

**To:** COUNCIL

**Meeting Date:** 8/15/2023

**Subject:** **Blenheim Road Local Improvement - Sanitary Servicing Extension**

**Submitted By:** Jamie Croft, Manager of Infrastructure Engineering

**Prepared By:** Jamie Croft, Manager of Infrastructure Engineering

**Report No.:** 23-274-CD

**File No.:** A/00514-30

**Wards Affected:** Ward 5

**RECOMMENDATION(S):**

THAT Report 23-274-CD Blenheim Road Local Improvement - Sanitary Servicing Extension be received;

AND THAT Council direct staff to notify impacted property owners of the City's intention to proceed with Local Improvement Charges Option 2 for the extension of municipal sanitary sewer on Blenheim Road in accordance with the Ontario Regulation 586/06;

AND THAT the by-law included as Appendix B to Report 23-274-CD to amend the Mandatory Connection By-law be approved.

AND FURTHER THAT Confidential Appendix D to Report 23-274-CD be received as information and remain confidential;

**EXECUTIVE SUMMARY:**

**Purpose**

- Staff are seeking Council authorization to proceed with Local Improvement Charges for the extension of sanitary sewer on Blenheim Road.

**Key Findings**

- The City will be proceeding with the reconstruction of Blenheim Road (Devils Creek to Mount view Cemetery) in 2024, subject to budget approval.
- There are currently eight (8) properties between 137 and 160 Blenheim Road which are not serviced by municipal sanitary sewer.

- Local improvement charges are being proposed to fund the sanitary sewer extension to lots which are not currently serviced by municipal sanitary sewer.

### **Financial Implications**

- The estimated cost of sanitary sewer extension on Blenheim Road is \$300,000.
- Recommended Option 2 would recover an estimated \$175,000 through local improvement charges paid by benefiting property owners. The remaining estimated \$125,000 of funding would be required from the City's wastewater reserves.

### **STRATEGIC ALIGNMENT:**

- ☐ Strategic Action; or  
☒ Core Service

**Objective(s):** Not Applicable

**Strategic Action:** Not Applicable

**Program:** Wastewater

**Core Service:** Wastewater Network Maintenance

The City provides reliable and environmentally responsible wastewater conveyance through a network of over 538km of sanitary sewers. Within an urban environment it is in the best interest of the public to have municipal sewage service for the protection of human health, safety, and the environment.

### **BACKGROUND:**

The City will be proceeding with the reconstruction of Blenheim Road (Devil's Creek to Mountview Cemetery) in 2024 subject to budget approval. This project is required to replace watermain that has reached its end of service life, with several watermain breaks over the past few years. This project also addresses active transportation needs identified in the City's Cycling Master Plan (2020) with the addition of an all ages and abilities multi use trail (MUT).

Within a section of the project limits there is no municipal sanitary sewer resulting in the use of septic systems by eight (8) properties along Blenheim Road. To service these lots, a sanitary sewer extension is being reviewed as part of the project scope of work. Wastewater funds from municipally serviced rate payers finance the replacement of existing wastewater infrastructure; however, in instances where new infrastructure is

being installed, alternate funding models should be employed, especially considering that benefiting properties have not contributed to the Wastewater fund through the rate payer fee collection system. The local improvement process of Ontario Regulation 586/06 made under the Municipal Act provides municipalities with a funding source for such infrastructure expansions by assessing charges to benefiting property owners where such infrastructure does not exist.

## **ANALYSIS:**

Local improvement charges are being proposed to fund the sanitary sewer extension from 137 Blenheim Road to 160 Blenheim Road. Charges would be assessed based on property frontage bordering the work in accordance with O.Reg. 586/06. Section 16(4) of the regulation outlines an optional frontage threshold which may be considered for capping assessed charges where the benefit is considered equitable to all properties receiving the service. Based on the current estimated cost of the sanitary sewer extension, the following options are provided for consideration and are outlined in Table 1 of **Appendix A**. Note that assessed costs can be financed over a period of time (typically 15 years) as specified in a subsequent special charges by-law, to form annual payments over the payback period. Any local improvement charge would be in addition to any private side costs required to re-route private sanitary laterals out to the public property line connection point.

