Report to Council

To: Mayor Watters and Members of Council

Report: FIN2026-09

Prepared By: Adam McNabb, Chief Financial Officer & Treasurer

Date: 15 Jun 2026

RE: Stormwater Rate Study

Recommendation:
THAT the Council of the Township of Centre Wellington receive report FIN2026-09 and associated Draft Stormwater Rate Study for Information;

AND THAT the Council of the Township of Centre Wellington direct staff to post the Draft Stormwater Rate Study on ConnectCW for input, and defer any future public information sessions related to this topic until the next term of Council.

Summary:
The Township of Centre Wellington identified the ability to generate sustainable and diverse revenue sources that can be incorporated into long-term financial planning as a strategic objective through the development of the 2023-2026 Corporate Strategic Plan as a priority of Council.

The Township's Stormwater Management Master Plan suggested that a stormwater utility is likely the most appropriate and sustainable solution to ensure a long-term funding mechanism for the required stormwater management program.

A Water, Wastewater, and Stormwater Rate Study project was endorsed by Council as part of the 2025 Capital program, and Watson & Associates Economists Ltd. were engaged in a consulting capacity to conduct the associated studies.

The Water and Wastewater Rate Study and associated Financial Plans were endorsed by council in November 2025, and this report represents the culmination of the work conducted to date regarding the stormwater component of this initiative.

Report:
Stormwater management services are currently funded primarily from the general tax levy and wastewater user rates. With increasing financial pressures on the stormwater system, the Township is seeking an alternative funding model for stormwater management services, such as a user pay model.

Under the user-pay funding model, there is closer alignment between the funding of a service and the benefits received from the service.

There are a number of user-pay funding models used by municipalities in Ontario to fund stormwater management services. These include:

- Property taxes;
- Flat rate per property (may vary by use or size);
- Area rate;
- Utility rate;
- Estimated impervious area per property; and
- Actual impervious area per property.

While details of each of these models are available in the draft Stormwater Rate Study, the recommended approach for the Township of Centre Wellington, given its access to detailed impervious area for each property type through GIS data is to implement a measured impervious area per property rate structure. With this rate structure, one rate is calculated based on a charge per acre of impervious area, then customer bills vary based on the measured impervious area of each property. This rate structure functions well for the vast majority of properties across the Township and provides a strong link between the rate charged and the contribution to stormwater runoff.

Calculation details and supporting information regarding the draft stormwater rate for the Township are detailed in the attached.

While being received for information only at this time, if a future decision is made by Council to adopt a dedicated stormwater management rate, an implementation phase should follow this study which may include consideration to a credit program to recognize investments made by property owners to better manage stormwater on properties, thereby giving them greater control over their stormwater bill.

Corporate Strategic Plan:
Provide innovative & sustainable governance

- Generate sustainable and diverse revenue sources that can be incorporated into long-term financial planning

Financial Implications:
There are no financial implications at this time; however, it should be noted that stormwater management services are currently funded primarily from the general tax levy and wastewater user rates. If supported by Council in the future, any budgetary impacts would be implemented through the development of a future annual budget.

Consultation:
This report was developed in consultation with:

Chief Administrative Officer, Dan Wilson
Colin Baker, Managing Director of Infrastructure Services
Adam Gilmore, Managing Director of Community Services
Greg Wolowich, Supervisor of GIS and Asset Management
Watson & Associates Economists Ltd.

Attachments:
- Stormwater Council Presentation
- Stormwater Rate Study

Approved By:
Adam Gilmore, Managing Director of Community Services, Managing Director of Community Services
Colin Baker, Managing Director of Infrastructure Services
Dan Wilson, Chief Administrative Officer



Watson & Associates ECONOMISTS LTD.

Stormwater Rate Study

Township of Centre Wellington

June 15, 2026

Agenda

1. What is Stormwater and Stormwater Management
2. Stormwater Rate Study Process
3. Costs to Provide the Stormwater Service
4. Stormwater Rate Methodology
5. Stormwater Policies
6. Public Engagement
7. Implementation

What is Stormwater and Stormwater Management

What is Stormwater?

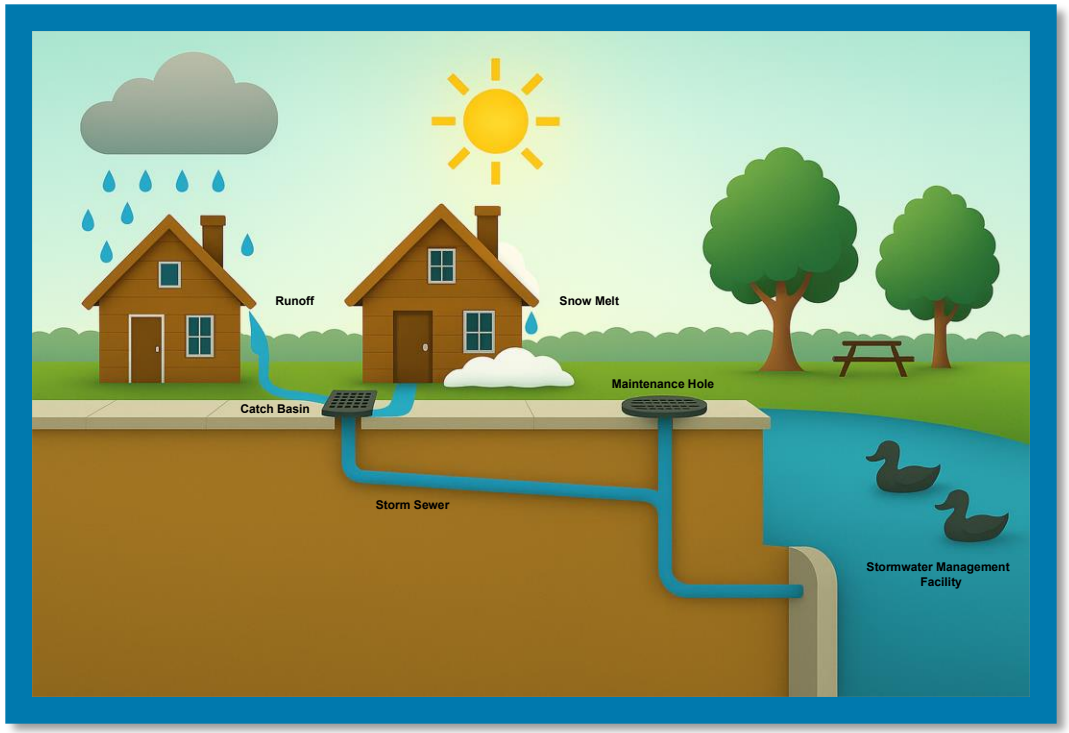
- Rainwater and melted snow that runs off lawns, streets and other land surfaces
- Hard surfaces such as pavement and roofs, prevent precipitation from naturally soaking into the ground

What is Stormwater Management?

- Stormwater management is necessary to help minimize flooding and erosion of the Township's water courses. It involves planning for runoff, controlling the movement of stormwater, maintaining the stormwater systems, and protecting the environment, people, and properties within the Township

What is a Stormwater Rate Study?

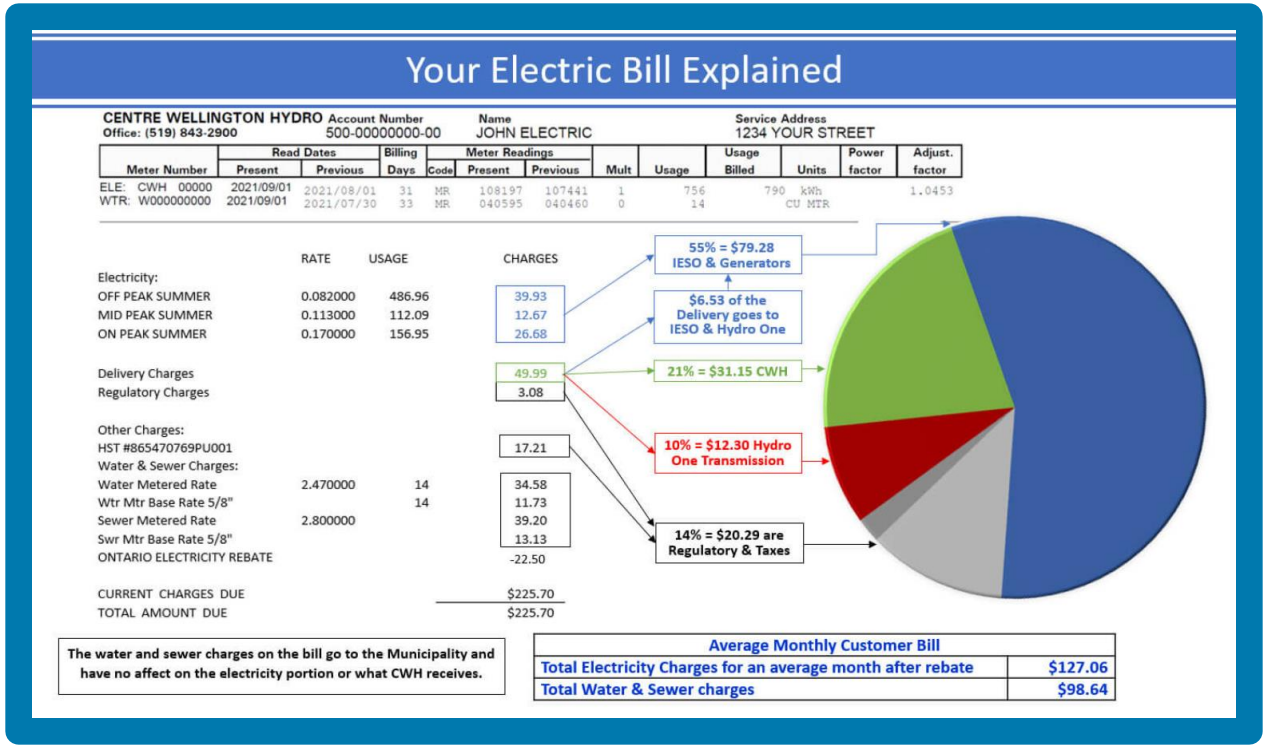
- The calculation of a rate to recover the estimated capital and operating costs associated with stormwater services in the Township



What is Stormwater and Stormwater Management

Current Funding Structure

- Property taxes
- Wastewater Rates (CW Hydro Bill)



Stormwater Rate Study Process

Amount to be recovered from stormwater rates (expenditures less revenues)

Funding Model / Rate Methodology

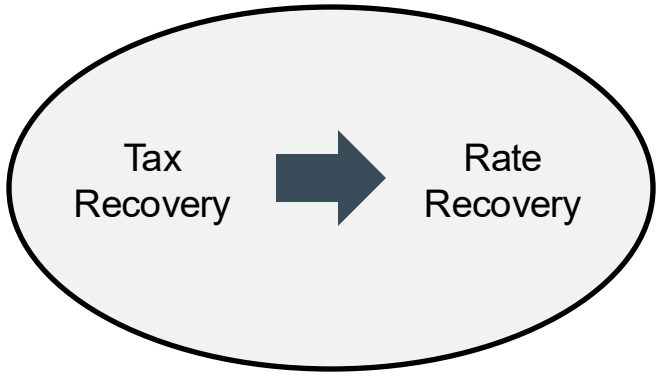
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Common Funding Models

- Property Taxes
- Flat Rates
- Land Area Rates
- Utility Rates
- Runoff Coefficients
- Impervious Area

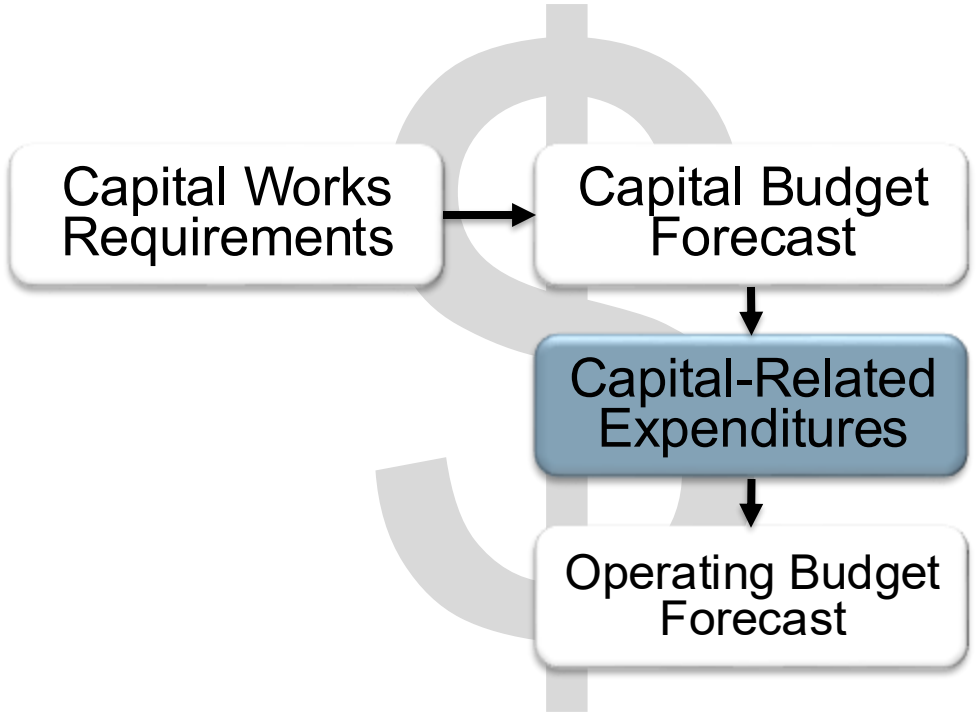
Stormwater Rates

- Consider Incentives and Rebates
- Public Engagement
- Council Approval
- Implementation



