 60% of suspended solids.

The pollution reduction credit will be based on the degree of stormwater quality enhancement and also percentage of impervious area that is directed to the control infrastructure. Examples of quality control infrastructure include stormwater quality control ponds, oil/grit separators, green infrastructure (low impact development techniques) and spill control devices such as snouts and goss traps. All stormwater control best management practices (BMPs) must be an accepted practice referred to in the applicable City of Kitchener Development Manual at the time of registration, as certified by a qualified person.

The level of quality control credits is determined as followed:

1. Enhanced pollution control credits - the percentage of impervious areas directed towards enhanced quality controls would be eligible for the full 15% of available stormwater pollution reduction credits.
2. Normal pollution control credits - the percentage of impervious areas directed towards normal quality controls would be eligible for 10% of the available stormwater pollution reduction credits.
3. Basic pollution control credits - the percentage of impervious areas directed towards basic quality controls would be eligible for 5% of the available stormwater pollution reduction credits. An additional opportunity to receive this credit is based on whether or not the property has an approved paved area sweeping program or a salt management plan.

Education Credit Rationale

Research was conducted to identify best practices used by other municipalities in developing a stormwater credit policy as well as to share lessons learned. In addition to researching other municipalities, the City of Kitchener and City of Waterloo partnered with the University of Waterloo to take part in the 2011 Waterloo Regional Area Survey. One component of the survey was to ask residents in each respective municipality questions about their existing behaviours regarding stormwater management practices as well as to gauge their preference of an incentive program to encourage stormwater management practices. The results of the research and survey that were conducted helped identify the value of having an educational program to increase general knowledge in the area of stormwater. For example, 59% of respondents said they would be somewhat or very likely to use best management practices that cost from \$100 to \$1000 to implement.

A current stormwater education program operating in Kitchener and Waterloo (2011-2013) is the ¡RAIN! program. ¡RAIN!: An Ecological Approach to Stormwater Management is a comprehensive outreach and action project designed to motivate residents to reduce stormwater quantity and improve stormwater quality before it flows into our streams and the

Grand River. The ¡RAIN! program, funded by the City of Kitchener’s Local Environmental Action Fund (LEAF), the Ontario Trillium Foundation, Sobey’s Earth Day Canada, Walmart Evergreen and Green Communities Canada, is delivered by Waterloo Region Green Solutions (operating as REEP), a non-profit environmental organization established in 1999.

Hands-on workshops, expert seminars, best practices tours, and special events motivate action by city residents through the ¡RAIN! program, supported by a growing web resource from REEP, and excellent local press coverage. Follow-up with REEP House visitors and program participants documents the quantities of water diverted from storm sewers as a result of participation in the program. Providing stormwater credits for educational programs further augments the objectives of the ¡RAIN! program described above.

A monthly stormwater utility credit is available for properties with an ongoing stormwater education program. To receive a 5% credit adjustment applied to the monthly stormwater utility rate, documentation must be provided to verify that the education program is being implemented. Eligible education programs include educating employees, the stormwater customer base and students about flood prevention and pollution reduction.

Non-residential and Multi-residential Rate Impact

The combined rate change being recommended as part of the annual budget process and the recommended non-residential and multi-residential stormwater credit program means that property owners will have the ability to reduce the stormwater portion of their monthly utility bill. For example, if a property installed an oil/grit separator for pollution reduction, used parking lot storage and roof top storage for flood prevention and provided water quality educational materials their employees they may receive stormwater credits up to 45%. Table 2 provides an example of what the non-residential and multi-residential stormwater rate difference could be in 2012.

Table 2: 2012 Non-residential and Multi-residential Rate Comparisons

<u>Property Description</u>	<u>2012 Annual Rate</u>	<u>2012 Rate With 45% Credit</u>
Non-Residential Medium Low	\$1,557.56	\$856.67

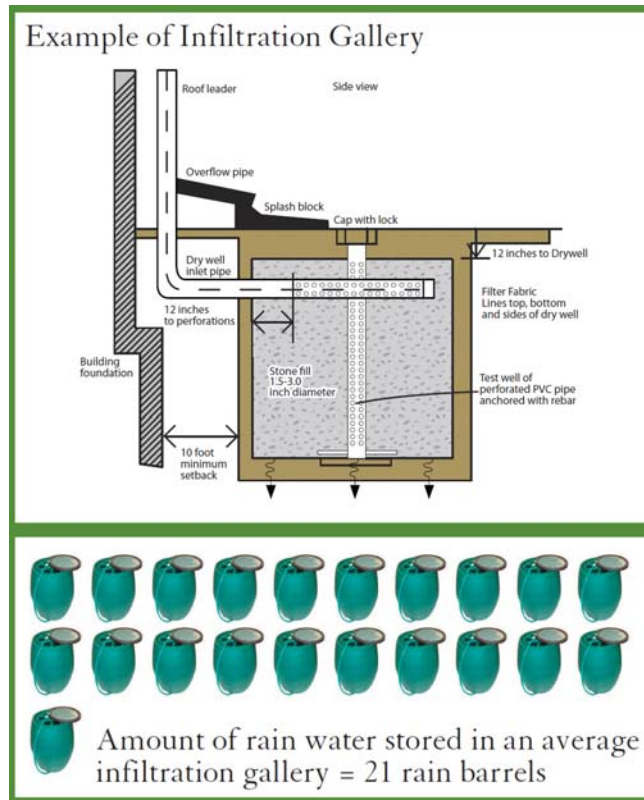
RESIDENTIAL CREDITS

The stormwater control credits will be provided to eligible residential property owners based on the volume of stormwater which is diverted from being discharged to the municipal stormwater management system. There is no quality or education component of the residential credit since the volume of runoff water from individual residential properties is much less than that from larger industrial/commercial/institutional properties. Consequently, there is little opportunity for these properties to provide quality control on an individual basis. For the same reasons as the non-residential and multi-residential stormwater credit program, residential properties will also have a maximum potential credit eligibility of 45% based on the volume of runoff diverted.

In order to establish the credit percentage breakdown for residential properties, a review of existing stormwater diversion techniques was conducted to identify the most effective method of reducing runoff from residential properties from entering the municipal SWM system. Infiltration

galleries were determined to be the most effective at capturing the largest volume of rainwater at the point where it falls and reintroducing it to groundwater aquifers without using municipal infrastructure. Infiltration of clean stormwater into the ground can be beneficial to maintaining the natural hydrologic cycle.

Through the study it was determined the average residential infiltration gallery has been sized to accommodate 4,200 L of clean roof water to infiltrate back into the ground (to capture a 2 year storm event or 25mm of rainfall). The volume of rainwater that goes into these infiltration galleries is equivalent to 21 rain barrels.



In addition to rain barrels, other common practices employed on residential properties include rain water cisterns (above or below ground), rain gardens, and other landscaping techniques that minimize the potential amount of runoff leaving a property. For example, a resident may direct runoff to a depressed area of their property where the runoff would collect and naturally infiltrate into the ground or evaporate over an extended period of time. Such depressed areas where stormwater collects could be measured and factored into the volumetric approach as outlined in Table 3.

It was determined that the most appropriate method of allocating residential credits would be based on the volume of storage capacity designed to accommodate stormwater (rainwater/snowmelt), while not being prescriptive in how that storage capacity is achieved. Using infiltration galleries as the most effective best management practice, methods that capture less stormwater would also be awarded incrementally less credits. The resulting credit weighting for different volumes of captured stormwater are provided in Table 3.