**Option 1: No frontage threshold:** This option does not include a threshold and applies the estimated \$852/m of frontage cost, based on the actual property frontage bordering the work. The maximum local improvement charge assessed under this option is estimated at \$72,580. This option provides full cost recovery of the sanitary sewer extension.

**Option 2: 30m frontage threshold:** This option applies the estimated \$852/m of frontage cost up to a maximum frontage threshold of 30m. Any additional property frontage above the 30m threshold would not result in additional local improvement charges. The maximum local improvement charge assessed under this option is estimated at \$25,559. This option provides 60% cost recovery of the sanitary sewer extension costs and is being recommended to reduce the amount of local improvement charges per property owner to offer comparable costs to a septic system replacement when considering the required private sanitary lateral re-routing costs.

**Option 3: Wastewater Reserves:** This option would provide full subsidization of the sanitary sewer extension with no upfront cost to the eight (8) benefiting property owners, who have historically not provided any contributions to the Wastewater Reserve. The Council controlled Wastewater Reserve fund is intended to provide long

term sustainable funding for the replacement and major rehabilitation of wastewater infrastructure, it is not intended to fund expansions to the sanitary sewer network. There has only been one similar project using the Local Improvement Charges process under O.Reg. 586/06 and the Municipal Act in the past 15 years. The water and sanitary main extensions on Townline Road in 2009 required servicing payments from benefiting property owners at 100% cost recovery from benefiting owners. For these reasons staff do not recommend this option.

### **EXISTING POLICY / BY-LAW(S):**

The local improvement charges to fund a sanitary sewer extension for certain residents are being proposed in accordance with O. Reg. 586/06 Local Improvement Charges - Priority Lien Status made under the Municipal Act, 2001, S.O. 2001, c. 25. A general overview of the process for a municipally initiated local improvement charges bylaw is outlined below, in accordance with the regulation:

1. The Municipality provides official notice to the owners of its intention to pass a by-law to undertake the proposed work as a local improvement, including an estimate of the cost and other pertinent details.
2. After receiving the official municipal Notice of Intention, owners have thirty (30) days in which they may submit a petition to the City's Clerks Division for or against undertaking the work. A sufficient petition against undertaking the work as a local improvement requires the signature of the majority of the owners representing one-half (1/2) of the total value of the lots that are liable to be assessed.
3. Where a sufficient petition against undertaking the work as a local improvement is received, the municipality may not proceed with the work as a local improvement, without approval of the Ontario Land Tribunal.
4. Council may pass a local improvement charges by-law if no petition is received against undertaking the work as a local improvement.
5. The infrastructure improvements are implemented. After the completion of the project, the Director of Engineering and Chief Financial Officer (CFO) prepare a statement of the actual costs of the infrastructure improvements. The CFO prepares a local improvement roll, detailing the special charges to be imposed on the owners.

6. Once the local improvement roll has been certified by the Chief Financial Officer, Council passes a special charges by-law pursuant to the regulation. The special charges by-law specifies the amortization period, allowing for charges to be spread across a multiple year payback period (typically 15 years).
7. After the special charges by-law is passed, special charges are imposed on the owner's property tax rolls in the following year and annual charges are applied over the specified term.

The City's Mandatory Connection By-law 6-13 restricts the use of septic systems where municipal infrastructure exists for wastewater conveyance and requires connection thereto within three (3) years of a separate Notice having been issued by the City through registered mail. Subject to Council approval, the proposed amending by-law, attached as **Appendix B**, would provide the Director of Engineering the authority to issue the separate Notice upon substantial completion of the project.

Furthermore, the City's Mandatory Connection By-law 6-13 is silent on instances where municipal service extensions are not planned within the City's 10-year capital forecast and private well and/or septic systems have recently been installed. The Blenheim Road Reconstruction project was a new addition to the City's 2023-2032 capital forecast in response to the series of watermain breaks that occurred during the winter of 2022. Subject to Council's approval, the proposed amending by-law, attached as **Appendix B**, would provide an exemption to the connection requirement for a period of up to 15 years from substantial completion of the project, provided that the property owner can satisfactorily demonstrate private well and/or septic system installation occurred within the past five (5) years. This would also apply to future instances and projects, where the project has not been identified in the City's 10-year capital forecast.

