

# Meeting Notes

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**Date:** July 28, 2020, 7:00-9:00 p.m.

**Meeting at:** Virtual Meeting via Microsoft Teams

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**Ref:** City of Windsor Stormwater Financing Study

**Subject/purpose:**

Stormwater Advisory Group (SAG) Meeting No. 5

**Attendees:**

Frank Butler, Citizen Environment Alliance  
Chris Manzon, EnWIN Utilities  
Chris Pearson, Fiat Chrysler Automobiles  
Kevin Marshall, Windsor Regional Hospital  
Tian Martin, Essex Region Conservation Authority  
Jonathan Choquette, Essex County Field Naturalist Club  
Pete Karageorgos, Insurance Bureau of Canada  
Fahd Mikhael, City of Windsor  
Colleen Middaugh, City of Windsor  
Dwayne Dawson, City of Windsor  
Tony Ardovini, City of Windsor  
Anna Godo, City of Windsor  
Ian Wilson, City of Windsor  
Peter Simcisko, Watson & Associates  
Samantha Stokke, Wood (part)  
Brian Bishop, Wood  
Meera Shakeel, Wood

Attached for reference are the meeting agenda, PowerPoint presentation and the two Handouts that served as the basis for the meeting and discussion.

## 1. INTRODUCTIONS

Colleen Middaugh opened the meeting, welcomed the advisory group members, and introduced Meeting No. 5 of the Stormwater Financing Study. Brian Bishop also welcomed the SAG members, followed by Peter Simcisko, who went over the agenda for the presentation. Firstly, the summary of the last meeting, including the review of the survey results and comments from SAG Meeting No. 4, will be discussed. This will be followed by a review of the rate structure direction received to date and funding model inputs. He mentioned that focus of the meeting would be to review and discuss the funding framework/approach best suited for the City of Windsor and solicit further input from the SAG members.

**PLEASE NOTE:** If there is any comment or amendment to be made to these meeting notes, they must be brought to the notice of Wood Environment & Infrastructure Solutions within 24 hours of issue and confirmed in writing.

## 2. RATE STRUCTURE DIRECTION TO DATE

To refresh everyone's memory, Peter shared the results of the rate structure exercise that was completed in the last meeting (SAG Meeting No. 4). A total of 26 responses were received from the SAG members and City staff. Peter showed the results through a bar chart (1 being the most preferred structure while 8 being the least preferred option). Overall, the Impervious Area Sampling by Property Type was the most preferred option for the residential properties, whereas the Actual Impervious Areas per Property received most votes for the non-residential properties. He mentioned that the City staff preferred Impervious Area Sampling by Property Type approach for the residential properties while SAG members preferred Actual Impervious Area per Property for both residential and non-residential properties.

Peter mentioned that the most preferred rate structure for the residential properties (Impervious Area Sampling by Property Type) would be a tiered flat rate approach, informed by run-off coefficient established by statistical sampling. Whereas, the most preferred option for the non-residential (Actual Impervious Areas per Property) would be a charge based on measured impervious area. He discussed inputs to the preliminary calculations for preferred rate structures for residential and non-residential properties.

## 3. FUNDING MODEL INPUTS

Peter talked about the sewer surcharge rates in greater detail. He told the SAG members that budgeted sewer surcharge revenue for 2020 was estimated to be \$76.8. Out this \$76.8 million, 42% is allocated to stormwater services, while 58% is allocated to wastewater services (information presented through a pie chart). Peter showed to the members how much a typical sewer surcharge bill is for different types of customers, including residential, commercial (small) and commercial (large).

Peter mentioned that one of the comments received on the ranking sheets completed during SAG Meeting No. 4 spoke about a portion of the current residential tax rates allocated towards the stormwater services. He clarified that the stormwater services are currently exclusively funded by sewer surcharge and not tax rates.