Costs to Provide the Stormwater Service

Amount to be recovered from stormwater rates (expenditures less revenues)



The full costs to provide the stormwater service were derived from the Township's Stormwater Masterplan, capital forecast, wastewater and public works budgets

Consider Incentives and Rebates

Public Engagement

Council Approval

Implementation

Stormwater Rates

Common Funding Models

Funding Model / Rate Methodology

Costs to Provide the Stormwater Service

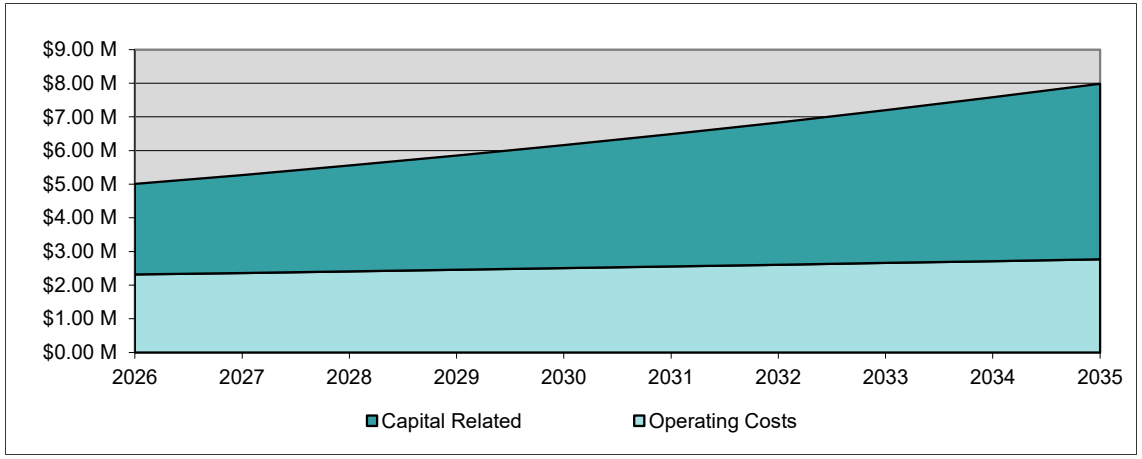
Stormwater Capital Needs 2026 to 2035

Description	Total 2026 to 2035
Non-Growth Related Capital Expenditures	$32,158,500
Studies	$172,000
Growth-Related Capital Expenditures*	$1,966,500
Total Capital Expenditures	**$34,297,000**

*Non-growth related components of capital projects are captured in the growth-related capital expenditures subtotal

Stormwater Operating Budget 2026 to 2035

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Operating Costs	$2,316,619	$2,362,965	$2,410,160	$2,458,343	$2,507,524	$2,557,613	$2,608,619	$2,660,753	$2,713,827	$2,768,149
Capital Related	$2,689,530	$2,910,122	$3,144,036	$3,391,894	$3,654,467	$3,932,708	$4,227,443	$4,539,421	$4,869,802	$5,219,257
Total	**$5,006,149**	**$5,273,087**	**$5,554,196**	**$5,850,238**	**$6,161,991**	**$6,490,321**	**$6,836,062**	**$7,200,174**	**$7,583,629**	**$7,987,406**



Stormwater Rate Methodology

Amount to be recovered from stormwater rates (expenditures less revenues)

$

Funding Model / Rate Methodology

Common Funding Models

- Property Taxes
- Flat Rates
- Land Area Rates
- Utility Rates
- Runoff Coefficients
- Impervious Area

Stormwater Rates

Consider Incentives and Rebates

Public Engagement

Council Approval

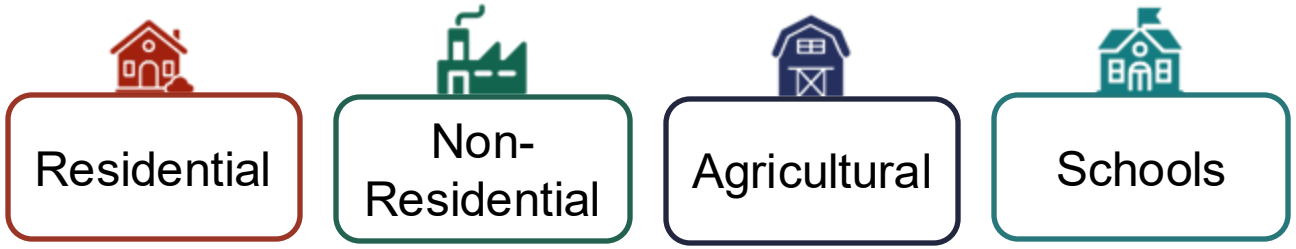
Implementation

Tax Recovery → Rate Recovery

Stormwater Rate Methodology

Type of Charge	Basis for Calculation	Ease of Calculation	Equity	Administration	Public Understanding	Other Comments
Property Taxes	Assessment	Easy	Low	Easy	Easy	Easy to implement on tax bill
Flat Rates	Per Lot	Easy	Low	Easy	Easy	May be varied between reisdential and non-residential to reflect differences
Land Area Rates	Area of Property	Medium	Medium	Easy	Easy	Often gaps in MPAC data - need to supplement with GIS or site visits
Utility Rates	Water Meter Readings	Easy	Medium	Easy	Medium	Less costly to implement May not include all properties
Estimated Impervious Area	Area and Use of Property	Difficult	High	Medium	Difficult	Can be costly to implement
Measured Impervious Area	Measure Impervious Area	Difficult	High	High Level of Maintenance	Difficult	Need to monitor building permits and update data - may need a detailed review every 2-3 years

Other Considerations:



Stormwater Rate Methodology

Measured Impervious Area

Property Type	Property Classifications	Customer Count	Total Acres	Total Rural Acres	Total Urban Acres	Impervious Area Acres	Impervious Area Acres - Rural	Impervious Area Acres - Urban	Percentage Impervious - Urban
Residential									
	Residential (Low Density)	8,544	6,462	4,352	2,110	786	212	575	27%
	Residential (Medium Density)	883	432	360	72	99	60	39	54%
	Residential (High Density)	1,361	4,607	3	4,604	2,522	0	2,522	55%
	Residential Vacant	853	956	442	514	16	4	11	2%
	Residential with Commercial Mix	29	97	86	12	8	5	3	28%
	Residential with Commercial/Industrial Mix	18	124	116	8	16	13	3	38%
Agricultural									
	Agricultural*	1,040	80,877	80,297	580	983	978	-	0%
Commercial									
	Commercial	381	1,540	1,156	385	335	84	252	65%
	Commercial Vacant	25	33	16	17	4	1	3	17%
Industrial									
	Industrial	155	1,648	1,159	488	315	58	257	53%
	Industrial Vacant	26	108	5	103	9	2	7	7%
Institutional									
	Institutional	57	627	291	337	92	36	56	17%
	School*	15	93	10	83	30	2	-	0%
	Institutional Vacant	220	5,347	3,503	1,843	81	34	47	3%
Other									
	Other	1	0	-	-	-	-	-	
Total		**13,608**	**102,951**	**91,797**	**11,154**	**5,297**	**1,488**	**3,776**	

Existing Urban Impervious Area:

3,776 acres

***Note: Impervious Area Acres – Urban have been removed for Agricultural and School property classifications, as they are exempt from stormwater rate charges**

Stormwater Rate Methodology

Measured Impervious Area – Forecasted Growth

307 residential units annually → **41 acres** of land area annually → **12.1 acres** of impervious land area annually

Forecast

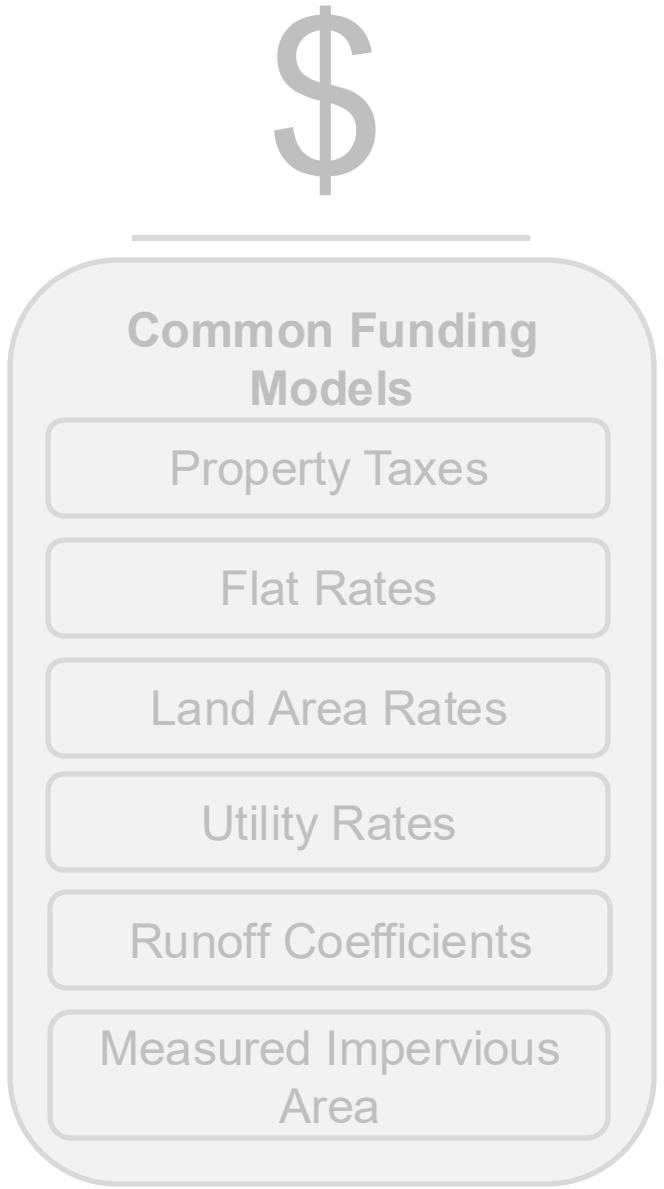
Year	Total Acres	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
2025	12.14	6.07	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14
2026	12.14		6.07	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14
2027	12.14			6.07	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14
2028	12.14				6.07	12.14	12.14	12.14	12.14	12.14	12.14	12.14
2029	12.14					6.07	12.14	12.14	12.14	12.14	12.14	12.14
2030	12.14						6.07	12.14	12.14	12.14	12.14	12.14
2031	12.14							6.07	12.14	12.14	12.14	12.14
2032	12.14								6.07	12.14	12.14	12.14
2033	12.14									6.07	12.14	12.14
2034	12.14										6.07	12.14
2035	12.14											6.07
Total	**133.54**	**6.07**	**18.21**	**30.35**	**42.49**	**54.63**	**66.77**	**78.91**	**91.05**	**103.19**	**115.33**	**127.47**

Impervious Area	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing Impervious Area	3,775.54	3,775.54	3,775.54	3,775.54	3,775.54	3,775.54	3,775.54	3,775.54	3,775.54	3,775.54	3,775.54
New - Growth	6.07	18.21	30.35	42.49	54.63	66.77	78.91	91.05	103.19	115.33	127.47
Total	**3,781.61**	**3,793.75**	**3,805.89**	**3,818.03**	**3,830.17**	**3,842.31**	**3,854.45**	**3,866.59**	**3,878.73**	**3,890.87**	**3,903.01**

Stormwater Rate Calculations

Amount to be recovered from stormwater rates (expenditures less revenues)