## **FINANCIAL IMPACT:**

The cost of municipal sanitary sewer extension on Blenheim Road is estimated at \$300,000. The total length of benefiting property frontage is 352m resulting in a per metre estimated cost of \$852. Under Option 1 (No frontage threshold) the full cost of municipal sanitary sewer extension would be recovered through local improvement charges with the maximum assessed property estimated at \$72,580.

To reduce the financial burden on individual property owners, staff are recommending the implementation of Local Improvement Charges Option 2 (30m frontage threshold). Under this option the estimated cost assessed to a property owner with 30m of frontage or greater would be capped at \$25,559 resulting in a total of \$175,000 in local improvement charge funding for the sanitary sewer extension with the remaining \$125,000 to be funded from the City's wastewater reserves. It should be noted that the

assessed costs can be financed over a period of time (typically 15 years) to form annual payments over the payback period, as specified in a subsequent special charges by-law.

Option 3 is full subsidization of the sanitary sewer extension, with \$300,000 funded from the City's wastewater reserve fund. The Council controlled Wastewater Reserve fund is intended to provide long term sustainable funding for the replacement and major rehabilitation of wastewater infrastructure and is not intended to fund expansions to the sanitary sewer network to benefit users who have not historically provided contributions to the Wastewater Reserve fund. Option 3 is not recommended.

A special charges by-law would be required to outline the amortization period and annual charges under Options 1 and 2. The annual charges would be calculated using the amortization period and the interest rates available at the time of passing the special charges by-law. It should be noted that wastewater base rate charges would commence upon connection thereto or would commence three (3) years after the separate Notice has been issued by the City for those properties that have not connected, whichever occurs first.

#### **PUBLIC VALUE:**

In support of the City's public value principle of sustainability and to ensure that the City's wastewater reserve continues to primarily fund replacement of existing sanitary infrastructure, the partial cost of extending sanitary sewers on Blenheim Road is proposed to be assessed to benefiting property owners through Local Improvement Charges O. Reg. 586/06.

#### **ADVISORY COMMITTEE INPUT:**

Not Applicable

#### **PUBLIC INPUT:**

City staff held both virtual and in-person public information centres (PIC) on February 27<sup>th</sup> 2023 to share the project plans for the overall Blenheim Road reconstruction project. The proposed extension of sanitary sewer forms only a part of the proposed project and impacts eight (8) of the approximate 32 property owners within the project limits. These eight (8) property owners were made aware that City staff were reviewing the potential for local improvement charges to fund the sanitary sewer extension. It was noted as part of the newspaper ad and distributed notices that additional detail

regarding local improvement charges would be forthcoming for Council consideration and that impacted property owners would be kept informed. Additional letters notifying impacted property owners of this Report were distributed on July 26, 2023, outlining options to delegate on this matter. Comments received from the February 2023 PIC related to the potential of local improvement charges have been included in **Appendix C**.

With the support of Council, official municipal Notice of Intention, with estimated charges would be provided to impacted property owners. Additional notification letters would continue to be provided for each subsequent report considered by Council in accordance with Ontario Regulation 586/06.

#### **INTERNAL / EXTERNAL CONSULTATION:**

Engineering staff have consulted with the City's Finance, Clerks and Legal divisions in consideration of Local Improvement Charges on Blenheim Road for the municipal sanitary sewer extension.

#### **CONCLUSION:**

The City will be proceeding with the reconstruction of Blenheim Road (Devils Creek to Mount view Cemetery) in 2024, subject to budget approval. There are eight (8) properties within the project limits that currently do not have municipal sanitary service. A sanitary sewer extension is being proposed as part of the project scope of work with partial funding through Local Improvement Charges. Staff are recommending local improvement charge Option 2 to reduce the financial burden on individual property owners for the municipal sanitary sewer extension with the remaining costs to be funded from the City's wastewater reserves.