Peter mentioned that the budgeted sewer surcharge revenue allocated to stormwater is approximately \$32.3 million. The preliminary cost of the recommended level of service in 2020 was estimated to be \$46.4 million. It has been proposed to phase-in the increase over a 5-year period to allow the City enough time to develop a more detailed plan of the work to be undertaken.

He mentioned that the preliminary cost of the recommended level of service was initially estimated to be \$61.8 million (at SAG 4 in January, 2020). Refinements have been made to the recommended level of service for several of the program areas which has reduced the number to \$46.4 million. Peter pointed to the Handout No. 1 which provides the full details of the current program funding, and the proposed budget to support the level of service that was previously discussed and the differences between the current level of funding and proposed budget for each of the service areas.

Brian Bishop summarized the seven (7) program areas that were modified which led to an overall reduction of the proposed budget from \$61.8 million to \$46.4 million. Brian mentioned that meetings have been held between City staff since after the last SAG Meeting No. 4. Through on-going discussions, the recommended Level of Service of the program areas have been lowered, and two



elements have been removed from this program/study. The main program element that has been removed from Stormwater is the A.5.Pollution control Repair Contracts based on the reasoning that with the separation of the sewers, the stormwater will not be going to the treatment plants, and will have its separate system which will ultimately lead to lower demand put on the treatment plants. This was also consistent with the approach adopted by most other municipalities. The program element A.4 CCTV Inspection has been recommended to be set at the Basic LOS, in agreement with the SAG recommendations. A.11 Catchbasin cleaning has been recommended to be reduced to basic level of service which would match the current LOS. A.14 Drainage remained at medium however the budget was updated (down \$65,000). D.1 Sewer Rehab was recommended to be changed to Basic, in line with the recommendation of the SAG. D.2 Sewer Separation remains high, however the total budget and range (B/M/H) has been reduced proportionately due to the removal of the pollution control plant (High is now down \$4.6M). D.5 Downspout Disconnection Program has been removed as it will become part of the Sewer Master Plan and will not be funded within this Stormwater Program. With these reductions/changes in these seven program elements, the overall budget is now \$46.4 million.

Peter Simcisko talked about the funding model inputs and presented a table that illustrated the estimated share of impervious land area within major property classifications, based on the City Tax Roll. He pointed out that the numbers presented in the last two columns of the table in the presentation document that was circulated before the meeting were incorrect, and a corrected slide will be shared after the meeting. To develop the preliminary estimate of the potential stormwater charges that would result from the proposed level of service, the impervious area associated with the major property classification needs to be calculated. This information was pulled from the City Tax Rolls. A standard run-off coefficient was applied to each property class to estimate the impervious area. He mentioned that the run-off coefficients were estimates based on previous work. Statistical sampling would be required to develop actual observed run-off coefficients for the low and medium density property classes. For high-density residential and non-residential properties, the proposed rate structure would require actual measurements of the impervious areas. The share of the total impervious area associated with each property class will help to determine what share of the program cost should be recovered from each property class.

Peter presented, through a bar chart, the cost share between the residential and non-residential properties under the current funding approach which is the sewer surcharge rate relative to the Impervious Land Area approach. Currently, approximately 40% of the sewer surcharge revenue is generated from non-residential properties while the remaining 60% is coming from residential properties. Under the Impervious Land Area approach, this split between residential and non-residential properties would be 37% and 63% respectively. This shows a shift from a more water consumption-based approach to an impervious area approach. Peter mentioned that the anticipated growth in the City over the next 10 years was also considered, in order to estimate how the share of impervious land area within each of the major property classifications will change over time. The growth forecast is based on the City's 2020 Development Charges Background Study (dated March 5, 2020).

