



# Affordability Policy Information Package

## Important Information for benefitting property owners of potential future water and/or wastewater extension projects

The Town of The Blue Mountains is proposing the implementation of an Affordability Policy that will establish criteria to determine whether to proceed with water and/or wastewater service extensions.

### What criteria will the Affordability Policy establish?

The Policy will establish affordability criteria for Water and Wastewater Service extensions in order to ensure that a water and/or wastewater service extension project is affordable for both the Town and the benefitting property owners.

The cost of municipal servicing can be extensive. The Town recovers the majority of the costs from benefitting property owners, and therefore each project needs to be assessed on a case by case basis that considers the necessary works, available funding sources, and the end cost to the benefitting property owners.

### What makes a water or wastewater service extension project “affordable”?

The Policy is proposing that the Town use the median after-tax income of a single person household (using the most current census data as a benchmark) to determine the following affordability measures:

- If the annual household cost of extending a service is equal to or less than 5% of the median after-tax single household income, the project would be considered affordable.
- If the annual household cost of an extending service is greater than 5% but less than 10% of the median after tax single household income, the project would require additional analysis to determine affordability.
- If the annual household cost of extending services is equal to or greater than 10% of the after tax single household income, the project would be deemed unaffordable for both the Town and the benefitting property owners.

For example, using the most recent Census Data, (2011 on the 2010 median single household income) the principles outlined above would result in the following measures:

Description	Single Household Income	Share of Household Income (%)	Share of Household Income (\$/year)	Maximum Service Extension Charge <sup>1</sup>	Interest Paid
Affordable per service	\$ 34,004	<5%	\$ 1,700	\$ 21,190	\$12,810
Unaffordable per service	\$ 34,004	>10%	\$ 3,400	\$ 42,375	\$25,625

### Why does the Town want to extend water and/or wastewater services?

The distribution of potable water and the collection of wastewater (sewage) benefits both the property owner and the community.

Servicing enables the owner to: i) achieve the highest value use of their property by removing building restrictions imposed by on-site servicing; ii) avoid the costs and inconvenience associated with the ongoing operation, maintenance and replacement of water wells and septic systems; iii) lower the cost of water and wastewater servicing through centralized municipal utility; and, iv) access to reliable and permanent servicing solutions with high quality.

Community benefits are achieved by enabling the: i) protection of vulnerable natural lands,

<sup>1</sup> Calculated assuming a 20-year financing with a 5% annual interest rate.

groundwater or water courses especially when lot sizes are small; ii) servicing of employment lands (i.e. restaurants); and iii) incremental overall improvement of the natural environment by centralizing wastewater treatment to a facility regulated to discharge compliant effluent.

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### **What are the main issues the Town encounters when extending municipal services?**

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#### **Cost**

Much of The Blue Mountains' development has occurred along the Georgian Bay shoreline, resulting in long, thin and stretched out water distribution and wastewater collection systems that require more pumping stations, reservoirs and appurtenances than a typical system of its size. As well, the shallow depth of bedrock increases construction costs significantly.

#### **Method**

The Town's unique geography means that there are elevation changes throughout the Town's water and wastewater systems that hampers traditional servicing methods. The topography impedes water distribution and requires the evaluation of alternative means to collect wastewater beyond gravity sewers, including modified gravity systems, low pressure sanitary systems. In addition, the need for pumping stations or grinder pumps increases.

#### **New wells and septic systems**

Residents with older well or septic systems who connect to municipal services can avoid future repairs and maintenance costs for private wells and septic systems. However, this benefit does not outweigh the cost of connecting to municipal services for residents who have recently installed a new well or septic system. The Affordability Policy proposes that residents who have installed or significantly upgraded a new well or septic system within 5 years can defer the payment of capital costs for a maximum of ten years.

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### **How did the Town establish the proposed criteria for affordability?**

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The Town retained Hemson Consulting Ltd. to review and update the guidelines for water and wastewater extension projects. Hemson prepared a Memorandum in regards to their findings and made some recommendations. The full Memorandum can be found on the Town's website at <http://www.thebluemountains.ca/documents-library.cfm?categoryid=134>

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### **Notice of Meetings**

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The Town will be holding Public Information Centres (PIC) so residents can learn more about the proposed Affordability Policy and a Statutory Public Meeting where residents can formally submit comments to Council. Meetings will be as follows:

#### **Public Information Centre**

Date: Saturday, June 3, 2017  
Time: 9:00 a.m. to 12:00 p.m.  
11:00 a.m. Presentation by Staff  
Location: Community Centre

#### **Public Information Centre and Public Meeting**

Date: Monday, June 19, 2017  
Time: 6:00 p.m. to 7:00 p.m. PIC  
7:00 p.m. Public Meeting  
Location: Town Hall, Council Chambers  
32 Mill Street, Thornbury, ON

If residents are unable to attend the Statutory Public Meeting, they may also send written comments to the Town Clerk at [townclerk@thebluemountains.ca](mailto:townclerk@thebluemountains.ca) no later than 12:00 p.m. (noon) on Wednesday, June 14, 2017. Written comments received and submissions made at the Public Information Session and Public Meeting will be considered by Council prior to the enactment of the Affordability Policy regarding water and wastewater extension projects.