Funding Model / Rate Methodology



Stormwater Rates

Stormwater Rate Calculations

Draft Stormwater Rates

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Constant Rate	$1,318	$1,384	$1,453	$1,526	$1,602	$1,682	$1,766	$1,855	$1,947	$2,045
% Increase - Constant Rate		5%	5%	5%	5%	5%	5%	5%	5%	5%

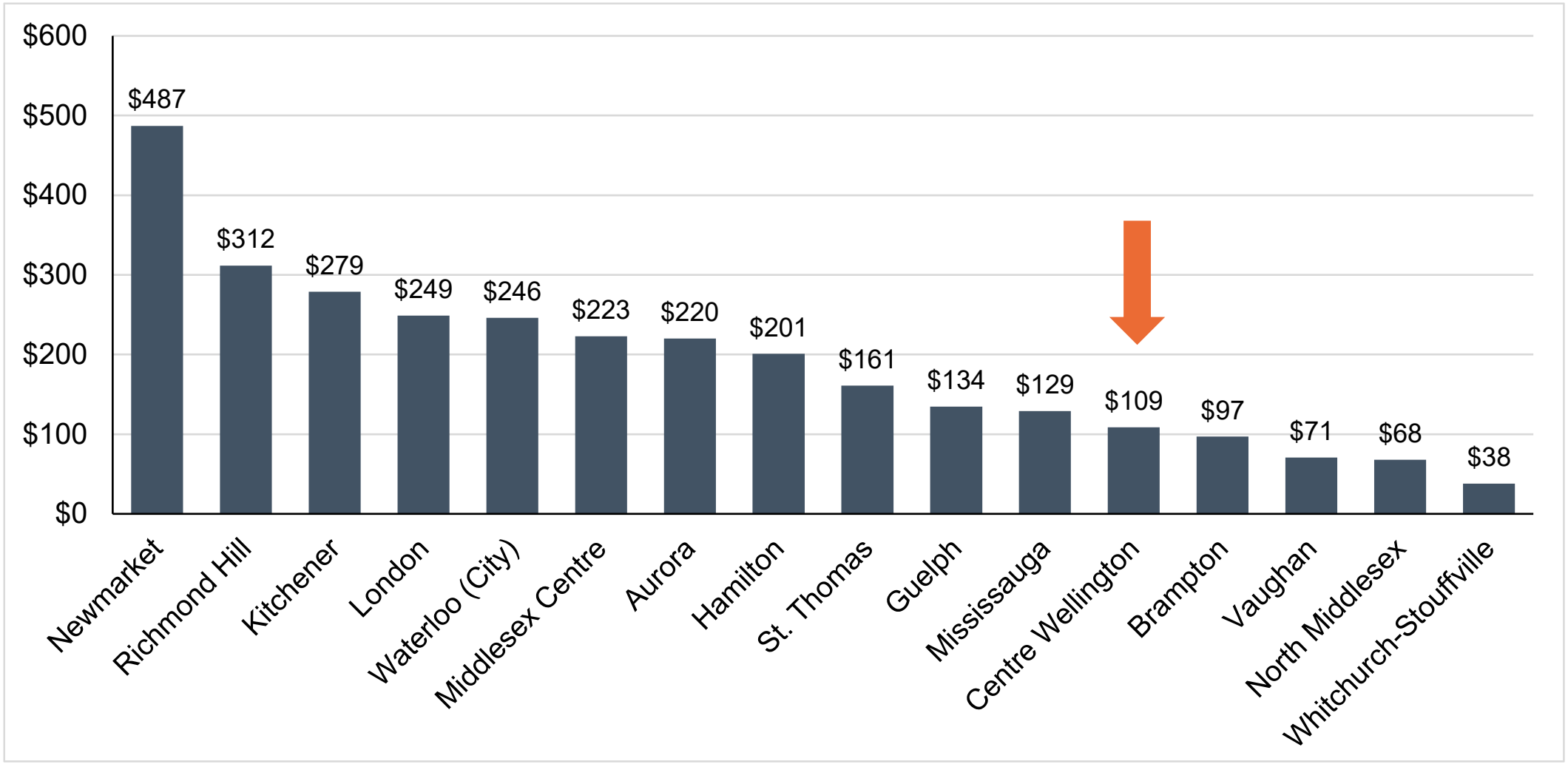
Sample Annual Stormwater Bills

Property Type	Acres of Land	Impervious Land Area[1]	Average Annual Stormwater Bill
Residential - Single Family Detached	0.29	0.08	$109
Commercial - Retail	0.70	0.46	$637
Industrial - Standard	4.30	2.26	$3,131

[1]Impervious land area estimates are based on the average imperviousness of the property code for existing Township properties

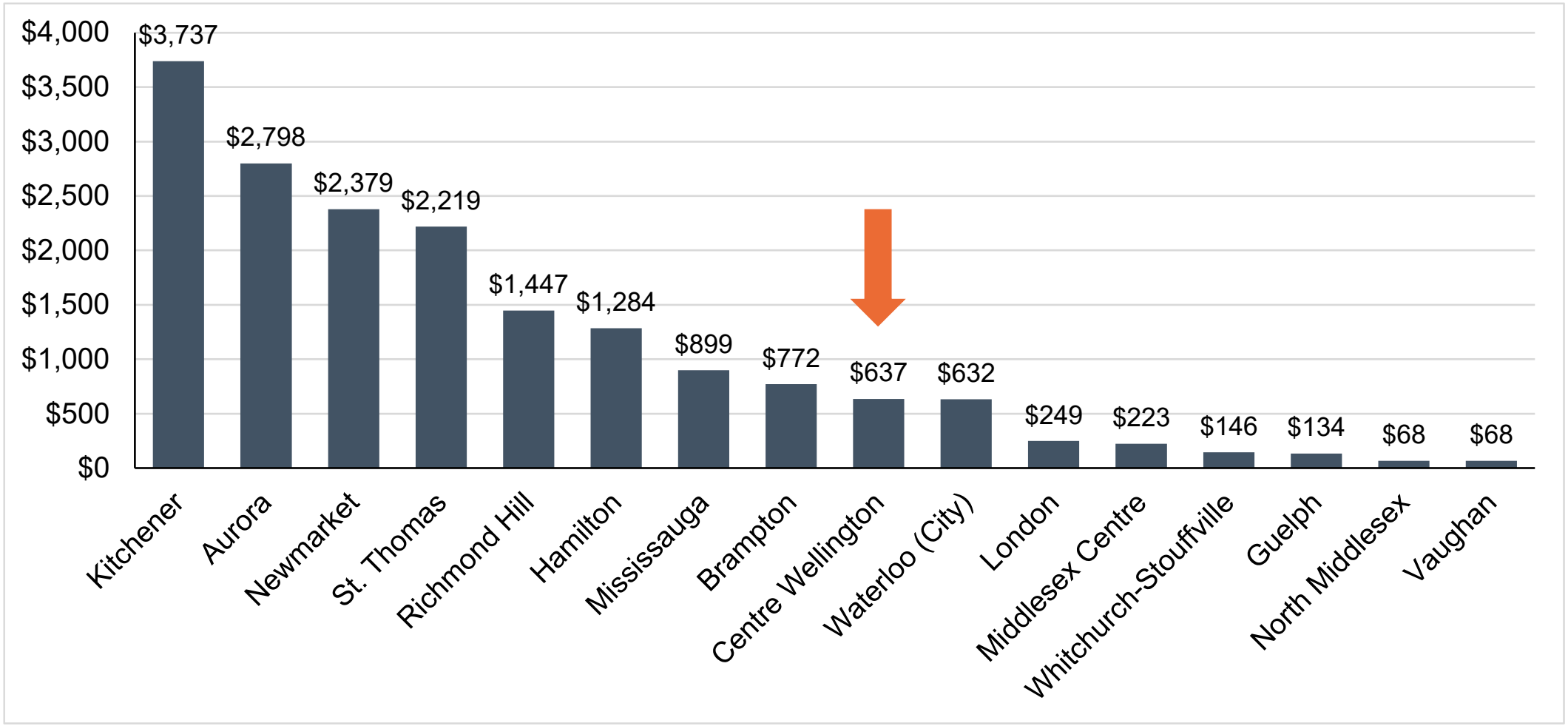
Stormwater Rate Calculations

Comparison of Residential Fees (0.29-acre lot size)



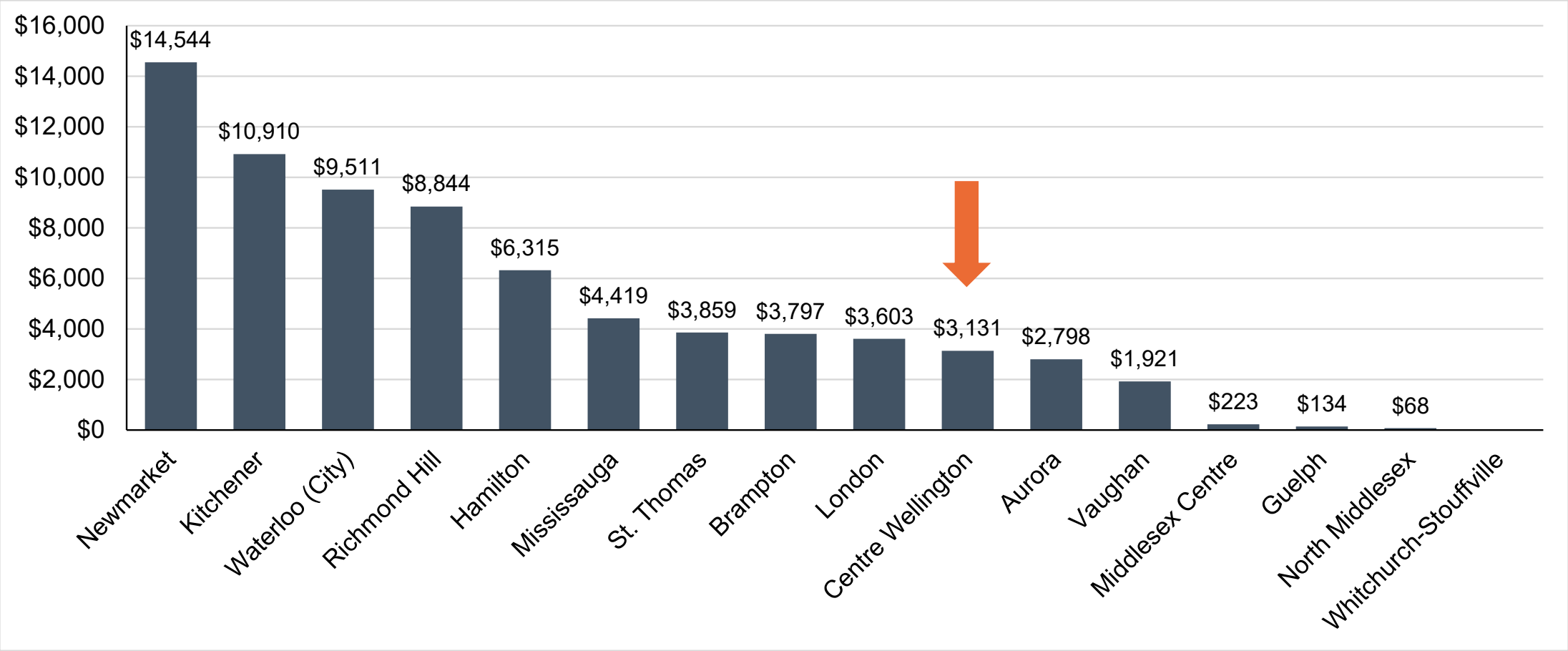
Stormwater Rate Calculations

Comparison of Commercial Fees (0.70-acre lot size)



Stormwater Rate Calculations

Comparison of Industrial Fees (4.30-acre lot size)



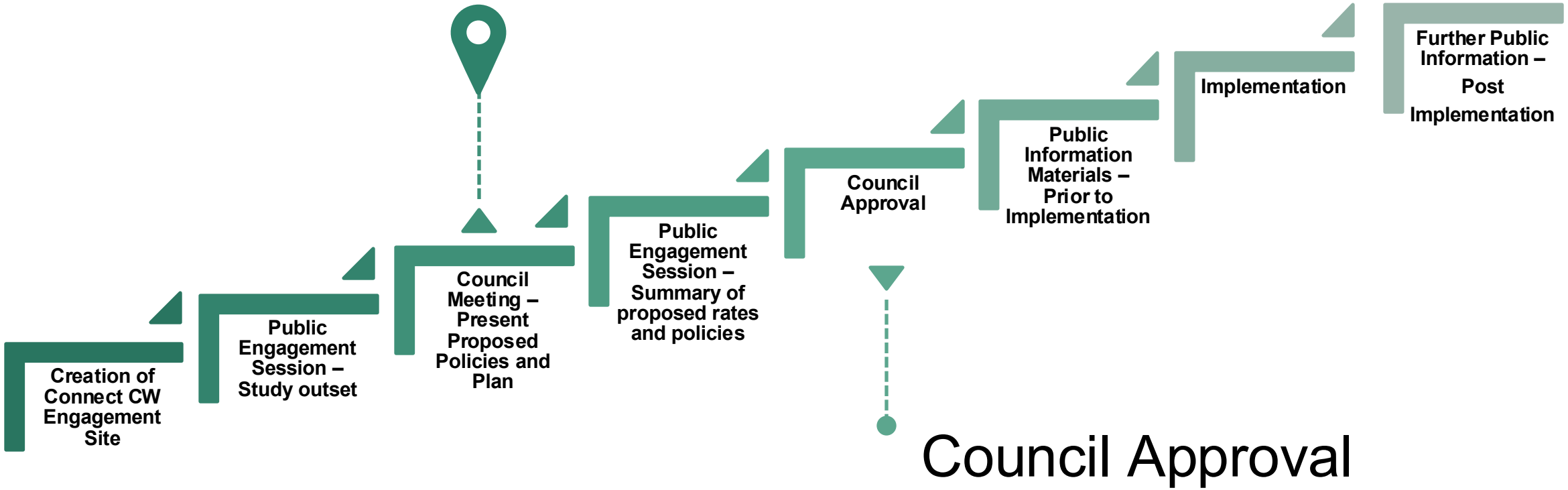
Stormwater Policies

- Some municipalities have credit/incentive policies for certain types of properties to reduce their charge
- Typically, where these properties reduce the quantity and/or quality entering the storm system arising from works completed on their property
- Based on experience in other Municipalities, uptake by property owners is minimal

Exemptions

- Township-owned properties and schools;
- Farm properties and managed forest properties; and
- Rural properties.