Table 3: Residential Volumetric Credit Values

<u>Volume Captured</u>	<u>Examples</u>	<u>Credit</u>
200 – 400 L	<ul style="list-style-type: none"> • 1-2 rain barrels 	9%
401 – 800 L	<ul style="list-style-type: none"> • 3-4 rain barrels • small cistern 	18%
801 – 2400 L	<ul style="list-style-type: none"> • small cistern • combination of small cistern and rain barrels 	27%
2401 – 3200 L	<ul style="list-style-type: none"> • large cistern • combination of cistern and rain barrels 	36%
3201 L or more	<ul style="list-style-type: none"> • large cistern • infiltration gallery 	45%

Residential Rate Impact

The combined rate change being recommended as part of the annual budget process and the recommended residential stormwater credit program means that property owners will have the ability to reduce the stormwater portion of their monthly utility bill. For example, if a property installed an infiltration gallery or a large cistern they may receive stormwater credits up to 45%. Table 4 provides a comparison of what the residential stormwater rate difference could be in 2012.

Table 4: 2012 Residential Rate Comparisons

<u>Property Description</u>	<u>2012 Annual Rate</u>	<u>2012 Rate With 45% Credit</u>
Residential Single Detached Medium	\$116.20	\$63.91

PUBLIC CONSULTATION

Two public open houses were held in both Kitchener and Waterloo between the months of September and November. The open houses provided a forum for the public to consider and provide input to the alternatives that were under review as well as the preferred alternative selected during the evaluation process. 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.

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:

Funding of approximately \$600,000 was included in the 2011 and 2012 stormwater utility budget. This funding would be used for non-residential, multi-residential and residential credits as well as staff costs as outlined in Table 5.

Table 5: 2012 Projected Credit Program Costs

<u>Description</u>	<u>Anticipated Number of Applications</u>	<u>2011</u>	<u>2012 (2011 +3%)</u>
Residential Credits	8,300	\$222,679	\$229,359
Non-residential and Multi-residential Credits	250	\$258,564	\$266,320
Staff Resourcing	-	-	\$160,000
Total	-	\$481,243	\$655,679
Budget	-	\$614,000	\$589,000
Variance (favourable) / unfavourable	-	(\$132,757)	\$66,679
Year End Balance	-	(\$132,757)	(\$66,078)

As indicated in the policy development work plan on November 28, 2011 (see INS 11-094), resource requirements to administer the stormwater credit program would be identified in December 2011 and were not known at the time of budget presentations. During 2012, staff resources will be required to be deployed to advance and sustain the stormwater credit program. Two (2) stormwater ambassador student positions (May to August), one (1)

stormwater utility program assistant (full-time), and one (1) stormwater utility engineering technologist (full-time) will be required so as to enable the implementation of the stormwater rate credit programming in 2012. The cost for this will be approximately \$160,000 or about 1.3% of the total 2012 stormwater utility budget (or 13% of the available stormwater credits budget). Funding is available in the approved 2011 stormwater utility operating budget to implement the Stormwater Credit & Rebate Policy.

Staff would be required to complete the following tasks:

- Inspection of non-residential stormwater best management practices to ensure compliance with credit program criteria and the completion of necessary maintenance activities.
- Utility account administration functions including rate payer liaison and public communications in order to ensure the credit program is implemented on July 1, 2012.
- Processing stormwater credit registration applications and administering account credits in the billing system.
- Inspection of residential stormwater best management practices to ensure compliance with credit program criteria and to demonstrate further methods of increasing the amount of stormwater that is diverted from the municipal stormwater management system.
- Work collaboratively with Waterloo Region Green Solutions (operating as REEP) to develop and deliver the ¡RAIN! program funded in part by the Kitchener LEAF grant.

Waterloo Region Green Solutions, (operating as REEP), Green Communities Canada, Kitchener and Waterloo submitted an application for approximately \$1M in funding to the Ontario Ministry of the Environment under the Showcasing Water Innovations program. This grant application has the objective of augmenting the ¡RAIN! program previously described and is proposed as a three year project (2012-2014) that will demonstrate a community based alternative approach to emphasizing source reduction of stormwater pollutants and volume. This innovative project will engage property owners in lot level action. It is directly related to our efforts to implement stormwater credits for residential properties and provides education to all sectors about practical action they can take to best manage the water that falls on their property, and to receive credit for their actions on their utility bill. This collaborative approach will enable our community to develop educational material for non-residential, multi-residential and residential sectors

The Regional Municipality of Waterloo and Kitchener submitted an additional application for approximately \$1M in funding under the Showcasing Water Innovations program for the Victoria Park Lake Improvements. A three year co-operative trial is proposed to be carried out to convert the excavated sediment from the Victoria Park Lake Improvements into a topsoil product. It is believed that with sufficient dewatering and mixing, the material could serve as planting media at landfill sites. This would be a co-operative arrangement between the City of Kitchener and the Region of Waterloo. At the end of the three-year trial program, considerable knowledge will be gained as to whether stormwater management pond sediments, like those found in Victoria Park Lake, should be considered as a sustainable source of topsoil for the landfill over the next 30 years. The city has over 100 stormwater management ponds that will require maintenance and cleanout and it is estimated that further 200,000 cubic metres of sediment will need to be disposed of in this fashion. The outcome of this project may significantly reduce the long term costs of cleaning stormwater management facilities.

Any funding received from the Showcasing Water Innovations program would be allocated to specific project costs and shared among the partnerships formed for each project. The outcome of these applications is still pending approval from the Ministry of Environment.

COMMUNITY ENGAGEMENT:

Public consultation has been a key component of this process and has been integrated as follows:

- The Cities have collaborated with the University of Waterloo Survey Research Centre to complete a survey of residential property owners in order to assess their relative preferences of various credit policy alternatives (similar to the Your Kitchener Envirionics Study (2009)).
- The first public information centre to present the five alternatives to the public was conducted on September 29, 2011. Input and feedback was received and incorporated into the evaluation of alternatives.
- The recommended alternative was presented at the second public information centre on Wednesday, November 23, 2011. The public had opportunity to provide input and feedback on the recommended alternative.
- The City of Kitchener website has been updated throughout the process to keep the public informed.
- Consultation has also taken place with the Grand River Conservation Authority, Waterloo Region Home Builders Association, Greater Kitchener-Waterloo Chamber of Commerce, Grand River Property Manager's Association, and the Kitchener Environmental Committee.

CONCLUSION:

In August 2011, the City of Kitchener was awarded the Peter J. Marshall Municipal Innovation award from the Association of Municipalities of Ontario for the implementation of the stormwater utility. The award recognizes those municipal governments demonstrating excellence in the use of innovative approaches to improve capital and/or operating efficiency and to generate effectiveness through alternative service delivery initiatives and partnerships.

To build on this recognition, staff from the Cities of Kitchener and Waterloo have proceeded to develop a stormwater rate credit policy that rewards property owners installing and properly maintaining their own stormwater management facilities. Staff have completed the Council approved work plan, which included public consultation, researching of practices from other municipalities, and a thorough analysis of various options.

Staff are recommending a policy for council's consideration with the objective of encouraging 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.

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.

After the policy framework and necessary by-law amendments are in effect, staff will ensure they are implemented and customers can begin receiving stormwater credits, as soon as possible. The policies would be retroactive to the January 1, 2011 for all eligible property

owners applying before March 1, 2013. 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.