#### **REPORT IMPACTS:**

Agreement: **No**

By-law: **No**

Budget Amendment: **No**

Policy: **No**

#### **APPROVALS:**

**This report has gone through the appropriate workflow and has been reviewed and or approved by the following as required:**

**Director**

**Deputy City Manager**  
**Chief Financial Officer**  
**City Solicitor**  
**City Manager**

**ATTACHMENTS:**

1. 23-274-CD Appendix A – Summary of Estimated Local Improvement Charge Options
2. 23-274-CD Appendix B – Draft Mandatory Connection By-law 6-13 Amendment
3. 23-274-CD Appendix C – PIC Comments Relating to Potential Local Improvement
4. 23-274-CD Appendix D – Confidential Legal Analysis Briefing



## Appendix A: Summary of Estimated Local Improvement Charge Options

Total Estimated Cost of Sanitary Sewer Extension	\$300,000.00
Total Property Frontage	352.1 m
Estimated Cost Per Metre of Frontage	\$851.97 /m

Property Address	Assessed Frontage (m)	Option 1: (No Frontage Threshold)	Option 2: (30m Frontage Threshold)
137 Blenheim Road	18.7	\$15,902.78	\$15,902.78
139 Blenheim Road	48.5	\$41,291.65	\$25,559.01
147 Blenheim Road	46.3	\$39,408.97	\$25,559.01
148 Blenheim Road	85.2	\$72,580.44	\$25,559.01
152 Blenheim Road	22.9	\$19,475.97	\$19,475.97
153 Blenheim Road	40.6	\$34,597.11	\$25,559.01
156 Blenheim Road	13.9	\$11,823.21	\$11,823.21
160 Blenheim Road	76.2	\$64,919.89	\$25,559.01
Total Property Owner Charges		\$300,000.00	\$174,997.01
Total City Funding Required		\$0.00	\$125,002.99

Appendix B to Report #23-274-CD

THE CORPORATION OF THE CITY OF CAMBRIDGE

By-law 23-XXX

Being a by-law to Amend By-law 6-13 Being a by-law of the Corporation of the City of Cambridge to require owners of buildings of certain classes in the municipality to connect the said buildings to the sewage service or water service of the municipality and to restrict the use of septic tanks.

**WHEREAS the *Municipal Act*, 2001, S.O. 2001, c. 25, as amended (“the *Act*”) authorizes a municipality to pass by-laws respecting the health, safety, and wellbeing of persons;**

**AND WHEREAS pursuant to sections 11 (1), (2), (3), (6) and (7) of the *Act*, the Council of a municipality may pass by-laws requiring owners of buildings or any class or classes of buildings in the municipality or in any defined area thereof to connect the said buildings or class or classes of buildings to the sewage service and/or water service of the municipality;**

**AND WHEREAS the Council of the Corporation of the City of Cambridge has determined that the mandatory connection of buildings to the sewage and water service of the municipality and the restriction of the registered use of septic tanks reduces sickness/disease, is necessary for sanitary purposes and otherwise promotes the health, safety and wellbeing of persons;**

**AND WHEREAS pursuant to sections 11 (1), (2), (3), (6) and (7) and 398 (1) and (2) of the *Act*, by-laws may be passed for construction service drains from a sewer to the line of the highway and for charging the owner of the connecting premises for the cost of such construction which may be collected or recovered by the municipality in like manner as taxes;**

**AND WHEREAS the *Act* authorizes a municipality to pass by-laws providing that a person who contravenes a by-law of a municipality is guilty of an offence;**

**AND WHEREAS the Council of the Corporation of the City of Cambridge has determined that amendments to By-law 6-13 are necessary to address situations where residents have recently installed private services in advance of City services being planned for an area;**

**NOW THEREFORE BE IT RESOLVED THAT the Corporation of the City of Cambridge enacts as follows:**

1. THAT Section 1 of the By-law be amended by deleting the period at the end of section (d), and replacing it with the following:

e) “Section” any reference to a section shall be a reference to a section of this By-law unless otherwise indicated.

2. **THAT Section 2 of the By-law be amended by deleting the existing section 2 and replacing it with:**

2.1 The Director of Engineering or their designate be authorized to issue notice upon substantial completion of the capital project to the owner by Registered Mail to the address of the property in question or posts the notice on the subject property.

2.2 Subject to Section 5, every owner of a building, except a building which is not normally occupied by persons and where such installations are impractical and other facilities are available in nearby buildings when the subject building is in use, shall connect the building to the sewage service of the municipality:

a) within 3 years of notice being given in accordance with Section 2.1; or

b) within 15 years of notice being given in accordance with Section 2.1 when:

i) the capital project that is the subject of the notice was not on the City's 10-year capital forecast;

ii) the owner can demonstrate to the satisfaction of the Director of Engineering or their designate that the private sewer services were installed with the necessary permits within 5 years prior to the notice in Section 2.1 being given; and

iii) the Director of Engineering or their designate has provided written notice of compliance with Section 2.2(b)(ii) within 3 years of notice being given in accordance with Section 2.1.

