



## STAFF REPORT

**Title:** Bylaw No. 788-UT-23 - Bylaw to Amend Drainage Bylaw No. 633-UT-18

**Meeting Date:** July 11, 2023

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### **Executive Summary:**

The Stormwater Utility Billing Rate Development Study Report was presented to Corporate Priorities Committee (CPC) of the Council on May 16 2023. The Council gave first reading to the Bylaw No 788-UT-23 the Bylaw to Amend Drainage Bylaw No 638-Ut-18 at the May 23, 2023 meeting. A non-statuary public hearing was held at the June 27, 2023 regular council meeting, followed by a second reading by the Council.

Administration recommends that Council give third and final reading to the Bylaw 788-UT-23 for the implementation of the Drainage Utility Fee. The drainage utility billing is proposed to be implemented Aug 1, 2023, subject to approval by the Council.

### **Background:**

The City of Cold Lake operates and maintains a system of stormwater management facilities to manage surface drainage. The stormwater system infrastructure requires regular maintenance to continue to operate efficiently and effectively. Unlike water and sanitary sewer infrastructure, the City of Cold Lake stormwater system does not benefit from utility billing funding sources. Currently, the operation and maintenance budgets are funded through the City's general tax base and available reserves while rehabilitation is funded under capital budgets. The City of Cold Lake is seeking to implement a stormwater utility billing mechanism to offset the costs to operate and maintain the stormwater system infrastructure.

The City of Cold Lake retained Associated Engineering in December 2022 to assist in the development of stormwater utility billing rates to fund the ongoing operation and maintenance of drainage infrastructure.

The draft Stormwater Utility Billing Rate Development Study Report analyzed three potential stormwater utility billing rate methods to assist in collection of the required revenue. The three billing rate methods are named as; the Flat Rate Based Approach, the Variable Rate Based on City of Cold Lake Maximum Lot Coverages, and the Variable Rate Based on EPCOR Runoff Coefficient Factors:

The study recommended considering the Variable Rate Based on City of Cold Lake Maximum Lot Coverages method for implementation, using a base rate of \$0.0099/month/m<sup>2</sup> of parcel with a target annual operation and maintenance fund



generation of \$408,750. As the data was further cleaned up for implementation into the billing system, it was found that the proposed base rate of \$0.0099 is based on all lots including vacant lots and UR lots.

Administration has now updated the data to reflect the change by removing vacant lots and also the lots designated under the proposed bylaw to be exempt from the drainage utility fee such as UR (Urban Reserve), PS (Public Service), BD (Beach District) and IP (Imperial Park). The new updated base rate is \$0.014/month/m<sup>2</sup>. The bylaw has been amended to reflect the new rate.

The implementation of drainage utility billing mechanism requires an amendment to the existing Drainage Bylaw 633-UT-18 to incorporate the drainage utility billing rates and mechanisms. The amended draft version of the Stormwater Drainage Bylaw 788-UT-23 is attached to this report for reference.

Key features to note are;

1. Inclusion of new definitions related to stormwater utility rates (in Section 2)
2. How the stormwater monthly utility fees are calculated based on four factors namely; the base rate, the lot area, the lot coverage factor, and the development intensity factor (in Section 14)
3. The equation and the factors of respective zoning districts for the calculation of monthly utility fees are shown in Schedule "B" and Schedule "C", respectively
4. A provision for a Stormwater Utility Credit including eligibility criteria for non-residential property owners, capable of demonstrating that they contribute significantly less stormwater discharge to City's stormwater systems compared to standard contribution for similarly zoned properties is included under Stormwater Utility Credit section (in Section 15)
5. The Stormwater Utility Credit application fee, terms and conditions when Stormwater Utility Credit is granted are referred in Schedule "D" and Schedule "E", respectively
6. It is to be noted that, administration will have to work towards developing internal process and mechanism (application forms and procedures) for the stormwater utility credit provision.
7. Other general terms and conditions such as, Rate Adjustment, Payments, Penalties on Accounts, Deposits, Interest on Utility Account and Service Fees are outlined in Section 16 through Section 21.

More details of the key features can be found in the referenced sections of the attached Stormwater Drainage Bylaw 788-UT-23



Bylaw No. 788-UT-23 was given second reading at Council's Jun 27, 2023 regular meeting of Council.

**Alternatives:**

Council may consider:

1. Pass a motion to amend the Bylaw 788-UT-12 being a Bylaw to Amend Drainage Bylaw No. 633-UT-18, as presented. Pass a motion to give third and final reading to the Amended Bylaw 788-UT-23 being a Bylaw to Amend Drainage Bylaw No. 633-UT-18 for the implementation of the Drainage Utility Fee.
2. Refer Bylaw 788-UT-23 to Corporate Priorities Committee for further discussion and recommendation.

**Recommended Action:**

Administration recommends that Council pass a motion to amend Bylaw No. 788-UT-23, being a Bylaw to Amend Drainage Bylaw No. 633-UT-18, as presented.

Administration recommends that Council give third and final reading to Bylaw No. 788-UT-23, being a Bylaw to Amend Drainage Bylaw No. 633-UT-18, as amended.

**Budget Implications (Yes or No):**

Yes

**Submitted by:**

Kevin Nagoya, Chief Administrative Officer