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

Stormwater Charges -Schedule 'A' of City By-Law (March 1, 2012)

Type Code	Description	Basis for Charge	Number of Dwelling Units	Monthly Charge per Property ¹	Annual Charge per Property ¹
1	Residential Single Detached Small	Detached homes with building footprint size of 105 m ² or less	1	\$5.84	\$70.08
2	Residential Single Detached Medium	Detached homes with building footprint size between 106-236 m ²	1	\$9.73	\$116.76
3	Residential Single Detached Large	Detached homes with building footprint size of 237 m ² or more	1	\$12.79	\$153.48
4	Residential Townhouse / Semi-Detached	Per dwelling unit	1	\$6.95	\$83.40
5	Residential Condominium	Per dwelling unit	1	\$3.89	\$46.68
6	Multi-Residential (2-5 Units)	Per building	Duplex	\$7.79	\$93.48
			Triplex	\$11.68	\$140.16
			Four-plex	\$15.57	\$186.84
			Five-plex	\$19.47	\$233.64
7	Multi-Residential (>5 Units)	Per property (according to number of dwelling units)	varies	Charge = (# units) x (\$1.95/month) See Note 2	Charge = (# units) x (\$23.40/year) See Note 2
8	Non-Residential Smallest	26 -1,051 m ² of impervious area	n/a	\$19.72	\$236.64
9	Non-Residential Small	1,052 -1,640 m ² of impervious area		\$49.78	\$597.36
10	Non-Residential Medium-Low	1,641 -7,676 m ² of impervious area		\$130.43	\$1,565.16
11	Non-Residential Medium-High	7,677 -16,324 m ² of impervious area		\$380.72	\$4,568.64
12	Non-Residential Large	16,325 -39,034 m ² of impervious area		\$922.55	\$11,070.60
13	Non-Residential Largest	39,035 m ² or greater of impervious area		\$1,980.91	\$23,770.92

Notes:

1. Example: 10-unit apt. = \$19.50/mo (\$234.00/yr).
2. Non-Residential tiers (Billing Codes 8-13) include both Taxable and Tax-Exempt properties.
3. Non-Residential properties with less than 26.0 sq. m. of impervious area are not charged.

Schedule 'B'
(to By-law 2010-113, as amended by 2011-153)

Stormwater Non-Residential and Multi-Residential Credits

(Effective July 1, 2012)

Non-residential and multi-residential (>5 dwelling units) customers (the "Applicant") may qualify for rate credits when the Applicant can demonstrate that the property owned by the Applicant (the "Property") contains impervious areas that are directed to approved, or in accordance with, stormwater quantity and/or quality best management practices ("BMP"). The BMP must provide the City with a cost savings that the City otherwise would incur as part of their efforts to manage stormwater.

B.1 Restrictions

- a) No public or private property shall be eligible to receive credits for any condition or activity unrelated to the reduction of the City's cost of providing stormwater management services, as determined by the Director of Engineering;
- b) Credits will not apply to fees attributable to new development or redevelopment projects;
- c) Any stormwater BMP off site or within a permanent easement maintained by the City shall not be eligible for a credit; and,
- d) Credits shall only be given to the registered owner of the Property.

B.2 Conditions and Requirements

- a) The Applicant shall complete a stormwater credit registration form (the "Form"). The Form may be printed or electronic, and may be submitted with supporting documentation (if required) by mail, fax or over the internet.
- b) A signed Form shall constitute authority for the City to perform limited announced inspections of the Property to determine the eligibility of the on-site stormwater BMPs, and the accuracy of the credit calculation. The inspection shall be limited to stormwater BMPs and other elements described in the registration. The City shall schedule the inspections at a date and time that is mutually acceptable to both parties. The City will offer the Applicant at least one (1) opportunity to reschedule to a mutually agreeable date and time.
- c) Credits will only be applied if requirements in this schedule are met, including but not limited to: completion of ongoing maintenance, guaranteed right-of-entry for inspections and submission of self certification reports, on an annual basis, as at the discretion of the Director of Engineering;
- d) Unless otherwise obligated by law, the City shall limit the use of the Form or other registration documents to activities required to administer stormwater credits;
- e) Credits will be defined as percent (%) reductions to the City's stormwater portion of the utility bill;
- f) One credit for each credit category described in Section B.3 can be applicable to a Property pursuant to the schedule, up to a maximum of 45% of the assessed stormwater rate;

- g) Any BMP must comply with all applicable municipal, provincial and federal standards and guidelines;
- h) As long as the BMP is functioning as approved and as demonstrated by self-certification reports and City inspections, the credit will be applied to the stormwater portion of the utility bill. If the approved BMP is not functioning as approved or is terminated for any reason whatsoever, the reduction will be cancelled and the rate will be returned to the baseline calculation. In the circumstance that a BMP is no longer functioning as approved, the Applicant shall reimburse the City the entire amount of the credit received in respect of the Property since the last inspection by the City. Once the credit reduction has been cancelled, a customer may not reapply for a credit for a period of 12 months and only upon the deficiency being rectified as determined by the City inspection;
- i) Credits will be applied retroactively to January 1, 2011 if the Form has been received prior to March 1, 2013, if such Form is approved. The retroactive credit is processed as a one time adjustment to an active customer utility account. If the Applicant took ownership of the Property and established a utility account after January 1, 2011 the credit will only be retroactive to the effective date of the utility account. Previous account holders are not eligible for the credit after moving out. Any Forms received after March 1, 2013, that are approved, will have the credits applied to a future billing cycle after receipt of the Form;
- j) Only stormwater management facilities that serve the Property described on the Form shall be credited toward that Property's bill. The Applicant cannot transfer credit eligibility from the Property to another property owned by the Applicant. Similarly, the credit eligibility of a Property does not transfer from the Applicant to a new owner of the Property, without a separate Form completed on behalf of the new owner of the Property; and
- k) All stormwater control BMPs must be an accepted practice referred to in the applicable City of Kitchener Development Manual at the time of registration, as certified by qualified person. The City may waive this requirement for a stormwater BMP that was installed prior to January 1, 2011, if such facilities are operating effectively and do not threaten or harm the Property, neighbouring property, City facilities or the environment, as determined by City inspections.

B.3 Stormwater Credits

B.3.1 Option 1. Quantity Control Credit

The percentage allocated for this credit is based on the percentage of impervious area that is directed to an approved quantity control BMP.

The maximum credit for this category is 25%.

B.3.2 Option 2. Quality Control Credit

The percentage allocated for this credit is based on the percentage of impervious area that is directed to an approved quality control BMP as well as the degree of treatment the BMP provides based on criteria established by the Ministry of Environment.

B.3.2.1 Enhanced Quality Control

Enhanced quality corresponds to the long term average removal of 80% of total suspended solids. The percentage allocated for this credit is based on the percentage of impervious area directed towards enhanced quality controls.

The maximum credit for this category is 15%.

B.3.2.2 Normal Quality Control

Normal quality corresponds to the long term average removal of 70% of total suspended solids. The percentage allocated for this credit is based on the percentage of impervious area directed towards normal quality controls.

The maximum credit for this category is 10%.

B.3.2.3 Basic Quality Control

Basic quality corresponds to the long term average removal of 60% of total suspended solids. The percentage allocated for this credit is based on the percentage of impervious area directed towards basic quality controls.

In addition to the total suspended solids removal criteria, the Applicant may also be eligible for the basic pollution reduction credit if they have implemented a paved area sweeping program, a salt management plan, or both.

Paved Area Sweeping Program: the following minimum criteria must be satisfied:

- a) Submit a detailed paved area sweeping plan to include definition of areas to be swept, frequency of sweeping (minimum twice per month), debris disposal method, and type of sweeper used.
- b) Provide documentation of plan implementation, such as copies of paid invoices or employee timesheets, or a certification of work accomplished, prepared and signed by an officer of the sweeping company.

Salt Management Plan - the following criteria must be satisfied:

- a) The Property or facility must be accredited through the "Smart About Salt" certification program or have an approved salt management plan that is administered by a contractor with "Smart About Salt" certification.