Peter inquired if anyone had any questions. Jonathan Choquette had questions about the Handout No. 1 that was shared earlier in the meeting. He inquired about program element A.14 Drainage that received a lot of support from SAG members during the last meeting. He inquired if the proposed budget for this element, approximately \$1.6 million, is consistent with the medium level of service that



most SAG member supported in the last meeting. Brian Bishop confirmed that it was consistent with the medium level of service that was agreed upon in the last meeting. Jonathan had a similar inquiry about another program element. SAG members supported high level of service for D.2. Infrastructure: Sewer Separation and Brian confirmed that \$10.4 million was a revised budget based on the removal of the pollution control plant component, and that it was still the High LOS which was what was agreed upon in the last meeting.

Jonathan indicated that he was not supportive of the cancellation of downspout disconnection program and inquired about the reasoning behind this change as the SAG members had supported the Basic level of service for this element. He mentioned that low residential properties have high potential to benefit from downspout disconnection. Brian Bishop confirmed that the recommendation related to this element would come through the Sewer Mater Plan instead and the City is actually not completely cancelling it. Anna Godo, from the City, confirmed that it would be covered under Sewer Mater Plan, the proposal for which was presented to the Council on Monday, July 27, that included development of a mandatory downspout disconnection program. Jonathan appreciated this and inquired about the location and land use type and the timing. Anna replied that the City's consultant will be recommending a few property types, including single family and single-storey homes as part of a targeted program, that will be monitored, and once the quantifiable benefits have been confirmed, the program may be expanded to other property types. . She mentioned that there are a number of other programs related to low impact development. This will require a couple of years for data collection. Jonathan inquired about the City's decision process regarding what elements of stormwater management are included in this study versus what should be covered under other studies/programs. What is the reasoning behind covering downspout disconnections under other studies and programs? Anna Godo replied that this will be re-visited once the data has been collected, but one of the main reasons for the move is that the associated pilot program is being run under the Sewer Master Plan.

Frank Butler asked if the City can ensure that everybody gets briefed about the Sewer Mater Plan and downspout study project. Anna mentioned that with the completion of the environmental assessment process for this study, the notice of study completion will be posted, which will be followed by a 30-day public review period and after that the City will proceed with the implementation plan. The City will be undertaking the downspout disconnection work in the next year. She confirmed that the WECEC will be kept informed and will be notified at the appropriate time.

#### 4. FUNDING MODEL OUTPUTS

Peter introduced the next section, funding model outputs, and Handout No. 2 which presented the 10-year forecast of the operating and capital expenditures based on the proposed level of service. He highlighted that Handout No. 2 also includes items that were not discussed before, namely:

1. Billing administrative charges, including any required support staff
2. Allocation of Program Support
3. Provision for operating budget increase due to development, as City assumes additional infrastructure in the future

Peter mentioned that there was another question left from the previous sessions regarding the understanding of the costs associated with administering, particularly any actual property area calculations. Based on recent work with another municipality on the measured impervious area



approach for non-residential properties, the cost estimate to undertake impervious area calculations to establish a billing database would be around \$200,000. Peter emphasized that this was for a municipality with more individual property parcels, hence there was more work associated with it. It should not be forgotten that it will be a one-time cost, following which some staff resourcing will be required on an ongoing basis to keep the data up-to-date based on development and re-development of properties.

Peter shared the handout with the members. Table A1 presented the budget forecasts including operating and capital costs. He mentioned that another element built into this forecast that was not previously discussed was other sources of funding available to offset some of the capital costs associated with the program. A number of Federal and Provincial grants were identified that could help to support the program. Table A2 in the Handout No. 2 showed the annual stormwater rates for the next 10 years and Table A3 illustrated the annual stormwater bill impacts on select types of properties over the next 10 years. Peter shared that the annual stormwater bill for a single detached house would decrease whereas the bill for the large non-residential properties is estimated to increase under the alternate rate structure compared to the current sewer surcharge rate structure. Peter presented a comparison of annual stormwater and wastewater bills in different municipalities with dedicated stormwater funding mechanism for stormwater services. Peter mentioned that based on comments received during the last meeting, we have added information for Detroit.