Public Engagement



Implementation



Billing Method – CW Hydro or Internal Billing System (TBC)



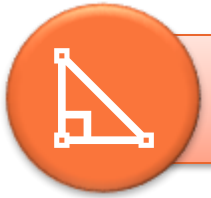
Public Understanding and Information



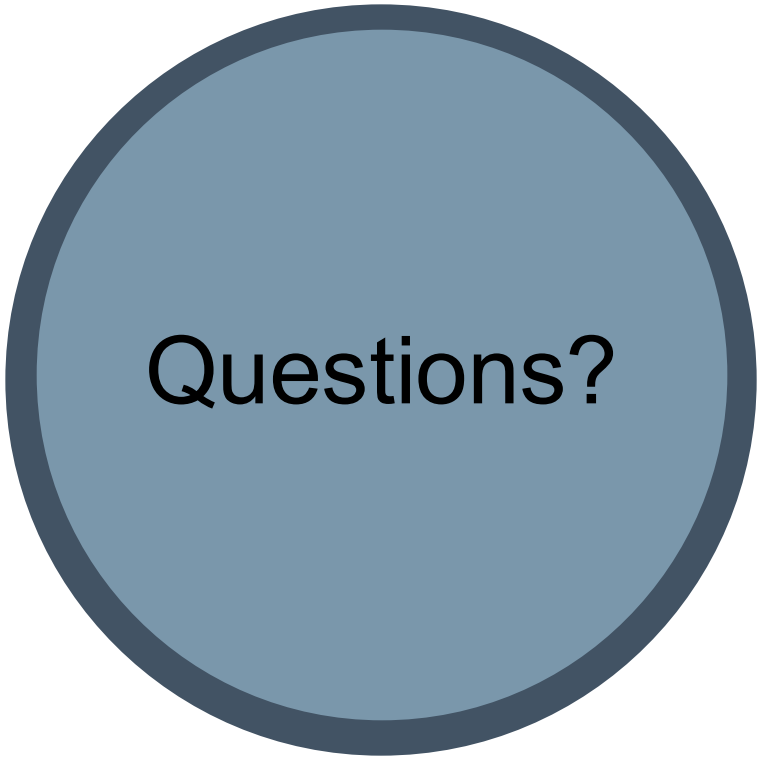
Software Compatibility – Billing File



Development and Re-Development Process



Impervious Area Database


Questions?



Stormwater Rate Study

Township of Centre Wellington

Watson & Associates Economists Ltd.
905-272-3600
info@watsonecon.ca

June 15, 2026

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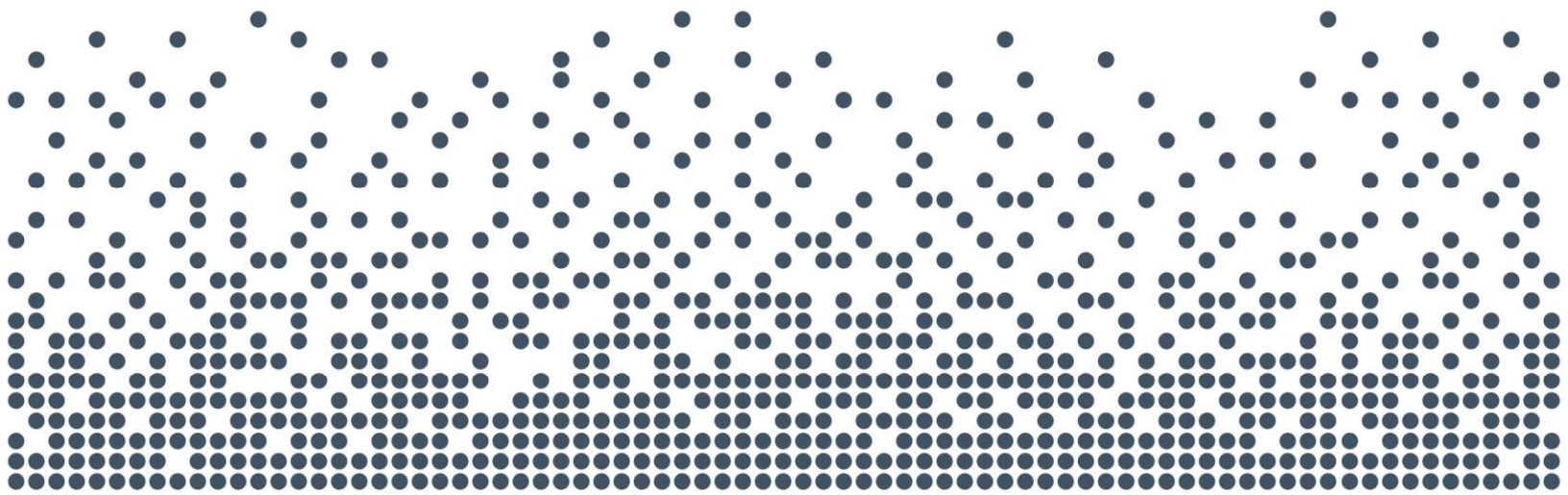
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Appendix A Survey of Stormwater Rate Structures A-1

Appendix B Detailed Rate Calculations B-1

List of Acronyms and Abbreviations

Acronym	Full Description of Acronym
C.C.B.F.	Canada Community-Building Fund
C.L.I E.C.A.	Consolidated Linear Infrastructure Environmental Compliance Approval
cu.m	Cubic Metre
D.C.A.	*Development Charges Act, 1997*, as amended
D.C.	Development Charges
E.C.A.	Environmental Compliance Approval
GIS	Geographic Information System
H.E.W.I.	Housing-Enabling Water Infrastructure
H.E.W.S.F.	Housing-Enabling Water Systems Fund
I.J.P.A.	*Infrastructure for Jobs and Prosperity Act*, 2015
I.O.	Infrastructure Ontario
O.C.I.F.	Ontario Community Infrastructure Fund
OLT	Ontario Land Tribunal
O. Reg.	Ontario Regulation
S.W.M	Stormwater management



Executive Summary

Executive Summary

The Township of Centre Wellington (Township) retained Watson & Associates Economists Ltd. (Watson) to undertake a Stormwater Rate Study. Stormwater management services are currently funded primarily from the general tax levy and a small portion from wastewater user rates. With increasing financial pressures on the stormwater system, the Township is seeking an alternative funding model for stormwater management services, such as a user pay model. Under the user-pay funding model, there is closer alignment between the funding of a service and the benefits received from the service. In other words, the individuals or businesses that directly benefit from a service are responsible for its costs. As a result, the service would be funded from user fees collected from the benefitting parties compared to tax funding which is collected based on property values.

The objective of the stormwater rate study is to provide for financial sustainability in the long-term protection and enhancement of water resources in the Township through effective and efficient stormwater management infrastructure capital construction, operations and maintenance. To achieve this goal, dedicated stormwater management funding is needed. The stormwater rate study reviews, evaluates, and recommends a preferred rate structure based on the Township's current financial need, with total costs to be recovered through stormwater rates forecasted at approximately $5.00 million in 2026, increasing to approximately $8.00 million in 2035. This study aims to prepare an analysis of the Township's stormwater rate forecast based on current capital and operating forecasts, costing for lifecycle replacement requirements, and customer profiles. The results of this analysis provide a recommended forecast of stormwater rates for customers within the Township of Centre Wellington. The rate analysis contained herein continues to provide fiscally responsible practices that align with current provincial legislation at a level of rate increases that are reasonable.

Proposed Rate Structure

A benchmarking exercise of municipalities within Ontario has established that there is no consistent approach to stormwater rate structures. Through the rate study process, various rate structures were evaluated, including:

- Flat rates;
- Land area rates;

- Utility rates;
- Estimated impervious area;
- Measured impervious area; and
- Property taxes (current approach).

Impervious areas are defined as hard surfaces that prevent or significantly limit the infiltration of rainfall and snowmelt into the ground, such as rooftops, driveways, parking lots, and other paved surfaces. These areas contribute directly to stormwater runoff, increasing both the volume and rate of water requiring management within the Township's stormwater system.

Given that stormwater runoff is closely related to the extent of impervious surfaces on a property, a rate structure based on impervious area provides a strong and equitable link between the demand placed on the stormwater system and the cost to service that demand. Among the options considered, a measured impervious area approach is preferred, as it relies on detailed, property-specific data rather than broad assumptions or averages, resulting in a more accurate and defensible allocation of costs.

Given that the Township has detailed measured impervious data for all properties, it is recommended that the Township implement a stormwater rate structure based on measured imperviousness. Moving to a stormwater rate will help alleviate pressure from the Township's tax-supported budget by establishing a dedicated user-based funding source.

A measured impervious area rate structure means each property owner would pay an amount directly proportionate to the amount of impervious area on their property. This approach strengthens the relationship between costs and benefits, improves fairness across property classes, and enhances transparency in how stormwater services are funded.

Policy Recommendations

Based on a review of Ontario municipalities' stormwater management common practices and policies, as well as legislative requirements, the following exemption policies are proposed:

- Township-owned properties and schools (exempt from fees and charges under the *Municipal Act)* will be exempt;

- Farm properties and managed forest properties will be exempt; and
- Rural properties will be exempt.

All other properties are to be charged a stormwater fee.

Customers

Based on a review of the Township's tax roll database and measured impervious area database, the Township customers are summarized as follows:

- The Township has approximately 13,600 total properties, on a total of approximately 103,000 acres of land;
- The Township has approximately 11,500 urban properties, on a total of approximately 11,200 acres of land area;
- Of the urban properties, approximately 3,800 acres of land area is impervious; and
- The Township is anticipated to grow by an average of 307 residential units annually over the forecast period, which is approximately 40.7 acres of land, of which approximately 12.1 acres are anticipated to be impervious.

Capital and Operating Forecasts

- The inflated 2026 to 2035 capital spending program for stormwater is approximately $34.30 million;
- The capital program is informed by the 2024 Stormwater Management Master Plan; and
- Annual operating expenditures are increasing by 2% per annum from approximately $5.00 million in 2026 to $8.00 million in 2035.

Recommended Stormwater Rates

Based on the above information, the analysis recommends an annual rate for 2027 of $1,384 per impervious acre. The forecasted rate increases have been balanced for stormwater customers to experience 5% annual rate increases from 2027 to 2035.

Table ES-1 summarizes the recommended stormwater rates, and Table ES-2 estimates sample annual bills for various customer classes based on the analysis provided herein over the forecast period.