The maximum credit for this category is 5%.

B.3.3 Option 3. Education Credit

Non-residential customers are eligible to receive the stormwater education credit for educating employees in the areas of flood prevention and pollution reduction if the following criteria are satisfied:

- a) Devote fifteen minutes per quarter (or an hour annually) to educating employees about flood prevention and pollution reduction. Additionally, provide basic stormwater management information to new employees. Organizations will be required to submit programs or agendas to the City for environmental education sessions that will include information concerning

number of attendees, time(s), place(s), and topic(s) covered during each session along with confirmation that a 50% employee participation goal was met. Pre and post session surveys are recommended. Topics must rotate on at least an annual basis;

- b) Post stormwater and water quality specific educational information obtained from the City, provincial/federal environmental agencies, or from any other reputable educational resource center in employee frequented areas. Information posted must be clearly visible. Information topics must rotate on at least an annual basis. Copies of posted materials must be provided to the City;
- c) Distribute stormwater and water quality specific literature obtained from the City, provincial/federal environmental agencies, or from any other reputable educational resource center to all employees on a quarterly basis and provide copies to the City with the annual self certification report. Literature topics must rotate on at least an annual basis; and
- d) All materials to be used in presentations must be reviewed and approved by the City before use in this program.

Non-residential customers are eligible to receive the stormwater education credit for educating the City stormwater customer base in the areas of flood prevention and pollution reduction if the following criteria are satisfied:

- a) Disseminate stormwater and water quality specific literature obtained from the City, provincial/federal environmental agencies, or from any other reputable educational resource center to customers on a quarterly basis using high traffic area kiosks, advertised special events, customer mailings, product label advertisements, public service announcements, advertisements, educational curricula, or other mass distribution techniques. Information topics must rotate on at least an annual basis. Copies of disseminated materials must be provided to the City along with estimates of the number of customers reached in each annual self certification report; and
- b) All materials to be used in presentations must be reviewed and approved by the City before use in this program.

Schools, public or private, are eligible to receive the stormwater education credit for educating students and employees in the areas of flood prevention and pollution reduction if the following criteria are satisfied:

- a) Devote two hours per half (four hours annually) to educating one grade level of students (or split between two grade levels) about water quality awareness and protection. Educational institutions will be required to submit programs or agendas to the City for environmental education sessions that will include information concerning number of attendees, time(s), place(s), and topic(s) covered during each session. The City will assist with providing materials for the education program. Pre and post session surveys are recommended. Topics must rotate on at least an annual basis, or become part of the curriculum for the same grade level each year;
- b) Devote fifteen minutes per quarter (or an hour annually) to educating employees about water quality awareness and protection. Additionally, provide basic stormwater management information to new employees. Topics must rotate on at least an annual basis;

- c) Post stormwater and water quality specific educational information obtained from the City, provincial/federal environmental agencies, or from any other reputable educational resource center to student and employees frequented areas. Information posted must be clearly visible. Topics must rotate on at least an annual basis. Provide copies of posted materials to the City;
- d) Distribute stormwater and water quality specific literature obtained from the City, provincial/federal environmental agencies, or from any other reputable educational resource center to target students and all employees on an annual basis and provide copies to the City with annual self certification report. Topics must rotate on at least an annual basis.

The maximum credit for this category is 5%.

Schedule "C"
(to By-law 2010-113, as amended by 2011-153)

Stormwater Residential Credits

(Effective July 1, 2012)

Residential (<5 dwelling units) customers may qualify for rate credits when the Applicant can demonstrate that the property owned by the Applicant (the "Property") contains impervious areas that are directed to approved, or in accordance with, stormwater quantity and/or quality best management practices ("BMP"). The BMP must provide the City with a cost savings that the City otherwise would incur as part of their efforts to manage stormwater.

B.1 Restrictions

- a) No public or private property shall be eligible to receive credits for any condition or activity unrelated to the reduction of the City's cost of providing stormwater management services, as determined by the Director of Engineering;
- b) Credits will not apply to fees attributable to new development or redevelopment projects;
- c) Any stormwater BMP off site or within a permanent easement maintained by the City shall not be eligible for a credit; and,
- d) Credits shall only be given to the registered owner of the Property.

B.2 Conditions and Requirements

- a) The Applicant shall complete a stormwater credit registration form (the "Form"). The Form may be printed or electronic, and may be submitted with supporting documentation (if required) by mail, fax or over the internet.
- b) A signed Form shall constitute authority for the City to perform limited announced inspections of the Property to determine the eligibility of the on-site stormwater BMPs, and the accuracy of the credit calculation. The inspection shall be limited to stormwater BMPs and other elements described in the registration. The City shall schedule the inspections at a date and time that is mutually acceptable to both parties. The City will offer the Applicant at least one (1) opportunity to reschedule to a mutually agreeable date and time.
- c) Credits will only be applied if requirements in this schedule are met, including but not limited to: completion of ongoing maintenance and guaranteed right-of-entry for inspections, on an annual basis, as at the discretion of the Director of Engineering;
- d) Unless otherwise obligated by law, the City shall limit the use of the Form or other registration documents to activities required to administer stormwater credits;
- e) Credits will be assigned as per section B.3 up to a maximum of 45% assessed stormwater rate;
- f) Credits will be defined as percent (%) reductions to the City's stormwater portion of the utility bill;
- g) Any BMP must comply with all applicable municipal, provincial and federal standards and guidelines;
- h) As long as the BMP is functioning as approved and as demonstrated by City inspections, the credit will be applied to the stormwater portion of the utility bill. If

the approved BMP is not functioning as approved or is terminated for any reason whatsoever, the reduction will be cancelled and the rate will be returned to the baseline calculation. In the circumstance that a BMP is no longer functioning as approved, the Applicant shall reimburse the City the entire amount of the credit received in respect of the Property since the last inspection by the City. Once the credit reduction has been cancelled, a customer may not reapply for a credit for a period of 12 months and only upon the deficiency being rectified as determined by the City inspection;

- i) Credits will be applied retroactively to January 1, 2011 if the Form has been received prior to March 1, 2013, if such Form is approved. The retroactive credit is processed as a one time adjustment to an active customer utility account. If the Applicant took ownership of the Property and established a utility account after January 1, 2011 the credit will only be retroactive to the effective date of the utility account. Previous account holders are not eligible for the credit after moving out. Any Forms received after March 1, 2013, that are approved, will have the credits applied to a future billing cycle after receipt of the Form;
- j) Only stormwater management facilities that serve the Property described on the Form shall be credited toward that Property's bill. The Applicant cannot transfer credit eligibility from the Property to another property owned by the Applicant. Similarly, the credit eligibility of a Property does not transfer from the Applicant to a new owner of the Property, without a separate Form completed on behalf of the new owner of the Property;
- k) All stormwater quantity control BMPs must be a municipality accepted practice. Accepted stormwater storage practices include:
 - 1. Infiltration galleries
 - 2. Storage devices (e.g. cisterns, rain barrels)
 - 3. Landscaping techniques (e.g. rain gardens, depressed areas to collect rainwater)
 - 4. Combination of first three techniques;

B.3 Residential Quantity Control Credit

The percentage allocated for this credit is based on the storage volumes in Table 1.