Peter presented a bar chart that illustrated that the current average annual stormwater and wastewater bill for a residential property in Windsor is \$783 and with a shift to the proposed rate structure, it will be around \$612. For the standard large non-residential property, the annual bill will increase from \$12, 846 to \$31,412 under the new rate structure. He also provided a comparison with other municipalities. Peter mentioned that Kitchener, Guelph, Waterloo, Mississauga, Detroit, and Brampton, all impose a charge based on the actual impervious area for non-residential properties and the charge is usually higher when municipalities adopt this approach. Peter also touched upon the replacement value of the stormwater infrastructure per capita.

Peter presented another graph (bubble graph); the horizontal axes showed the land area of each municipality and the size of the bubble showed the size of the stormwater infrastructure that the municipality has from a dollar standpoint. The City of London was the largest bubble size and has the largest stormwater infrastructure from a dollar standpoint, closely followed by Mississauga and Windsor. Positioning along the vertical axis of the graph provides an indication of the stormwater funding as a percentage of the asset replacement value.

Peter inquired if anyone had any questions. Chris Pearson inquired about the calculation for the current stormwater surcharge bill versus the proposed. Peter mentioned that the current bill is tied to water consumption for each property. Chris mentioned that the water consumption numbers for non-residential properties are very low compared to the sewer surcharge bill that they are currently paying and under the proposed rate structure these numbers will drastically increase. Peter mentioned that we would need to look at the actual amount of water consumption for the specific property to calculate the bill impacts and he offered to clarify these calculations with Chris after the meeting. Jonathan built upon the question from Chris and inquired how to educate landowners with large impervious areas to manage their lands to reduce their stormwater costs. Would there be any programs in the future to educate these landowners on how to convert their impervious area to



pervious areas to reduce their bills? Peter replied that one of the program areas identified was the public outreach and education to educate the landowners how to effectively manage their lands to reduce the run-off and impervious areas associated with their properties. He mentioned that we will discuss the credit/incentive programs later in this presentation. Jonathan mentioned that we need to create a City where we are promoting and supporting ways to reduce stormwater flow. He inquired about green infrastructure and how are we building this into the new structure. He said he would like to see more consideration given to green infrastructure and what the education program and the credit/incentive program would like. Brian mentioned that the City has identified this as the long-term goal. Also, future developments can reduce their bills by increasing the pervious areas on their properties, but the challenging part would be for people to make the cost-benefit decision.

## 5. POLICY DISCUSSION (CREDIT/INCENTIVE PROGRAMS)

Peter mentioned that out of the 15 municipalities that were surveyed, the following seven provide various forms of credits:

1. City of Mississauga
2. City of London
3. City of Waterloo
4. City of Kitchener
5. City of Guelph
6. Town of Newmarket
7. City of Detroit

There are various credit programs that are used by the surveyed municipalities, with a focus on non-residential properties. The maximum credit is typically capped around 40-50% of the stormwater charge otherwise payable. He mentioned that the uptake rate for the eligible properties is quite low. Also, it should be noted that credit programs tend to be more focused on non-residential properties while rebates/incentives are more common for residential properties (for example, incentivizing the purchase of rain barrels). Frank commented that he would like to submit a short (4-5 page) submission, in support from Jonathan, on the factors that should be considered with development and also to encourage people to take incentives.

Peter handed over the presentation to Brian and Colleen for the next steps.

## 6. NEXT STEPS

Brian thanked the members for attending the five meetings and providing their input.

He discussed the next steps:

- SAG members to provide comments on today's meeting;
- A month-long Public Engagement session in the form of an On-line Virtual Presentation located on the City's Stormwater Financing Study Project website, including a questionnaire and video; and
- Presenting study findings to the Council.

Should you have any questions regarding these meeting notes, please do not hesitate to contact the undersigned. We request any suggested revisions for these meeting notes be received by Wednesday August 26, 2020.



Notes prepared by,

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