Table ES-1
Township of Centre Wellington
Stormwater Rate Summary
Rate per Impervious Acre Forecast

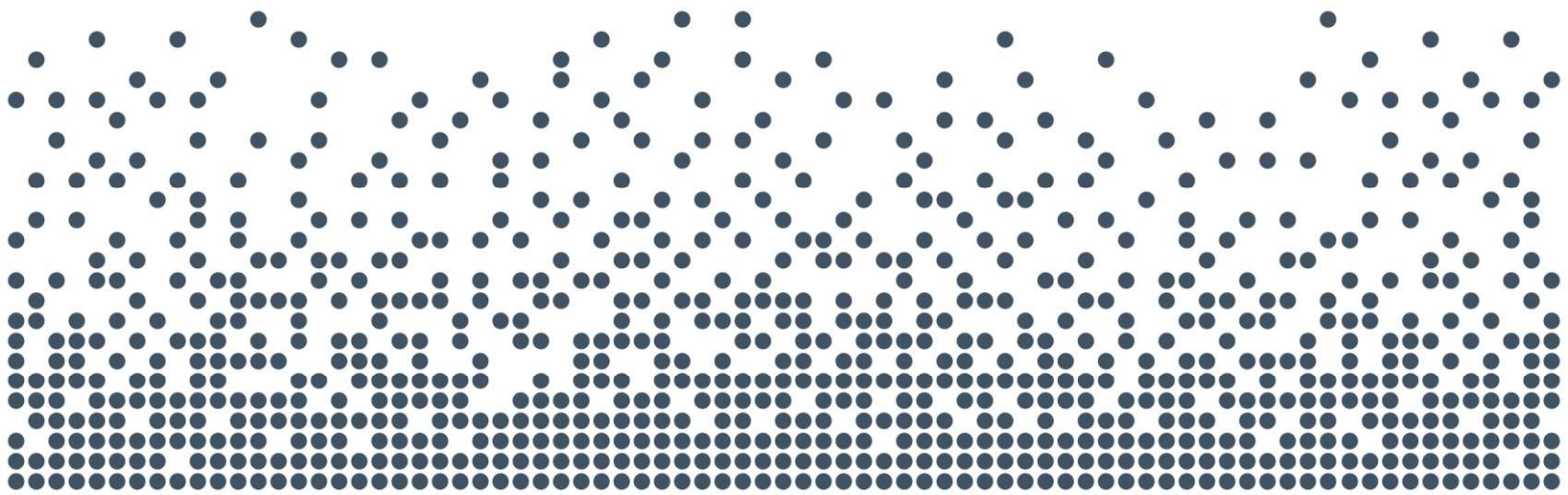
Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Constant Rate	$1,318	$1,384	$1,453	$1,526	$1,602	$1,682	$1,766	$1,855	$1,947	$2,045
% Increase - Constant Rate		5%	5%	5%	5%	5%	5%	5%	5%	5%

Table ES-2
Township of Centre Wellington
Sample Annual Stormwater Bills (2027)

Property Type	Acres of Land	Impervious Land Area[1]	Average Annual Stormwater Bill
Residential - Single Family Detached	0.29	0.08	$109
Commercial - Retail	0.70	0.46	$637
Industrial - Standard	4.30	2.26	$3,131

[1]Impervious land area estimates are based on the average imperviousness of the property code for existing Township properties

If Council adopts a dedicated stormwater management user fee, the implementation steps will include integrating the billing database into a billing software, and engaging the public about the new funding model, the 10-year operating and capital plan, and the user fee rates. Additionally, it is recommended that the Township review and update the billing database annually. This will ensure that fees or costs are imposed in a fair, transparent, and equitable manner without imposing a significant administrative burden on the Township.



Report

Chapter 1
Introduction

1. Introduction

1.1 Stormwater Management Overview

Stormwater, which is rainwater, snowmelt, or other forms of precipitation, must be managed within a municipality to prevent flooding and degradation of surface water bodies, such as creeks, rivers, and lakes. As development occurs in a municipality, higher amounts of impervious surfaces develop which increases both the amount of stormwater runoff, and the rate at which the runoff is transported off the surfaces.

Stormwater management (S.W.M.) is the application of practices that are designed to provide protection from flooding, erosion, and protect and maintain the water quality of rivers and streams. In Ontario, municipalities are responsible for managing stormwater generated from local rainfall and runoff within their boundaries, including water conveyed through municipal drainage systems and smaller watercourses. This can be provided through streams, rivers, creeks, or through Township-wide municipal infrastructure.

Stormwater is generally managed through the following controls:

- Source control: low impact development for groundwater recharge and reduced runoff generation into the stormwater system;
- Conveyance control: storm sewer pipes, conveyance channels, and ditches moving large water volumes away efficiently to reduce flooding; and
- End-of-pipe control: holding back or storing water to prevent downstream flooding and erosion, and to remove contamination from the water (e.g. stormwater management ponds).

All of the above controls are used together to varying degrees to provide for a "treatment train" approach for the holistic management of stormwater.

Township-wide infrastructure, such as stormwater mains in urban areas, conveyance channels, culverts, outfalls, ditching along-side roads, etc. are maintained and funded by the Township. In urban areas, Wellington County also owns and operates certain storm sewer systems; however, responsibility for these systems lies with the County rather than the Township, therefore, costs related to County infrastructure are not included in this analysis. Increases in the amount of hard surfaces results in increased

pressure on existing infrastructure as the assets need to deal with greater runoff volumes.

It is acknowledged that every property in the Township of Centre Wellington contributes runoff to the stormwater infrastructure system, even if this is limited to public roads, catch basins, culverts, and ditches that lead into infrastructure that is owned and maintained by the Township.

The Township of Centre Wellington provides stormwater service to the urban areas of Fergus, Elora, and Salem, and the hamlets of Belwood, Inverhaugh, and Ennotville. Additionally, the Township provides ditching for stormwater runoff in the rural areas. The Township owns, operates, and maintains an asset inventory of stormwater infrastructure including:

- 117 km of storm sewers;
- 676 maintenance holes;
- 3,952 catch basins and catch basin maintenance holes;
- 21 stormwater management areas;
- 39 stormwater retention ponds;
- 228 inlets/outlets;
- 88 outfalls; and
- 21 oil/grit separators.

Based on the Township's 2025 Asset Management Plan, the total replacement value of stormwater network assets is estimated at approximately $101.5 million (2025$). Under Provincial legislation (*Infrastructure for Jobs and Prosperity Act, 2015)*, discussed further in Section 1.3.2, the Township is obligated to address its asset management needs. Stormwater management systems will also face future pressure arising from climate change and future regulatory requirements and will likely require strategic and timely capital investments to maintain required levels of service. Across Ontario, Canada, and North America, municipalities facing these funding pressures for infrastructure management have adopted funding models/rates that provide a dedicated funding source for their stormwater infrastructure. The benefits of a dedicated rate for S.W.M. includes:

- Providing a dedicated funding source for all expenditures of the S.W.M. system; and

- Increased fairness and equity through the adoption of a rate structure which reflects the property type and overall contribution to stormwater runoff. This is in contrast to recovering costs through the tax rate, which is based on a property's assessed value and does not have a clear link to stormwater runoff.

The Township currently funds the stormwater service through a combination of property taxes and a portion of the wastewater rates. The report provided herein recommends moving the stormwater funding to a dedicated stormwater rate.

The overall objective of this study is to provide equitable stormwater rates to customers, in order to reduce the risk of flooding in the municipality and to provide for the long-term protection and enhancement of water resources in the Township through effective and efficient stormwater management infrastructure capital construction, operations, and maintenance.

The report herein provides an overview of the legislation, a recommended rate structure, a summary of the calculation methodology, the capital and operating budgets, the rate calculations, policy considerations, and the next steps in the implementation of a stormwater rate.

1.2 Regulatory Requirements for S.W.M.

Resulting from the water crisis in Walkerton, significant regulatory changes have been made in Ontario which impact water, wastewater and stormwater services. Many of these changes have arisen as a result of the Walkerton Commission and the 93 recommendations made by the Walkerton Inquiry Part II report. Areas of recommendation include:

- watershed management and source protection;
- quality management;
- preventative maintenance;
- research and development;
- new performance standards;
- sustainable asset management; and
- lifecycle costing.

The legislation which would have most impacted municipal water, wastewater and stormwater rates was the Sustainable Water and Sewage Systems Act (S.W.S.S.A.) which would have required municipalities to implement full cost pricing. The legislation was enacted in 2002, however, it had not been implemented pending the approval of its regulations. The Act was repealed as of January 1, 2013. It is expected that the provisions of the Water Opportunities Act will implement the fundamental requirements of S.W.S.S.A.

1.2.1 Water Opportunities Act, 2010

As noted, since Walkerton, refinements to various legislation have been introduced which may impact stormwater services. Some of these Bills have found their way into law, while others have not been approved. Bill 72, the *Water Opportunities Act, 2010*, was introduced into legislation on May 18, 2010, and received Royal Assent on November 29, 2010.

The Act provides for the following elements for Stormwater:

- The fostering of innovative water, wastewater and stormwater technologies, services and practices in the private and public sectors;
- Preparation of sustainability plans for municipal water services, municipal wastewater services and municipal stormwater services.

Regarding the sustainability plans:

- The Act requires a detailed review of a financial plan for water, wastewater, and stormwater services; and
- Regulations will provide performance targets for each service – these targets may vary based on the jurisdiction of the regulated entity or the class of entity.

The financial plan shall include:

- An asset management plan for the physical infrastructure;
- A financial plan;
- For water, a water conservation plan;
- An assessment of risks that may interfere with the future delivery of the municipal service, including, if required by the regulations, the risks posed by climate change and a plan to deal with those risks; and

- Strategies for maintaining and improving the municipal service, including strategies to ensure the municipal service can satisfy future demand, consider technologies, services and practices that promote the efficient use of water and reduce negative impacts on Ontario's water resources, and increase co-operation with other municipal service providers.

Performance indicators will be established by service, with the following considerations:

- May relate to the financing, operation, or maintenance of a municipal service or to any other matter in respect of what information may be required to be included in a plan;
- May be different for different municipal service providers or for municipal services in different areas of the Province.

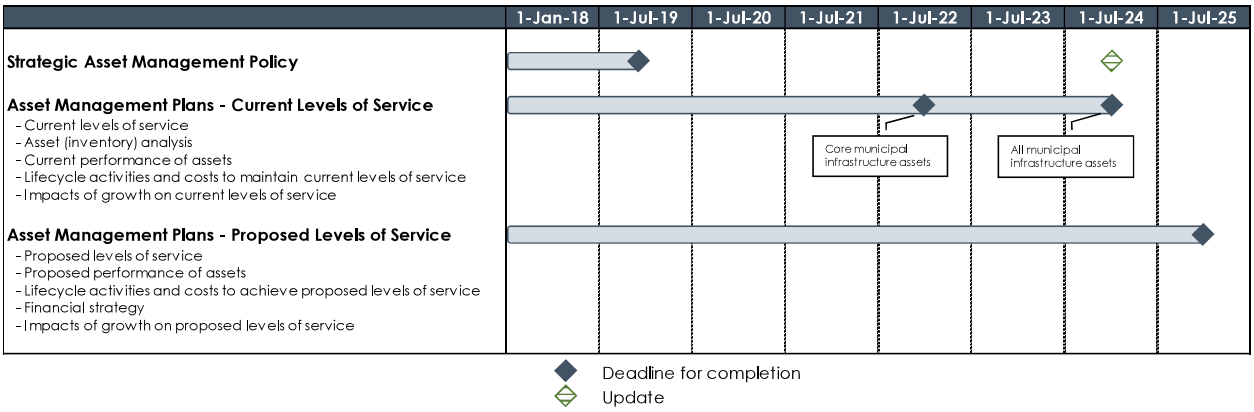
Regulations will prescribe:

- Timing;
- Contents of the plans;
- Which identified portions of the plan will require certification;
- Public consultation process; and
- Limitations, updates, refinements, etc.

As noted earlier, it is expected that this Act will implement the principles of the S.W.S.S.A. once all regulations are put in place.

1.2.2 Infrastructure for Jobs and Prosperity Act, 2015 (I.J.P.A.)

On June 4, 2015, the Province of Ontario passed the I.J.P.A. which, over time, will require municipalities to undertake and implement asset management plans for all infrastructure they own. On December 27, 2017, the Province released Ontario Regulation 588/17 under the I.J.P.A. which has three phases that municipalities must meet:



Note: on March 15, 2021, the Province filed Regulation 193/21 to extend all of the timelines of Regulation 588/17 by one year (reflected in the table above).

Every municipality in Ontario was required to prepare a strategic asset management policy by July 1, 2019. Municipalities will be required to review their strategic asset management policies at least every five years and make updates as necessary. The subsequent phases are as follows:

- Phase 1 – Asset Management Plan (by July 1, 2022):
    - For core assets, municipalities must have the following:
        - Inventory of assets;
        - Current levels of service measured by standard metrics; and
        - Costs to maintain levels of service.
- Phase 2 – Asset Management Plan (by July 1, 2024):
    - Same steps as Phase 1 but for all assets.
- Phase 3 – Asset Management Plan (by July 1, 2025):
    - Builds on Phase 1 and 2 by adding:
        - Proposed levels of service; and
        - Lifecycle management and financial strategy.