TABLE 1: Residential Quantity Control BMP Credit Values

Volume Captured	Examples	Credit
200 – 400 L	<ul style="list-style-type: none"> • 1-2 rain barrels 	9%
401 – 800 L	<ul style="list-style-type: none"> • 3-4 rain barrels • small cistern 	18%
801 – 2400 L	<ul style="list-style-type: none"> • small cistern • combination of small cistern and rain barrels 	27%
2401 – 3200 L	<ul style="list-style-type: none"> • large cistern • combination of cistern and rain barrels 	36%
3201 L or more	<ul style="list-style-type: none"> • large cistern • infiltration gallery 	45%

BY-LAW NUMBER
OF THE
CORPORATION OF THE CITY OF KITCHENER

(Being a by-law to amend By-law Number 2010-113 of The Corporation of the City of Kitchener pertaining to Storm Water Charges.)

WHEREAS the Corporation of the City of Kitchener adopted By-law Number 2010-113 with respect to the creation of the Storm Water utility;

AND WHEREAS By-law Number 2010-113 was amended by By-law Number 2011-153 in June of 2011 to allow for the creation of the Storm Water Charge Credit Policy;

AND WHEREAS the Storm Water Charge Credit Policy has now been created and the Council of the Corporation of the City of Kitchener is desirous of implementing such Storm Water Charge Credit Policy;

NOW THEREFORE the Council of the Corporation of the City of Kitchener enacts as follows:

1. Schedule "A" of By-law Number 2010-113 as amended by 2011-153, is hereby deleted in its entirety and replaced with Schedule "A" attached hereto.
2. Schedule "B" of By-law Number 2010-113, as amended by 2011-153, is hereby deleted in its entirety and replaced with Schedule "B" attached hereto; and
3. Schedule "C" of By-law Number 2010-113, as amended by 2011-153 is hereby deleted in its entirety and replaced with Schedule "C" attached hereto.

PASSED at the Council Chambers in the City of Kitchener this _____ day of _____, A.D. 2011.

Mayor

Clerk

6. INS-12-010 - LOCAL ENVIRONMENTAL ACTION FUND (LEAF)
- FUNDS FOR PARK & TRAIL PROJECTS (CONT'D)

reduce the tax levy. Mr. D. Chapman advised that an important distinction to make is that the Cycling Master Plan is to be funded entirely from parking rates so would be funded through the 10% increase in rates this year. Councillor Davey suggested that notwithstanding, Council could increase the dividend from parking to the tax levy and phase it in over a few years. Mr. Chapman stated that while possible, staff has demonstrated through the budget materials that the level of dividend as it stands now is not sustainable. He added that there is no ability to maintain the current level of dividend within parking and so there is already pressure in that budget. Councillor Davey pointed out that what he is proposing is that \$200K be funded by LEAF and next year the dividend would decrease by \$50K, with LEAF paying \$150,000, for a total cost of \$500,000 that would be stepped in over a 4 year period so as to decrease the tax levy. Mr. Chapman concurred that this would present a method that does not worsen the parks budget and advised that the Cycling Master Plan was not considered as the intent of Council's direction was to consider the backlog within the Park & Trails Master Plan.

A motion by Councillor S. Davey was brought forward to amend the main motion to provide that in 2012 \$200,000 be expended from the LEAF program to fund the Cycling Master Plan such that it would serve to reduce the 2012 tax levy from 3.9% to 3.7%.

Councillor K. Galloway suggested that the proposed amendment represents a larger debate and would be better considered on final budget day. Mayor Zehr agreed that the Cycling Master Plan could be looked at but should be done in the context of parking matters at the budget session. He added that the LEAF funds are not surplus but rather are part of an existing budget that has not been fully expended.

Councillor S. Davey advised that he was withdrawing his amendment but would raise this issue again at the final budget meeting.

The following motion was then voted on by a recorded vote and **Carried Unanimously** by all members present.

On motion by Councillor K. Galloway -
it was resolved:

"That the Local Environmental Action Fund (LEAF) grant program be suspended effective immediately; and,

That subject to final budget deliberations, uncommitted funding from the Local Environmental Action Fund (LEAF) be utilized in 2012 to fund portions of the 2012 - 2015 park & trail capital projects as follows:

- 100,000 for Walter Bean Trail Completion;
- 250,000 for Community Trails; and further,

That staff be directed to report to the Finance and Corporate Services Committee by no later than May 7, 2012, outlining LEAF funding options for 2013 - 2015 and funding options for 2015 and beyond, for the 2013 budget process; the report to also include results of consultation with the LEAF Steering Committee, Environmental Committee and any other interested citizens groups."

The Committee then recessed at 12:35 p.m. and reconvened at 1:05 p.m. with all members present, except Councillor F. Etherington.

7. INS-12-001 - STORM WATER CREDIT PROGRAM - FINAL REPORT

The Committee considered Infrastructure Services Department report INS-12-001, dated December 23, 2011 concerning the 2012 storm water rate schedule and recommendations to implement a storm water credit program.

Mr. N. Gollan presented findings of collaborative work with the City of Waterloo to develop a storm water credit policy, designed to reward property owners who own and maintain private

7. INS-12-001 - STORM WATER CREDIT PROGRAM - FINAL REPORT (CONT'D)

storm water management facilities. The objective of the policy is to encourage implementation of measures on private property to reduce total run-off volume and pollutant loading discharged into the City's storm water management system (SWM). It is proposed to create two policies with one for non-residential and multi-residential property owners, and another for residential owners with less than 5 dwelling units. Each of the credit policies is to be tailored to address specific issues experienced within the two sectors. The total maximum credit for the non-residential / multi-residential sector is 45%, broken down into three components based on quantity control, quality control and education. The residential sector of less than 5 dwelling units also has a total maximum credit of 45%, broken down into categories based on the number of rain barrels, cisterns (small or large) and infiltration galleries, or combination thereof. Mr. Nollan provided a schedule for implementation of the credit program and outlined additional staffing requirements. The recommendation provides for approvals, subject to final budget deliberations, of the proposed storm water rate schedule, storm water credit schedules, amendment to By-law 2011-153 (Storm Water Charge By-law) and hiring of additional staffing.

Cheryl Evans and Sharyn Inward, Waterloo Region Green Solutions (REEP), attended to provide information on the RAIN Program which is an ecological approach to storm water management. Goals of the program include: protection of water quality in lakes and rivers; encourages urban landowners to reduce volume and non-point source pollution entering rivers through storm sewers; measure results; and create a model for adaptation in other communities.

In response to questions, the delegation advised that the program is delivered across Ontario, in 10 communities, by Green Communities Canada and within each community, locally by its member organizations. It was noted that education is only part of the program which also delivers contracts to local groups, such as REEP, to build and install storm water measures such as composters and rain barrels. The REEP House is used as an example to others as to what is achievable in reducing impact related to storm water run-off and energy efficiency. It was further noted that based on average rainfalls, in the first year of the program approximately 4,200 m³ of rain water run-off was diverted across the Province and each year the new measurement is added to the previous year.

Mr. Bob McColl, Pinegrove Community Association, advised that his group generally supports the concept of those who produce rain water run-off paying for managing storm water management costs. He noted, however, that while it works well in modern subdivisions where there is built in storm sewer, curb and gutter, there are pockets throughout the City that pre-date modern technology consisting of culverts and ditches. He stated that in the Pinegrove neighbourhood storm water is almost completely absorbed on private property and a number of homes are below grade of the road, such that rain water run-off from the road runs onto private property. Many homes have installed their own storm water systems to collect water from their property which is disposed of on site. Mr. McColl noted that these unique circumstances where whole neighbourhoods manage their own storm water is not mentioned in the report and they would like to see staff look at those neighbourhoods that do not generate storm water to determine the feasibility of exemptions. Mr. McColl added that one other concern is the number of categories applied to residential properties, suggesting that a 4th category be created for extra large homes that are upwards of 5,000 sq. ft. and have 65% plus hard surface coverage. He noted that under the proposed credit policy and storm water rates the extra large homes are actually contributing less to storm water management than under the property tax system.