2. **THAT** section 7 be amended by replacing "within three (3) years after the City has sent notice to the owner by Registered Mail to the address of the property in question and/or posts the notice on the property in question requiring the connection to be made" with "in accordance with to Section 2.2".

3. **AND THAT** section 10 be amended by replacing "Section 7" with "Section 2.1".

Enacted and Passed this X day of month, 20XX.

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MAYOR

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CLERK



## Steven Huang

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**From:** [REDACTED]  
**Sent:** Monday, March 13, 2023 8:36 AM  
**To:** Steven Huang  
**Subject:** [External] Blenheim road reconstruction

### Blenheim Road Reconstruction statement

The matter concerning the Blenheim Road reconstruction.

Our concerns for the project are as follows.

- 1) The safety of residents and pedestrians trying to travel in and out of driveways. Blenheim Rd has a good amount of vehicle traffic. It is projected to get busier once the development down the road is established. The nature of the topography, the hill and bend in the road, it is already hard to safely merge onto on coming traffic.
- 2) The proposed 3 meter wide path, how will it be maintained. How will snow/leaf removal, garbage/recycling be conducted?
- 3) The mature and established trees/vegetation. By widening the roadway many mature trees will be lost. A concern about the extensive root systems that are at risk of being harmed by the construction.
- 4) It would not be safe for the pedestrian path to cross Blenheim Rd right before the rail road tracks at the bottom of the hill. The bicycle path on the north side of Blenheim that is already functioning would be safer to access the Devils creek path.

A suggestion,

Could there be a trail constructed from Blenheim Rd to Salisbury Ave along the wood mill. Then bicycle traffic could follow Salisbury to Victoria Park.

The most important aspect we are concerned about for this project is the potential connection of sanitary sewer work. We are one of the properties not currently connected to the city sewer system. The current septic system we have in place on our property carries many restrictions. Because of this we are unable do things such as add a bathroom, or build an addition. We are for the service brought to our property but are concerned about the cost to bring it to the dwelling. Why do only six properties on the street not have city sewer?

[REDACTED]

# ***Richard Law Office***

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BARRISTER, SOLICITOR & NOTARY PUBLIC

James W. Richard, B.A., LL.B.\*

Suite 108, 325 Max Becker Drive  
Kitchener, Ontario N2E 4H5  
Telephone: (519) 742-0313  
Fax: (519) 742-8798

April 6, 2023

City of Cambridge  
Community Development  
50 Dickson Street  
Cambridge, Ontario  
N1R 5W8

Via Email

Attention: Steven Huang, P. Eng.

Re: [REDACTED]  
[REDACTED] Cambridge  
My File No.: [REDACTED]

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I am legal counsel for [REDACTED]. My clients are residents of the above captioned property and have been advised by the City of Cambridge that road works and related servicing for water and sewage is likely to proceed in their neighbourhood and that such work may affect their property.

Of primary concern is the fact that my clients recently upgraded their private sewage system. This upgrade was completed and fully inspected as late as February of 2023. This upgrade which was significant in cost was completed following dialogue with your department and a representation in June of 2022 that the City of Cambridge had no plans to bring sanitary sewers to their area on Blenheim Road. My clients relied upon this representation and have incurred costs in the neighbourhood of \$30,000.00 for the upgrade of their private sewage system. Based upon the circulated notice from the City of Cambridge, dated February 10, 2023, the City may now be providing municipal services in the vicinity of their home.

Be advised that my clients may be commencing an Action to recover money that they have expended on their private sewage system based upon the representation by City staff that municipal servicing was not contemplated.

Furthermore, my clients are significantly concerned that the scope of the work contemplated by the City will negatively impact on their property. The proposed road works and multi-use trail may require retaining walls along their property line. The proposed retaining walls would be excessive in height, of poor aesthetic design and detrimental to the value of my clients' property. My clients believe that a modified design structure for the road work and narrowing the multi-use trail and a more aesthetic design for the retaining wall could mitigate the detrimental effect on their property.

value. Further, by limiting the height of the retaining wall, fencing or pedestrian guards may not be required. Again, these modifications would minimize the impact of this project on their property value.