In relation to stormwater (which is considered a core asset), municipalities needed to have an asset management plan that addresses the related infrastructure by July 1, 2022 (Phase 1). O. Reg. 588/17 specifies that the municipality's asset management plan must include the following for each asset category:

- The current levels of service being provided, determined in accordance with the following qualitative descriptions and technical metrics and based on data from at

most the two calendar years prior to the year in which all information required under this section is included in the asset management plan;

- The current performance of each asset category, including:
    - a summary of the assets in the category;
    - the replacement cost of the assets in the category;
    - the average age of the assets in the category, determined by assessing the average age of the components of the assets;
    - the information available on the condition of the assets in the category;
    - a description of the municipality's approach to assessing the condition of the assets in the category, based on recognized and generally accepted good engineering practices where appropriate; and
- The lifecycle activities that would need to be undertaken to maintain the current levels of service.

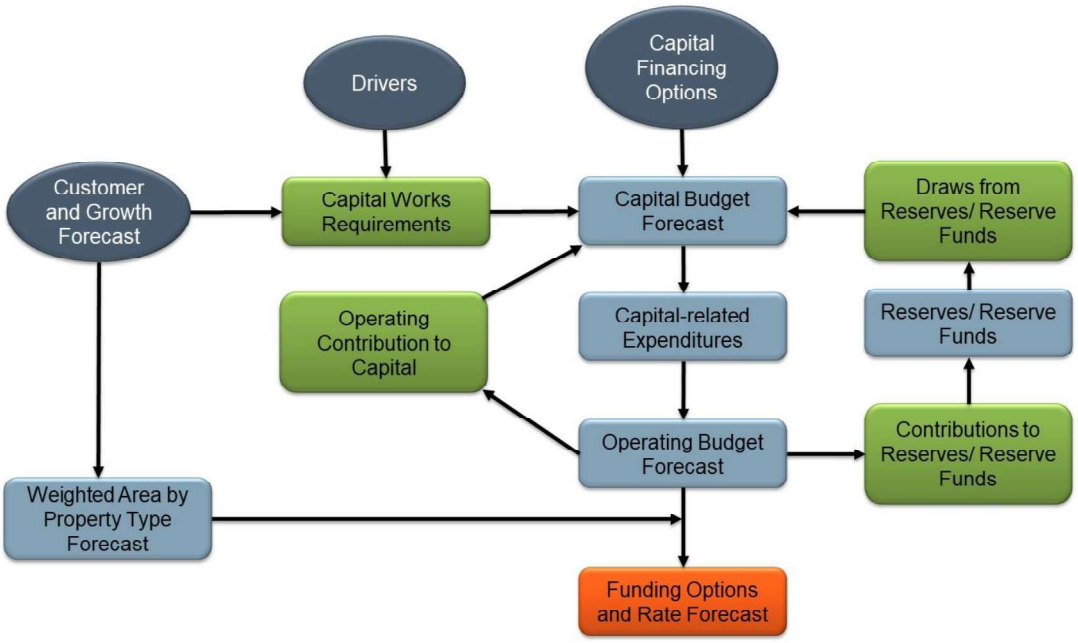
1.2.3 Environmental Compliance Approval

Stormwater infrastructure is predominately approved by Provincial agencies under the *Ontario Water Resources Act* as an Environmental Compliance Approval (E.C.A.). The Province has specific requirements and expectations of municipalities on how stormwater infrastructure is operated and maintained. To comply with the Provincial legislation, the Township manages its stormwater infrastructure under a system-wide Consolidated Linear Infrastructure Environmental Compliance Approval (C.L.I. E.C.A.) that requires regular inspections, monitoring, maintenance, and reporting to the Province the status of its entire stormwater system to demonstrate it is functioning properly and is in compliance with Provincial approvals. The C.L.I. E.C.A. requires that the stormwater system be properly operated and maintained with a specific reference to "adequate funding".

1.2.4 Study Methodology

Figure 1-1 illustrates the general methodology utilized in undertaking this study.

Figure 1-1
Township of Centre Wellington
Study Methodology



The methodology employed generally consists of 5 major elements:

1. Customer Profile and Growth Forecast

This step in the analysis is important as it informs the need for services and development of the capital program. In addition, it produces the denominator in the rate calculation. The first step is to understand the number, use, and types of properties in the municipality as well as the land area they occupy. In addition, the impervious area of all properties in the urban area were identified. A detailed description on how this was undertaken is provided in Chapter 3 of this report.

2. Capital Needs Forecast

Capital needs forecasts are developed to measure program/service level adjustments, lifecycle requirements, and growth-related needs. Developing the capital needs forecasts involves reviewing servicing studies such as master plans, needs assessment studies, and D.C. background studies. Growth-related infrastructure is typically identified in D.C. background studies. Additional growth-related infrastructure may be funded directly by developers as local services and then assumed by the municipality.

Once assumed, the municipality is responsible for maintenance and replacement of the infrastructure. Capital expenditures are forecasted with inflationary adjustments based on capital cost indices.

Stormwater capital needs have been identified through the capital budgeting process and the Stormwater Master Plan. These sources address the asset lifecycle and replacement requirements to maintain the Township's current level of service. Contributed assets are directly funded by developers and have not been considered in the capital plan. Once assumed, the lifecycle needs associated with these assets will become the Township's responsibility and will need to be included in future studies.

3. Capital Funding Plan

The capital funding plans consider the potential funding sources available to address the capital needs forecast. The sources of capital funding include development contributions for local services, development charges (D.C.s), grants, and debt financing, with the remaining costs funded from reserves, the tax levy, or user rates. Growth-related sources of funding include D.C.s, if imposed by a municipality, and debt financing. The use of levy or rate-based funding is measured against the revenue projections and affordability impacts. The reserve/reserve fund sources are measured against the sustainability of these funds, relative to lifecycle demands, revenue projections, and affordability impacts. Debt financing is considered for significant capital expenditures where funding is required to assist with cash flow needs, to assist in funding growth initiatives, or to facilitate rate transition policies and/or rate fluctuations. Debt financing is measured against the municipality's debt policies and annual repayment limits to ensure a practical and sustainable funding mix.

4. Operating Budget Forecast

The operating budget forecast considers adjustments to the municipality's base budget reflecting program/service level changes, operating fund impacts associated with infrastructure, and financing for capital needs. The operating expenditures are forecast with inflationary adjustments and growth in service demand, based on fixed and variable cost characteristics. The operating budget forecast ties the capital funding plan and reserve/reserve fund continuity forecast to the rate-based revenue projections. This ensures sufficient funding for both the ongoing annual operation and maintenance of stormwater management services, as well as the capital cost requirements to ensure

service sustainability. Operating revenues to be recovered from the levy or rates are projected net of any other anticipated operating revenues.

5. Funding Options and Rate Forecast

There are a number of funding options used by municipalities in Ontario to fund stormwater management services. These include:

- Property taxes;
- Flat rate per property (may vary by use or size);
- Area rate;
- Utility rate;
- Estimated impervious area per property; and
- Actual impervious area per property.

In this step, these funding options are assessed against the following criteria to determine what the Township's preferred options for further evaluation are: ease of calculation, equity, and cost of administration. A detailed discussion on this assessment is provided in Chapter 2 of this report. Once the preferred options are determined, the rate forecast for each of the options is developed.

Rates in their simplest form can be defined as total costs to maintain the utility function divided by the total expected amount of a charging parameter to be generated for the period. The charging parameter could, for example, be the volume of water consumption, number of properties, or hectares of impervious area. Total costs are usually a combination of operating costs (e.g., staff costs, materials and supplies, contracted services, maintenance, administration, etc.) and capital-related costs (e.g., past debt to finance capital projects, transfers to reserves to finance future expenditures, etc.). These operating and capital expenditures will vary over time. Examples of factors that will affect the expenditures over time are provided below.

Operations:

- Inflation;
- Increased maintenance as system ages;
- Changes in costs reflecting level of service investments; and
- Changes to provincial legislation.

Capital Related:

- Replacement capital needed as system ages;
- New capital emplaced or built as areas expand;
- Financing of capital costs which is a function of policy regarding reserves and direct financing from rates (pay as you go), debt, and user pay methods (e.g., development charges).

The rate forecast and structure component of the analysis considers various rate structures to recover the forecast rate-based revenue from the projected customer demands. At this stage in the analysis, the full costs of service are measured against the customer base plus anticipated growth and service demands to determine full cost recovery rates. To contextualize the rate forecast, the calculated rates are quantified for representative hypothetical customers to measure the impacts on a range of customer types.

Chapter 2
Stormwater Rate Structure

2. Stormwater Rate Structure

2.1 Current Rate Structure

The Township currently collects funding for S.W.M. through property tax rates and wastewater rates. A dedicated rate would allow the Township to recover all operating and capital infrastructure costs through this funding source and would provide for sustainability and flexibility. A stormwater rate is also a more equitable approach to recovering stormwater costs, given that recovery through property taxes is based on property assessment, which does not have a clear link to stormwater runoff from the property.

2.2 Assessment of Rate Structure Alternatives

As part of this study, the Township and the consulting team explored various rate structure alternatives based on ease of calculation, equity, cost of administration, and best practices across Ontario. A summary of rate structures in place across Ontario is provided in Appendix A.

An important consideration with respect to establishing a stormwater funding model is identifying the underlying charging parameters that most closely relate to the benefits of service received. In this regard, there are several approaches which have been used by municipalities across Ontario. These approaches are assessed below in the context of Centre Wellington.

2.2.1 Assessment Criteria

The various funding models/rate structures can be assessed based on the following criteria:

"Ease of Calculation" is a criterion to capture the relative data intensity required to support a given funding model. In the presence of good data, any given funding structure can be calculated with relative ease, but the difficulty lies in the ability to obtain and maintain a comprehensive and accurate data source.

"Equity" measures how closely the amount paid by any given property owner reflects the benefits of service received. Although all Township residents benefit from a well-

functioning stormwater system, property owners with more impervious areas on their properties generate more stormwater runoff and, consequently, place greater demands on the Township's infrastructure. A more direct linkage between the amount paid and the benefit derived from services is considered more equitable, and funding structures that provide this are therefore preferred.

"Cost of Administration" reflects the fact that although a funding structure that is well supported by data and provides a tight relationship between the ultimate cost to, and benefits received by, the person paying them may be more desirable, the costs of administering such a funding structure typically rise. This is an important consideration because any increase in the costs of administration would have the effect of diverting funding from actual stormwater system needs. Therefore, the benefit of recovering service costs from benefiting parties needs to be measured against the costs of implementation.

2.2.2 Assessment of Alternatives

Table 2-1 provides the spectrum of options for stormwater cost recovery and the ranking of each relative to various service criteria discussed in the previous section.

Table 2-1
Township of Centre Wellington
Spectrum of Options for Stormwater Cost Recovery

Funding Model	Basis of Calculation	Ease of Calculation	Equity	Cost of Administration	Other Comments
Property Taxes	Tax rate applied to assessed value	Easy	Low	Low	Easy to implement on tax bill
Flat Rate per Property	$/property	Easy	Low	Low	May be varied between residential and non-residential to reflect differences
Utility Rate	$/cu.m. of water consumption	Easy	Medium	Low	Less costly to implement. May not include all properties
Area Rate: Size of Property	$/area of property	Medium	Medium	Low	Often gaps in MPAC data – need to supplement with GIS or site visit
Estimated Impervious Area per Property	$/estimated impervious area	Difficult	Medium	High	Use of estimated impervious areas identified in the Township's Stormwater Management Master Plan. Needs continual detailed review and likely additional staff to implement
Measured Impervious Area per Property	$/measured impervious area	Difficult	High	High	Could be costly and need to monitor building permits and update data. Needs continual detailed review and likely additional staff to implement

Generally, moving from the top of the table to the bottom, the relationship between the amount paid and benefits derived from the service becomes more direct. However, the costs to populate and maintain the "denominator" for the calculation also increases as the options progress down the table.

Property Taxes

Property taxes are considered easy to calculate since this is a funding model currently in use across all municipalities and hence data is readily available to support assessment calculations. Similarly, the cost of administration is considered low since the Township already maintains a tax database and has the resources in place to maintain and update it as needed. Property assessment is not considered a good proxy for the benefits that a given property receives from the Township's stormwater system.

This is the Township's current funding mechanism for S.W.M. It is not recommended that the Township continue charging based on assessment, given the absence of a linkage to stormwater runoff.