In response to questions, Mr. McColl advised that road salt affects ability to maintain a healthy lawn and has experienced minor flooding on his property resulting from large storms. Further to issues raised concerning large homes, Mr. McColl agreed that those homes on septic systems require larger properties to accommodate weeping beds; however, he stated that most do not have homes 6 to 7,000 sq. ft. in size. He stated that the proposed fourth category is geared more toward homes of significant square footage with 60 to 70% hard surface coverage, suggesting that they should not be rated the same as those that have 1/3 of their value.

Mayor C. Zehr questioned if the delegation understands that the credit system is an attempt to achieve fairness in that, he suspects that many homes in the Pinegrove area will qualify for

7. INS-12-001 - STORM WATER CREDIT PROGRAM - FINAL REPORT (CONT'D)

credits that would conceivably bring the net cost below that which was included in property taxes prior to establishing the Utility. Mr. McColl agreed in part but raised concerns with individual property owners having to make application for credits when the majority of storm water is already absorbed in ground on their properties. He suggested that while they can purchase rain barrels and qualify for credits this would not result in improvements because storm water is already being 100% absorbed in a majority of cases. Mayor Zehr stated that it is not feasible to attain perfection on how the policy is applied because there is too many variations but rather this is an attempt to achieve some element of fairness; and where properties have ability to reduce their impact to storm water it is likely to be a less expensive route than through property taxes. Mr. McColl agreed, reiterating his group's general support of the concept and in particular, noting that it brings in commercial / institutional / industrial properties that through the property tax system were not contributing their fair share of the revenue required to manage storm water.

Councillor Z. Janecki questioned if the 45% maximum credit was seen as fair. Mr. McColl stated that as an individual he thought it was a realistic number; however, some neighbourhoods may question why the credit is being restricted to 45% given they do not generate storm water run-off.

Mr. G. Murphy clarified that the residential credit policy is focused on the volume of storm water captured by property owners, as defined by certain categories and with appropriate credits to apply. He stated that staff recognize there are some properties that have unique circumstances and will be taking a serious look at those; and they will likely be getting some form of credit based upon drainage running off of the municipal right-of-way onto their properties.

Messrs. Bruce Buckingham, Tony Matlock and Paul Wygal attended on behalf of the residents of Queens Heights Condominium. Mr. Buckingham advised that the property has its own storm water management control system that reduces run-off to 0%, with all rain and snow melt captured and stored on site for reuse of the property. He noted that the credit policy applies to the individual property owner but suggested that in this case, the benefit of the credit should be paid directly to the Condominium Corporation to defray capital costs as they undertake the installation and maintenance of the storm water control systems and pay for water utilities.

Mr. Derek Satnik spoke in support of the credit policy, stating that it should be done in such a way as to not jeopardize the City's ability to manage storm water and suggested that staff undertake a periodic review to invoke further refinement of the program, citing an example of implementing permeable driveways for all residential properties.

Mr. Gus Rungis, Grand River Conservation Authority (GRCA), presented an overview of the GRCA's SWM Program which seeks to control urban run-off impacts of flooding, stream erosion and water quality. Mr. Rungis advised that the GRCA is supportive of credits to property owners to encourage proper on-site measures and would like to see periodic review of the rate and credit structure to optimize program goals, and implementation of an annual audit.

In response to Councillor J. Gazzola, Mr. Rungis commented that considerable effort is put into best management practices for run-off from agricultural lands and there are incentive programs available in different jurisdictions but often they are private lands that may or may not be controlled. In respect to impact of run-off into the SWM system, he stated that each parcel of land is unique and suggested that flatter areas with better soil promote more infiltration and less run-off but when serious events occur, such as a 100 year storm, there will be run-off from most properties. It was also noted that all cities contribute to the GRCA's operating costs and the GRCA manages certain aspects of the river and undertakes certain projects. Mr. G. Murphy added that the City does undertake a variety of capital projects, citing an example of the Grand River Stabilization Project which is fully funded by the City. Mr. Murphy advised that responsibility for this project was originally that of the GRCA, however, over time responsibility was transferred to the City.

7. INS-12-001 - STORM WATER CREDIT PROGRAM - FINAL REPORT (CONT'D)

Ms. Jennifer Sinclair and Mr. Bob Hanna, Grand Hill Village Community, attended to raise concerns regarding the storm water fee as it relates to their neighbourhood, stating that their community receives no storm water service from the City which they suggest the application of a fee to their properties is counter to municipal legislation. Ms. Sinclair stated that the community does not contribute run-off to the City managed system as their properties have a high proportion of natural surface area and jointly, the residents own and maintain an additional wooded / wetland which also absorbs run-off. The delegation suggested that the credit policy is complicated and will be costly to maintain; and proposed that if the 55% of the fee is the real cost of storm water management this portion should be included in property taxes. It was further suggested that the remaining 45% should be charged to home owners who actually receive storm water services and those like the Grand Hill Village Community who do not benefit from storm water infrastructure and who do not contribute run-off to the system, should be exempt.

In response to Councillor J. Gazzola, the delegation advised that they had brought forward their comments to staff but were not able to resolve the issue around the premise that all properties contribute to storm water run-off. Mr. Hanna also confirmed that the community residents jointly own and maintain the common lands situate in the Grand Valley with most residential storm water absorbed on their own properties and the valley receiving run-off from a development on Winifred Drive.

Mayor C. Zehr referred to the delegations request for removal of the 55% and questioned if the delegation is aware that they were paying 100% of the costs previously through property taxes. Ms. Sinclair questioned if the amount paid previously now equates to the 55% or the entire amount. Mayor Zehr explained that the total SWM program costs of \$8M were increased to \$13M and had the costs remained in the property tax base the delegation would be paying 100% of their share of those costs; however, through the SWM Utility and credit policy they would now be paying much less. He added that through that process the City removed a significant portion from the residential sector to include the non-residential sectors because residents were paying a disproportionate amount. Ms. Sinclair suggested that by removing the costs from the tax base and having them separate may give license to increase the amount without the normal controls and balance if it remained in the tax base. Mayor Zehr advised that the same control and balance remains as Council is still the authority in such instance. Mayor Zehr also suggested that the delegation reconsider their use of the word "fraudulent" in their written submission relative to application of a fee for service as this suggests an element of criminality which is not the case.

Mr. Peter Gates, River Edge Golf Club, stated that the SWM Utility program as structured will work well but must be equitable, raising similar concerns that not all properties add run-off into the City storm water system and is an issue that needs to be addressed. Mr. Gates stated that it was his understanding staff is introducing a roads related issue into the SWM program but maintained that roads are for the common good, including non-residents, and those costs should not be tied to individual properties. He asked that Council ensure there is equity within the context of what has already been approved. Mr. Gates also requested that consideration be given to the fact that the Club receives run-off from neighbouring properties who are also being charged a SWM fee by the City, asking that open space lands which contribute substantially to the goals of the SWM program be exempt and failing that, the by-law be amended to provide a mechanism wherein the net run-off from any given property can be determined and levy a fee accordingly.

Councillor J. Gazzola requested clarification that the delegation is asking for a complete exemption but would be willing to pay their fare share if there is run-off from the property. Mr. Gates concurred, stating that he does believe the system is good for the community; however, he maintained that the Golf Club does not contribute any loading to any City managed SWM system. In response to further questions, Mr. Gates advised that the Club was required by the City to incorporate a road system and parking lot, as well as, design a SWM system to collect all water from the property into on-site ponds; the water from which is recycled for reuse on the property. Mr. Gates added that the cost of the SWM system was approximately \$100,000.