Related to the proposed road work, my clients will have their access to Blenheim Road compromised. Visibility at the point of ingress and egress will be reduced if the design work is not modified to "soften" the approach lines to the property.

My clients are also concerned that the road work will have a fatal effect upon the old growth trees on their property.

Prior to any final approvals by the City of Cambridge design modifications and accommodations for my clients' concerns should be addressed. These design modifications could incorporate additional traffic calming features and the application of heritage design features.

My clients are also concerned that these proposed changes will result in the local residents absorbing the cost of improvements for the larger community. Given the large frontage for this property and the negligible benefit to the home owner, a simple local improvement charge would not be appropriate in this circumstance. This same concern extends to any mandated requirement to connect to municipal services. This latter concern is only exacerbated by the earlier representation that the installation of municipal services in this vicinity was not contemplated resulting in the expenditure of private funds on the private sewage system.

Kindly confirm that the concerns of my clients will be part of the consideration by the engineering department and council for the City of Cambridge.

Yours very truly,

JAMES RICHARD LAW PROFESSIONAL CORPORATION

A handwritten signature in black ink, appearing to read 'James William Richard', with a long, sweeping horizontal line extending to the right.

James William Richard

JWR:ka

c.c.: Clients





City Manager's Office  
The City of Cambridge  
50 Dickson Street, P.O. Box 669  
Cambridge ON N1R 5W8  
Tel: (519) 623-1340  
TTY: 519-623-6691  
[www.cambridge.ca](http://www.cambridge.ca)

May 4, 2023

James Richard Law Professional Corporation  
Suite 108, 325 Max Becker Drive  
Kitchener, Ontario N2E 4H5

Attention: James William Richard, B.A., LL.B.

Re: [REDACTED]  
[REDACTED] Cambridge

Thank you for contacting the City to outline your clients' concerns.

As was presented by City engineering staff at the public information centre in February, the existing watermain on this section of Blenheim Road has experienced multiple breaks in recent years and is in need of replacement and upgrade. The reconstruction of Blenheim Road provides an opportunity to not only address underground infrastructure upgrades, but also the opportunity to provide facilities that support alternative and active modes of transportation to help achieve the City's transportation modal shift targets outlined in the City's Transportation Master Plan, Moving Cambridge. The City's Cycling Master Plan identifies Blenheim Road as a key bicycle network desire line within a constrained corridor. The proposed Multi-Use Trail (MUT) achieves the provision of both an All Ages and Abilities (AAA) facility and the continuation of active transportation network from the west of Cambridge.

A narrow MUT or sidewalk is not suitable for meeting the above objectives and would need to be supplemented with a separate cycling facility (i.e. bike lanes and separate sidewalk) which would take up additional space within the City's right-of-way than the proposed MUT. The proposed retaining wall is to minimize the impact of the road construction to adjacent properties and will not be any higher than necessary. Your clients will be kept informed and additional meetings can be held to outline the retaining wall specifics in terms of height and other considerations. The proposed retaining wall will be the same style to the existing retaining wall on Blenheim Road east of Parkwood Drive, which is the City's standard. The proposed retaining wall will be located within the City's right-of-way and consideration will be given to access/egress sight lines. Please

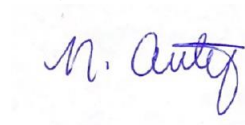
note that the retaining wall is only to match existing grades, existing private vegetation may further impact sight lines. If the excavation for constructing of the retaining wall is identified to be required on your client's property this will be outlined for further discussion with your client as the design progresses.

The City strives to minimize tree impacts on all projects. The City has retained IBI Consultants to prepare a tree management plan and an arborist report to outline all the necessary steps to minimize the removal of trees and protect trees during construction.

Local improvement charges are being considered only for the extension of sanitary sewers, in accordance with O.Reg. 586/06 made under the Municipal Act. All other project components are being funded by the City.

As you have submitted your client's concerns to the City's project manager, your letter will be included in the staff report that is expected to be before council May 30<sup>th</sup>, 2023 unless we hear from you otherwise before May 10, 2023. In addition, the City's Project Manager would be willing to meet further to discuss these concerns directly with your clients, and to further outline the project plans, should you so choose.

Regards,



Nicole Auty  
Assistant City Solicitor, City of Cambridge.