Flat Rate per Property

Charging a uniform flat rate per property would be the easiest approach both computationally and administratively. Data on the number of properties is readily available through the Township's tax database, and determining an appropriate flat fee would simply entail dividing the net costs of the stormwater program by the number of properties. From an administrative perspective, a flat rate approach would be quite inexpensive, as each year the number of properties would simply be adjusted for any subdivisions/severances that take place. However, this type of funding structure provides no direct link between the amount paid and the benefits derived from the stormwater system, as it does not capture any property characteristics and simply treats every property the same.

Given the low equity this rate structure provides, it is not recommended that the Township adopt this rate structure.

Utility Rate

Similar to property taxation, utility billing is an established mechanism, and therefore consumption data is readily available to support rate calculations. Cost of administration is also considered low since this would be no different than the current annual updates

to water and wastewater rates. Volumetric utility rates provide customers with a high degree of control over how much they pay, by giving them the option of adjusting water consumption patterns. A weak area of the utility rate approach is its disconnect from system benefits. There is little evidence of a correlation between water usage and the impacts on the municipal stormwater system. Given this consideration, it is not recommended that the Township utilize a utility rate.

Area Rate

Another relatively simple rate structure would be to charge each property based on its size using a uniform rate per acre. Generally, stormwater rates recognize a relationship between the volume of water which may be derived from the size of the property.

Grouping properties based on size into discrete property groups (e.g. small and large residential property types) and charging each property within the category the same rate is a variation of the area rate. This tiered flat rate based on area can simplify the calculation and administrative burden of the rate structure, however, certain challenges exist for properties that are at the breakpoints of the various tiers. For example, if the cutoff between small and large residential properties is one acre, properties that are 1.01 acres would be charged a higher rate than a property that is 0.99 acres. This could create issues of perceived inequities among properties that are otherwise very similar in size and type.

While area is a key factor for the amount of stormwater to fall on a particular property, this approach does not directly reflect the rate at which the water migrates from the property into the municipal storm system. Given this consideration, it is not recommended that the Township utilize an area rate.

Estimated Impervious Area per Property

This approach would require an estimate of the impervious area of each property. This approach would require actual measurements of the land area of each property. The Township's stormwater master plan provides estimated impervious percentages per property type, as follows:

Land Use	Percentage Impervious
Low Density Residential	40%
Residential	50%
Future Residential	10%
Residential Transition	60%
Central Business District	85%
Commercial	85%
Industrial	85%
Future Development	10%
Future Employment Lands	10%
Open Area	4%
Recreational	7%

Based on the above percentages, an estimate of impervious area would be provided for each property. Each property owner would then pay an amount directly proportionate to the amount of impervious area estimated on their property, and consequently, the link between costs and benefits would be relatively strong. Certain challenges exist for this type of rate structure, given the initial data acquisition and annual data maintenance for the property areas. Additionally, given that the impervious area of each property would be estimated based on a land use generalization, this provides an inequity for property owners with varying impervious land areas.

Measured Impervious Area per Property

As the heading suggests, this approach would require actual measurement of the impervious area of each property, either physically, through Geographic Information System (GIS), or through a combination of both. Each property owner would then pay an amount directly proportionate to the amount of impervious area on their property, and consequently, the link between costs and benefits would be very strong.

Property owners would also have a degree of influence over the amount they are required to pay, as charges are directly tied to site characteristics under their control, such as the extent of paved or built surfaces (e.g. driveways, patios, or rooftops). While, in practice, property owners may be unlikely to significantly alter these features, the rate structure is designed such that any reduction in impervious area would correspondingly reduce the applicable stormwater charge. In addition, stormwater charges would increase with the increase of impervious area from adding features such as replacing

grass with paver stones or concrete. This establishes a clear and transparent relationship between site design and cost responsibility.

On the other hand, the desirable attributes of this rate structure come at a cost from an initial data acquisition and rate calculation perspective, as well as from the annual data maintenance perspective. However, increased investment in high-quality data acquisition and automation may help offset, and potentially minimize, ongoing staff time requirements. Ongoing administration of the database may still require dedicated staff resources, depending on the level of data accuracy and maintenance standards established by the Township.

2.3 Preferred Rate Structure

The various rate structure options were presented and discussed with the Township. A thorough analysis of the advantages and disadvantages of each approach in the context of Centre Wellington was undertaken.

Given the benchmarking survey undertaken of rate structures in place across Ontario (see Appendix A), there is no consistent approach in rate structures across municipalities. Rate structures are driven by various parameters, including the distribution of property types, the size of the municipality, administrative considerations, etc.

The Township has detailed impervious area information generated for each property type through GIS data. Given this, it is recommended that the Township implement a measured impervious area per property rate structure. With this rate structure, one rate is calculated based on a charge per acre of impervious area, then customer bills vary based on the measured impervious area of each property. This rate structure functions well for the vast majority of properties across the Township and provides a strong link between the rate charged and the contribution to stormwater runoff.

The rate calculation process is data-intensive for this rate structure but given that the Township has detailed information for each property type, the calculations can be done with relative ease. The calculation process is detailed in Chapter 8. This rate structure provides a strong link between the rate charged and the contribution to stormwater runoff, given that property owners with more impervious areas on their properties generate more stormwater runoff and, consequently, place greater demands on the

Township's infrastructure. This rate structure will require a detailed database of Township customer property areas and impervious areas. The Township will need to update and maintain the database annually to ensure equitable rates are being charged to Township customers.

Chapter 3
Forecast Growth and Servicing Requirements

3. Forecast Growth and Servicing Requirements

The Township of Centre Wellington currently has a population of approximately 35,233 people, and 13,608 properties on the tax roll. Of the 13,608 properties, the total acreage is approximately 103,000. Information on the existing number of customers and property sizes was obtained from the Township. An analysis of the Township's property data and profile was undertaken to understand the current profile and forecast potential changes resulting from new growth over the next decade. A growth forecast has also been developed based on the Township's 2025 D.C. Background Study. The property analysis, classification, and growth forecast are described in the following sections.

3.1 Property Analysis and Classification

Township staff provided the 2026 tax roll, which includes all properties within the Township. The tax roll includes 133 unique property codes, and each roll number is assigned to one of them.

The 133 unique property codes were mapped to the following 15 broad property types:

- Residential (Low-Density);
- Residential (Medium-Density);
- Residential (High-Density);
- Residential Vacant;
- Residential with Commercial Mix;
- Residential with Commercial/Industrial Mix;
- Agricultural;
- Commercial;
- Commercial Vacant;
- Industrial;
- Industrial Vacant;
- Institutional;
- School;
- Institutional Vacant; and
- Other.

Once the property codes were classified by property type, the total land area of each parcel was extracted from the Township's tax roll, supplemented by their GIS database. Additionally, Township staff provided a database of impervious area for each parcel. A few parcels had missing land area, and in these cases, Township staff manually imputed the land area based on measurements.

A summary of the property types is provided in Table 3-1. The summary includes the number of existing properties within a classification, the total land area for the classification, and the total impervious area for the classification, broken down between rural and urban properties[1].

Through discussions with Township staff, it is recommended that only urban properties be charged the proposed stormwater rate. Additionally, the following property classes are exempt from the potential stormwater charge:

- Schools, as per the *Education Act*, are exempt from fees imposed under the *Municipal Act, 2001*
- Township-owned properties are exempt from fees imposed under the *Municipal Act, 2001*
- Farm properties, as per O.Reg 584/06 to the *Municipal Act, 2001*
- Managed forests, as per O.Reg 584/06 to the *Municipal Act, 2001*

The above properties have been excluded from the calculations, resulting in approximately 11,154 urban acres of property area, and of those, approximately 3,776 acres of impervious area, to be included in the rate calculations.

[1] Note: Urban properties include properties withing the Salem, Fergus, Elora, Belwood, Inverhaugh, and Ennotville areas.

Table 3-1
Township of Centre Wellington
2026 Property Classification and Total Land Area (acres)

Property Type	Property Classifications	Customer Count	Total Acres	Total Rural Acres	Total Urban Acres	Impervious Area Acres	Impervious Area Acres - Rural	Impervious Area Acres - Urban	Percentage Impervious - Urban
Residential									
	Residential (Low Density)	8,544	6,462	4,352	2,110	786	212	575	27%
	Residential (Medium Density)	883	432	360	72	99	60	39	54%
	Residential (High Density)	1,361	4,607	3	4,604	2,522	0	2,522	55%
	Residential Vacant	853	956	442	514	16	4	11	2%
	Residential with Commercial Mix	29	97	86	12	8	5	3	28%
	Residential with Commercial/Industrial Mix	18	124	116	8	16	13	3	38%
Agricultural									
	Agricultural*	1,040	80,877	80,297	580	983	978	-	0%
Commercial									
	Commercial	381	1,540	1,156	385	335	84	252	65%
	Commercial Vacant	25	33	16	17	4	1	3	17%
Industrial									
	Industrial	155	1,648	1,159	488	315	58	257	53%
	Industrial Vacant	26	108	5	103	9	2	7	7%
Institutional									
	Institutional	57	627	291	337	92	36	56	17%
	School*	15	93	10	83	30	2	-	0%
	Institutional Vacant	220	5,347	3,503	1,843	81	34	47	3%
Other									
	Other	1	0	-	-	-	-	-	
Total		**13,608**	**102,951**	**91,797**	**11,154**	**5,297**	**1,488**	**3,776**	

*Note: Impervious Area Acres – Urban have been removed for Agricultural and School property classifications, as they are exempt from stormwater rate charges

3.2 Growth Forecast

To estimate the potential impacts of imposing a stormwater charge on an impervious acre basis, a forecast of property numbers by size was required. The growth forecast was developed based on the residential unit growth forecast from the Township's 2025 D.C. Background Study. To be conservative, only residential growth was forecasted and included in the stormwater rate calculation.

3.2.1 Number of Units Forecast

Over the 10-year forecast period, 2026 to 2035, the Township is anticipated to grow by an average of 307 residential units per year. It was assumed that when a new unit is added, it would generate a half-year of stormwater rate revenue in the first year of occupancy. This is to recognize that some units will be developed and occupied at various times throughout the year. The forecasted growth in residential units is provided in Table 3-2.

3.2.2 Land Area (Acres) Forecast

The new residential units were converted into land area (in acres) by applying assumptions of units per acre for low, medium, and high-density residential units:

- Single/Semi-Detached (Low Density): 6 units/acre;
- Multiples (Medium Density): 15 units/acre; and
- Apartments (High Density): 40 units/acre.

The forecasted growth in residential land area is provided in Table 3-3.

3.2.3 Impervious Land Area (Acres) Forecast

The new residential land area was converted into an estimated impervious land area (in acres) by applying assumptions of existing impervious area per property type classification, as shown in Table 3-1. The assumptions per property type are as follows:

- Single/Semi-Detached (Low Density): 27% impervious;
- Multiples (Medium Density): 54% impervious; and
- Apartments (High Density): 55% impervious.

The forecasted growth in residential impervious land area is provided in Tables 3-4 and 3-5.