Councillor D. Glenn-Graham questioned where the delegation would propose run-off from common areas, such as roads, should be charged to. Mr. Gates stated that the City made a

7. INS-12-001 - STORM WATER CREDIT PROGRAM - FINAL REPORT (CONT'D)

conscientious decision to remove storm water from the tax base and for run-off from municipal property that the City must take responsibility for has to be collected and ultimately directed into the Grand River. Councillor Glenn-Graham commented that he was thinking in terms of roads benefiting the common good and how they should be funded. Mr. Gates suggested that if road construction requires a storm water component then SWM funding should be allocated and is exactly what those funds should be used for.

Councillor Z. Janecki inquired if the delegation had approached staff for special consideration and Mr. Gates advised they had but without success to date given there appears to be no recognition that some properties do not add to the storm water system.

Mayor C. Zehr commented that he did not fully agree with the delegates interpretation of roads, suggesting that some aspects as it regards any property have some responsibility from an operational perspective. Mayor Zehr advised that he had followed up with staff to determine if there is some flexibility in the credit system and referred to a clause within Schedule B dealing with application of credits that could accommodate some of the extra-ordinary circumstances. He suggested that Mr. Gates have a discussion with staff on this issue. Mr. Gates responded to the comments concerning roads, stating that the program speaks to run-off from individual properties; however, he pointed out that there are many properties of all differing sizes and road frontages and to try to marry road expenditures into the function of storm water was in his opinion inappropriate.

Councillor J. Gazzola questioned how the maximum 45% was established. Mr. Gollan advised that the percentage was derived through the study process that took into consideration storm water costs and best management practices; and the upset limit is based on an assessment of SWM costs that could potentially be influenced by long term actions taken by property owners on private lands. Mr. Gollan further clarified that it was determined that every property contributes 55% of run-off into the system and only the remaining 45% is eligible for credit. He stated that this is similar to other funding models that have fixed costs, citing example of the Water Utility. Councillor Gazzola questioned why properties such as the Golf Club and Grand Hill Village Community are included in the fixed charge portion when they receive no service. Mr. Gollan stated that one of the challenges of the Utility is in using impervious surface as a surrogate to indicate amount of run-off and having heard those speak of 0% coming off some properties regardless of how heavy a rainfall, he pointed out that engineering principles suggest that is not the case as once saturated and rain continues to fall there is some run-off coming from those properties. He suggested that in defining the maximum credit there is service provided to every property in some respect by virtue of not being flooded out because the City's system manages water and ultimately directs it to the Grand River so there is no damage to private property.

Councillor Gazzola disagreed that normal rainfall would result in 55% run-off going out into the system and maintained that a property should pay only what it puts into the system. Mr. G. Murphy advised that staff have reviewed properties in the Grand Hill Village Community and approximately 9 of the 38 homes which back onto the Grand River appears to have drainage flowing off of the City right-of-way onto their properties and into the Grand River. He stated that staff has already stipulated that those properties would be eligible for credit and will be looked at individually. The balance of those properties utilize the municipal right-of-way, draining from the west to the east and not to the Grand River, going out onto the City right-of-way and down Grand Hill Drive. Accordingly, Mr. Murphy advised that the majority of the properties in the area would be required to pay the SWM rate unless they take measures to mitigate impact to the storm water system. He stated that the policy is attempting to address the majority of situations and staff understand there will be some extra-ordinary circumstances like those referred to by Mr. Gates and are willing to sit down and consider their concerns.

Councillor Gazzola reiterated that staff is still saying that 55% is going into the system. Mr. Murphy stated that the intent of the analysis is to identify overall what property owners could do to influence the costs of the storm water program and that is how the maximum 45% figure was arrived at. He stated that the focus is on the overall storm water program and to suggest it is to parcel it out into 45% is not correct but rather it is about 45% of the program which can be influenced by positive actions taken by the property owner. Councillor Gazzola maintained

7. INS-12-001 - STORM WATER CREDIT PROGRAM - FINAL REPORT (CONT'D)

that it is still a fee for service and some property owners should be exempt or pay only for what they put into the system, suggesting that the maximum 45% credit is not fair and equitable.

Councillor Gazzola questioned how the figures for the number of residential and non-residential properties was derived. Mr. Gollan advised that during the study process an analysis was done on existing developments and a review of engineering on properties was undertaken to see how storm water management was done on residential properties. He noted that the information is available through the development process from which they were able to determine the number of properties with existing storm water facilities that are functioning. In regard to residential properties, staff was able to determine how many have infiltration galleries through the building permit system, equating to approximately 3,000 and an assessment was done of the Region's Rain Barrel Program as distributed to Kitchener residents since 2001, and through survey information which indicated what percentage of residents might actually implement some form of best practice on their property; equating to another 5,000 properties existing with either rain barrels or cisterns that would be eligible once the credit program is available.

Councillor Gazzola questioned the need to incur additional costs to hire new staffing for the program. Mr. Gollan 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 storm water facilities. Councillor Gazzola questioned the feasibility of the latter being conducted through an audit. Mr. Gollan advised that the intent is not to visit all 8,300 properties but rather is based on the model of the Region's Toilet Rebate Program wherein a sampling is visited to ensure quality control. Councillor Gazzola raised concerns that when initially established it was his understanding there was to be no rate increase for the foreseeable future yet an increase of 3% is being requested. Mr. Murphy advised that in 2011 Council reduced the rate by 10% and the 3% referenced is simply returning the service level back to the \$13M level over the next several years. Mr. Murphy added that the costs associated with the resource component was already included in the SWM Utility in its 2011 budget and is again in the 2012 budget; and therefore, staff is not increasing rates because of the credit program. He added that he did not recall indicating rates would not increase at all, referencing the normal process of establishing a rate structure over a multi-year work plan which would anticipate some inflationary changes and increases to the operating and capital program. Mr. D. Chapman added that Councillor Gazzola is partially correct in that the original model for the SWM Utility showed a sustainable service level at a consistent rate for 3 years, and thereafter it would increase by 3% per year. He added that Council made the suggestion last year to reduce the rate by 10%, and the model presented on final budget day showed the one time reduction and the 3% increase each year thereafter, so the increases did form part of Council's approval in 2011.

Councillor D. Glenn-Graham questioned whether roads are fixed costs for storm water management and whether there is run-off the City has to manage, because roads do benefit everyone. Mr. Gollan stated that the storm water portion of road works is a fixed cost in the sense that the City needs to pay now or pay later. In addition, he pointed out that there are other storm water structures in dire need of attention, such as storm water management ponds and watercourses which are identified in the storm water audit and prioritized to some degree in terms of improvements / maintenance needed to be done. Councillor Glenn-Graham questioned then that for those who say they do not receive a service there may be some calming features and benefits that are fixed costs they may not be considering and Mr. Gollan concurred.

Mayor Zehr questioned if he was correct in saying that there was a built in figure in the budgets previously considered that allowed for an anticipated credit and Mr. Gollan concurred. Mayor Zehr questioned what the impact would be to the rate structure if the maximum 45% credit was increased to a higher amount. Mr. Gollan advised that to maintain the level of service being forecast and dependent on the uptake in the credit program, any increase from the maximum of 45% would lead to an increase in the base rate as well. Mayor Zehr stated that it was important to listen to some of the examples given today and have further dialogue with those in unique situations and try to give clearer answers before finalizing this matter.

7. INS-12-001 - STORM WATER CREDIT PROGRAM - FINAL REPORT (CONT'D)

On motion by Mayor C. Zehr, the recommendation in report INS-12-001 was brought forward for consideration to approve, subject to final budget considerations, the SWM Rate Schedule and SWM Credit Schedules, as well as, amend existing By-law 2011-153 (Storm Water Charge By-law) and approval of additional staff resources.

Mayor Zehr questioned the time required to obtain details concerning discussions he referred to with those properties owners who have raised unique circumstances. Mr. G. Murphy advised that staff could have those discussions with the property owners involved prior to the final budget deliberations on January 19 but was not confident there would be a resolution by that time. Mayor Zehr suggested that as the credit program is retroactive to January 1, 2011 but not coming into effect until July 1 of this year, that allows time to make the actual calculation up to July 1st. Mr. Murphy advised that there is a window of opportunity for property owners to apply that extends to March 1, 2013 giving a full year to apply for credits but suggested that the sooner approval is given on the policy the sooner staff can move forward with the credit program.

In response to Councillor Z. Janecki, Mr. Gollan advised that in some cases SWM best management practices are compulsory in new developments based on sub-watershed requirements and pointed out that it is intended to link the credit application program with the development process to streamline properties for credit as they are developed. Councillor Janecki raised concerns that the credit structure is not really an incentive for residential property owners to undertake improvements given the costs they will incur to purchase rain barrels, cisterns, etc. versus the savings to be achieved will take a substantial number of years for payback.

Councillor P. Singh questioned how many properties would qualify under the first category of 1 to 2 rain barrels at a 9% credit. Mr. Gollan explained that staff was able to determine under the Region's Rain Barrel Program the number of barrels distributed but not where they were distributed to and therefore, assumptions were made as to how many existed per property and he could provide additional details around that analysis if desired. Councillor Singh suggested that it would be fair to say that out of the 8,300 properties eligible for credit, the larger percentage would qualify in that category. Councillor Singh questioned if there will be a review of the credit program within a specified timeframe. Mr. Gollan advised there is a reporting mechanism through the annual SWM audit process. Councillor Singh questioned the reason impervious driveways are not included in considerations as part of the credit program. Mr. Gollan stated that this could be looked at in further review; however, he noted that there are some concerns in the industry regarding promoting impervious pavement because it may actually exacerbate the chlorine impacts to ground water because generally pavement is where salt goes; adding that the Region and the City are trying to mitigate the impact to source water. Councillor Singh agreed with concerns raised that the costs to qualify negate the credit policy as an incentive for property owners to undertake improvements and would like to have this matter deferred to allow further debate.

Councillor K. Galloway questioned how agricultural lands have been considered in respect to the credit policy. Mr. Gollan advised that the credit policy is the same for all properties but noted that when the rates were implemented a conscious decision was made to cap the rates for agricultural lands at the residential rate, a savings in some cases of hundreds of dollars per year. Mr. Gollan stated that the decision made recognizes the large, open spaces and potential benefits of farms and accordingly, the agricultural community has been taken into consideration.

Councillor Gazzola requested clarification of discussions to be undertaken in respect to properties with unique circumstances and the potential for them to receive a higher credit than the proposed maximum 45%. Mr. Murphy advised that staff recognize there are some circumstances, such as mitigating where properties are experiencing run-off from municipal right-of-ways across their properties, that may warrant a higher credit. Mr. Murphy advised that these situations will be reviewed and a report with recommendations will come back for Council's consideration.

Councillor P. Singh commented that residential properties do not necessarily have the same capability to generate a high percentage of credit as do industrial / commercial properties and

7. INS-12-001 - STORM WATER CREDIT PROGRAM - FINAL REPORT (CONT'D)

needs to be taken into consideration. He expressed the opinion that more feedback is required in order to determine an appropriate mix for the credit program.

A motion by Councillor P. Singh was brought forward for consideration to defer the main motion to the next Committee meeting to allow staff an opportunity to provide an impact analysis on variations of how the residential credit values could be applied.

Following further discussion, Councillor Singh agreed to modify his motion of deferral to provide that paragraph one of the staff recommendation pertaining to approval of Schedule A (Storm Water Rate Schedule) of report INS-12-001 be dealt with this date and the remainder of the recommendation pertaining to approval of the credit policy be deferred to the January 30, 2012 Finance and Corporate Services Committee meeting.

On motion by Councillor P. Singh -
it was resolved:

"That subject to consideration during the 2012 final budget deliberations, the stormwater rate schedule as specified in Appendix A of Infrastructure Services Department report INS-12-001, be approved and come into effect on March 1, 2012; and further,

That the following recommendations contained in Infrastructure Services Department report INS-12-001, dated December 23, 2011 be **deferred to the January 30, 2012 Finance and Corporate Services Committee meeting**, to allow staff an opportunity to provide an impact analysis on variations of how the residential credit values could be applied:

'That subject to consideration during the 2012 Final Budget deliberations, the 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 storm water related programs and the storm water credit program."

**8. CAO-10-030 - ECONOMIC DEVELOPMENT INVESTMENT FUND
- IMPACT ANALYSIS 2011**

Chief Administrator's Office report CAO-11-030 (Economic Development Investment Fund – Impact Analysis 2011), dated December 30, 2011, was received as information.

9. ADJOURNMENT

On motion, the meeting adjourned at 4:00 p.m.

J. Billett, AMCT
Committee Administrator

REPORTS ADOPTED BY COUNCIL

FINANCE AND CORPORATE SERVICES COMMITTEE – (CONT'D)

5. (Cont'd)

- \$100,000 for Walter Bean Trail Completion;
- \$250,000 for Community Trails; and further,

That staff be directed to report to the Finance and Corporate Services Committee by no later than May 7, 2012, outlining LEAF funding options for 2013 - 2015 and funding options for 2015 and beyond, for the 2013 budget process; the report to also include results of consultation with the LEAF Steering Committee, Environmental Committee and any other interested citizens groups.

6. That subject to consideration during the 2012 final budget deliberations, the stormwater rate schedule as specified in Appendix A of Infrastructure Services Department report INS-12-001, be approved and come into effect on March 1, 2012; and further,

That the following recommendations contained in Infrastructure Services Department report INS-12-001, dated December 23, 2011 be **deferred to the January 30, 2012 Finance and Corporate Services Committee meeting**, to allow staff an opportunity to provide an impact analysis on variations of how the residential credit values could be applied:

'That subject to consideration during the 2012 Final Budget deliberations, the 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 storm water related programs and the storm water credit program.'

(Carried, on a recorded vote)

PLANNING AND STRATEGIC INITIATIVES COMMITTEE –

1. That Demolition Control Application DC11/20/O/M requesting permission to demolish one (1) single detached dwelling located at 1290 Old Zeller Drive, owned by Valley View Heights (St. Jacobs) Ltd., be approved, as outlined in Community Services Department report CSD-12-004.

(Dealt with under Delegations and Carried)

2. That Zone Change Application ZC10/08/Z/KA for Rockway Holdings Limited for the purpose of changing the zoning from Agricultural Zone (A-1) with Special Use Provision 69U and Special Regulation Provision 107R, and from Hazard Land Zone (P-3) to Residential Three Zone (R-3), Residential Four Zone (R-4), Residential Six Zone (R-6), Public Park Zone (P-1) and Hazard Land Zone (P-3) with site specific special provisions be approved in the form shown in the "Proposed By-law" dated January 10, 2012 attached to Community Services Department report CSD-12-014 as Appendix 'A'; and further,

That the City of Kitchener, pursuant to Section 51 (31) of the Planning Act R.S.O. 1990, Chapter P 13 as amended, and delegation by-law 2002-64, grant draft approval to Plan of Subdivision Application 30T-10202 in the City of Kitchener, for Rockway Holdings Limited, subject to the conditions outlined in Report CSD-12-002.

(Carried, As Amended)