Table 3-2
Township of Centre Wellington
Growth in Residential Units Forecast

Growth in Units	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Residential Units:											
Single/Semi	221	221	221	221	221	221	221	221	221	221	221
Multiples	41	41	41	41	41	41	41	41	41	41	41
Apartments	45	45	45	45	45	45	45	45	45	45	45
Total Units	**307**	**307**	**307**	**307**	**307**	**307**	**307**	**307**	**307**	**307**	**307**

Table 3-3
Township of Centre Wellington
Growth in Residential Land Area (Acres) Forecast

Growth in Land Area (Acres)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Residential Units:											
Single/Semi	36.87	36.87	36.87	36.87	36.87	36.87	36.87	36.87	36.87	36.87	36.87
Multiples	2.73	2.73	2.73	2.73	2.73	2.73	2.73	2.73	2.73	2.73	2.73
Apartments	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12
Total Acres	**40.72**	**40.72**	**40.72**	**40.72**	**40.72**	**40.72**	**40.72**	**40.72**	**40.72**	**40.72**	**40.72**

Table 3-4
Township of Centre Wellington
Growth in Residential Impervious Land Area (Acres) Forecast

Growth in Impervious Land Area (Acres)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Residential Units:											
Single/Semi	10.04	10.04	10.04	10.04	10.04	10.04	10.04	10.04	10.04	10.04	10.04
Multiples	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48
Apartments	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61
Total Impervious Acres	**12.14**	**12.14**	**12.14**	**12.14**	**12.14**	**12.14**	**12.14**	**12.14**	**12.14**	**12.14**	**12.14**

Table 3-5
Township of Centre Wellington
2025 to 2035 Stormwater System Forecast

Forecast

Year	Total Acres	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
2025	12.14	6.07	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14
2026	12.14		6.07	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14
2027	12.14			6.07	12.14	12.14	12.14	12.14	12.14	12.14	12.14	12.14
2028	12.14				6.07	12.14	12.14	12.14	12.14	12.14	12.14	12.14
2029	12.14					6.07	12.14	12.14	12.14	12.14	12.14	12.14
2030	12.14						6.07	12.14	12.14	12.14	12.14	12.14
2031	12.14							6.07	12.14	12.14	12.14	12.14
2032	12.14								6.07	12.14	12.14	12.14
2033	12.14									6.07	12.14	12.14
2034	12.14										6.07	12.14
2035	12.14											6.07
Total	**133.54**	**6.07**	**18.21**	**30.35**	**42.49**	**54.63**	**66.77**	**78.91**	**91.05**	**103.19**	**115.33**	**127.47**

Impervious Area	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing Impervious Area	3,775.54	3,775.54	3,775.54	3,775.54	3,775.54	3,775.54	3,775.54	3,775.54	3,775.54	3,775.54	3,775.54
New - Growth	6.07	18.21	30.35	42.49	54.63	66.77	78.91	91.05	103.19	115.33	127.47
Total	**3,781.61**	**3,793.75**	**3,805.89**	**3,818.03**	**3,830.17**	**3,842.31**	**3,854.45**	**3,866.59**	**3,878.73**	**3,890.87**	**3,903.01**

Chapter 4
Capital Infrastructure Needs

4. Capital Infrastructure Needs

4.1 Capital Forecast

A capital forecast for the stormwater system has been provided and is presented in Table 4-1 (note: the costs are provided in inflated dollars). The basis for this forecast is the Township's capital budget forecast, Stormwater Master Plan, and discussions with staff. The anticipated capital expenditures total approximately $34.30 million over the 2026-2035 forecast period. These expenditures and financial pressures provide the impetus to prepare this long-term financial plan and consider how the service is funded. Utilizing a user rate system would provide a segregated source of funding separate from the tax base and wastewater rates, and allow for charging structures that better align the benefits of services conferred with the incidence of funding.

Table 4-1
Township of Centre Wellington
2026 to 2035 Stormwater Capital Forecast Summary (Inflated $)

Description	Total 2026 to 2035	Years Undertaken
Capital Expenditures		
2023-051 - Storm Sewer Relocation on WR7 from Carlton Place to McNab St	$1,161,000	2034
2025-070 - Storm Water Pond Sediment Removal - 2026-2034	$581,000	2026, 2028, 2030, 2032, 2034
2025-071 - Open Channel Rehabilitation - 2027 - 2034	$465,000	2027, 2029, 2031, 2033
2024-017 - Storm and Sanitary Sewer CCTV Inspections - 2026 to 2034	$728,000	2026, 2028, 2030, 2032, 2034
2024-019 - Sewer Relining and Repairs - 2026 to 2033	$232,000	2027, 2029, 2031, 2033
Stormwater Capital Identified Seperately		
Bridge St (Fergus) - Tower St S to Queen St	$20,000	2027
Chalmers Street - East Mill to Church	$849,000	2033
Church St - Metcalfe St to Price St	$220,000	2031
David St - Aqua St to John St N	$134,000	2031
David St - Geddes St to Aqua St	$250,000	2031
David St - John St N to Irvine St	$41,000	2031
Fergus Curling Club Parking Lot Major Resurfacing	$52,000	2026
First Line - WR 7 to Bridge St	$560,000	2030 to 2031
Forfar St E - St David St to James St	$437,000	2028
Garafraxa St - Provost Lane to St David St	$215,000	2033
Gerrie Rd - WR 18 to Patrick St	$118,000	2031
Gilkison St - South River Road to Trestle Bridge Trail Crossing	$367,000	2033
Hill St Drainage Within Subdivision, Elora	$1,013,000	2033
Irvine St - East Mill St to Colborne St	$814,000	2027
James St (Elora) - Metcalfe St to Victoria Cres	$664,000	2027 to 2028
John St. (Fergus) - Provost Lane to Tower St.	$179,000	2030
Melville St - Moir St to David St	$327,000	2030

Table 4-1 (Continued)
Township of Centre Wellington
2026 to 2035 Stormwater Capital Forecast Summary (Inflated $)

Description	Total 2026 to 2035	Years Undertaken
Nichol St - Victoria St to High St Reconstruction	$232,000	2028
North Queen St - Colborne St to David St	$414,000	2029
Open Channel Rehabilitation - 2027 - 2034	$465,000	2027, 2029, 2031, 2033
Price St - Church St to James St	$175,000	2028
Princess St (Elora) - Moir St to David St	$180,000	2027
Provost Parking Lot Improvements	$82,000	2026
Salem Semi-Urban Road Drainage Improvements and Gravel Road Conversion (Washington, George & James)	$268,000	2031
Sewer Relining and Repairs - 2026 to 2033	$232,000	2027, 2029, 2031, 2033
Sideroad 18 Reconstruction - Vincent St to Steele St	$540,000	2033
Smith St - David St to Henderson St	$124,000	2026
South River Road - Haylock Ave to Gilkison Rd	$396,000	2032
St Andrew St E - Lamond St to Anderson St	$957,000	2033
St Andrew St W - Tower St to St David St	$439,000	2029
St George St E - Gowrie St to Cameron St	$252,000	2032
St George St W - Maple St to Beatty Line	$33,000	2028
St Patrick Lane - Breadalbane St to Beatty Line Reconstruction	$435,000	2030
Storm and Sanitary Sewer CCTV Inspections - 2026 to 2034	$565,000	2026, 2028, 2030, 2032
Storm Water Pond Sediment Removal - 2026-2034	$451,000	2026, 2028, 2030, 2032
Tower St N - Hill St W to Garafraxa St W	$290,000	2029
Tower St N - Hill St W to St George St W	$135,000	2029
Victoria Cres (Elora) - Henderson St to David St	$128,000	2026
Washington St - Woolwich St W to George St	$42,000	2031
Wellesley St - Colborne St to Church St Reconstruction	$378,000	2032
High Priority Stormwater Projects from Master Plan	$14,070,000	2026 to 2035
Open Channel Rehabilitation - Major Operating	$581,000	2026, 2028, 2030, 2032, 2034
Pond Cleanout - Major Operating	$581,000	2026, 2028, 2030, 2032, 2034
Snow Management Site	$2,185,000	2028
Studies:		
2021-048 - Water, Wastewater and Stormwater Rate Study - 2030	$55,000	2030
New - Water, Wastewater and Stormwater Rate Study - 2035	$64,000	2035
Salt/Sand Management Plan	$53,000	2027
Total Capital Expenditures	**$34,297,000**	

Chapter 5
Lifecycle Costing

5. Lifecycle Costing

5.1 Overview of Lifecycle Costing

5.1.1 Definition

For many years, lifecycle costing has been used in the field of maintenance engineering and to evaluate the advantages of using alternative materials in construction or production design. The method has gained wider acceptance and use in the areas of industrial decision-making and the management of physical assets.

By definition, lifecycle costs are all the costs which are incurred during the lifecycle of a physical asset, from the time its acquisition is first considered to the time it is taken out of service for disposal or redeployment. The stages which the asset goes through in its lifecycle are specification, design, manufacture (or build), install, commission, operate, maintain and disposal. Figure 5-1 depicts these stages in a schematic form.

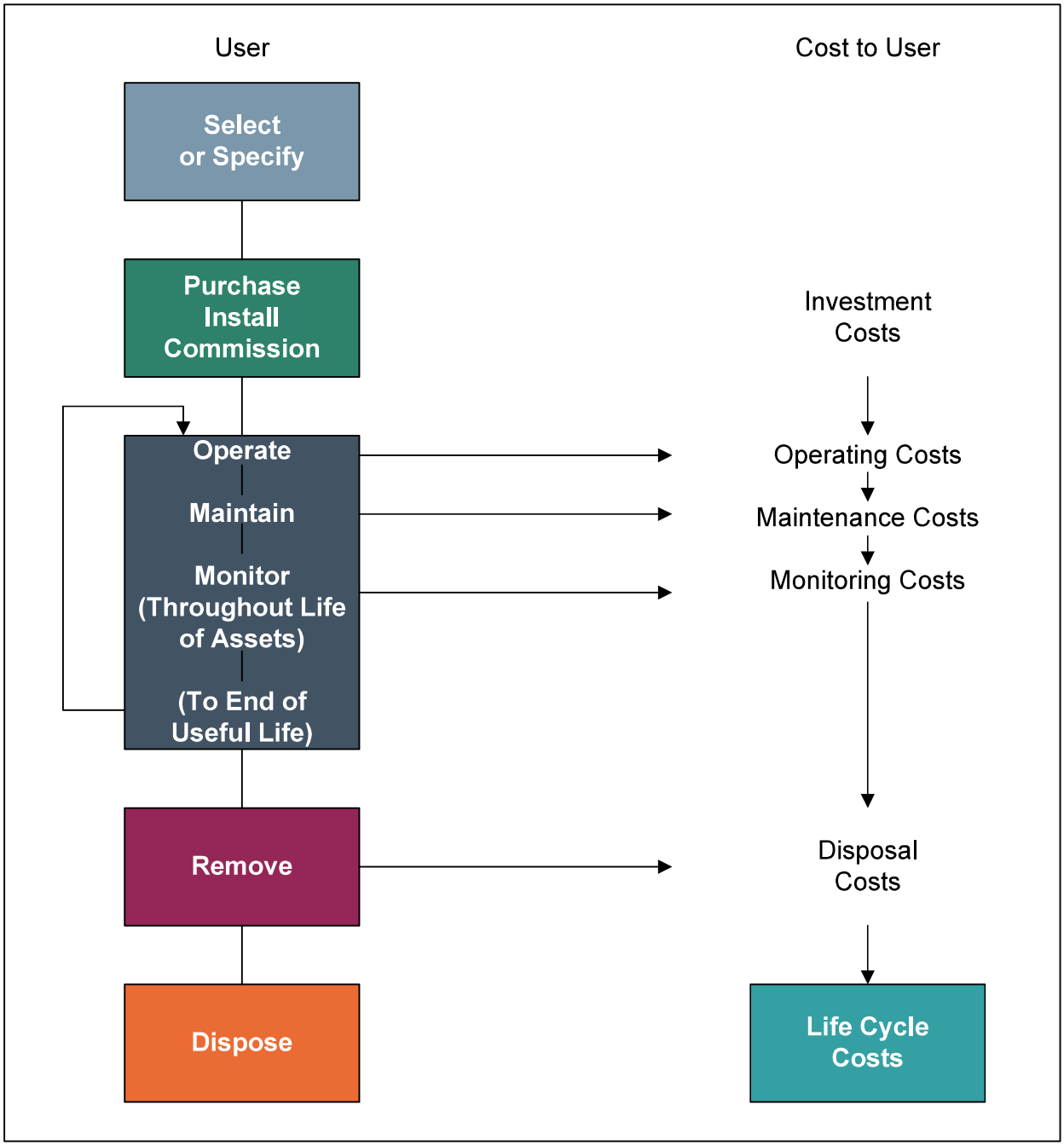
5.1.2 Financing Costs

This section will focus on financing mechanisms in place to fund the costs incurred throughout the asset's life.

In a municipal context, services are provided to benefit tax/rate payers. Acquisition of assets is normally timed in relation to direct needs within the community. At times, economies of scale or technical efficiencies will lead to oversizing an asset to accommodate future growth within the Township. Over the past few decades, financing mechanisms such as D.C.s have been employed based on the underlying principle of having tax/rate payers who benefit directly from the service paying for that service. Operating costs which reflect the cost of the service for that year are charged directly to all existing tax/rate payers who have received the benefit. Operating costs are normally charged through the tax base or user rates.

Capital expenditures are recouped through several methods, with operating budget contributions, D.C.s, reserves, developer contributions and debentures, being the most common.

Figure 5-1
Lifecycle Costing



New construction related to growth could produce D.C.s and developer contributions (e.g., works internal to a subdivision which are the responsibility of the developer to construct) to fund a significant portion of projects, where new assets are being acquired to allow growth within the Township to continue. As well, debentures could be used to

fund such works, with the debt charge carrying costs recouped from rate payers in the future.

Capital construction to replace existing infrastructure, however, is largely not growth-related and will therefore not yield D.C.s or developer contributions to assist in financing these works. Hence, a municipality will be dependent upon debentures, reserves, and contributions from the operating budget to fund these works.

Figure 5-2 depicts the costs of an asset from its initial conception through to replacement and then continues to follow the associated costs through to the next replacement.

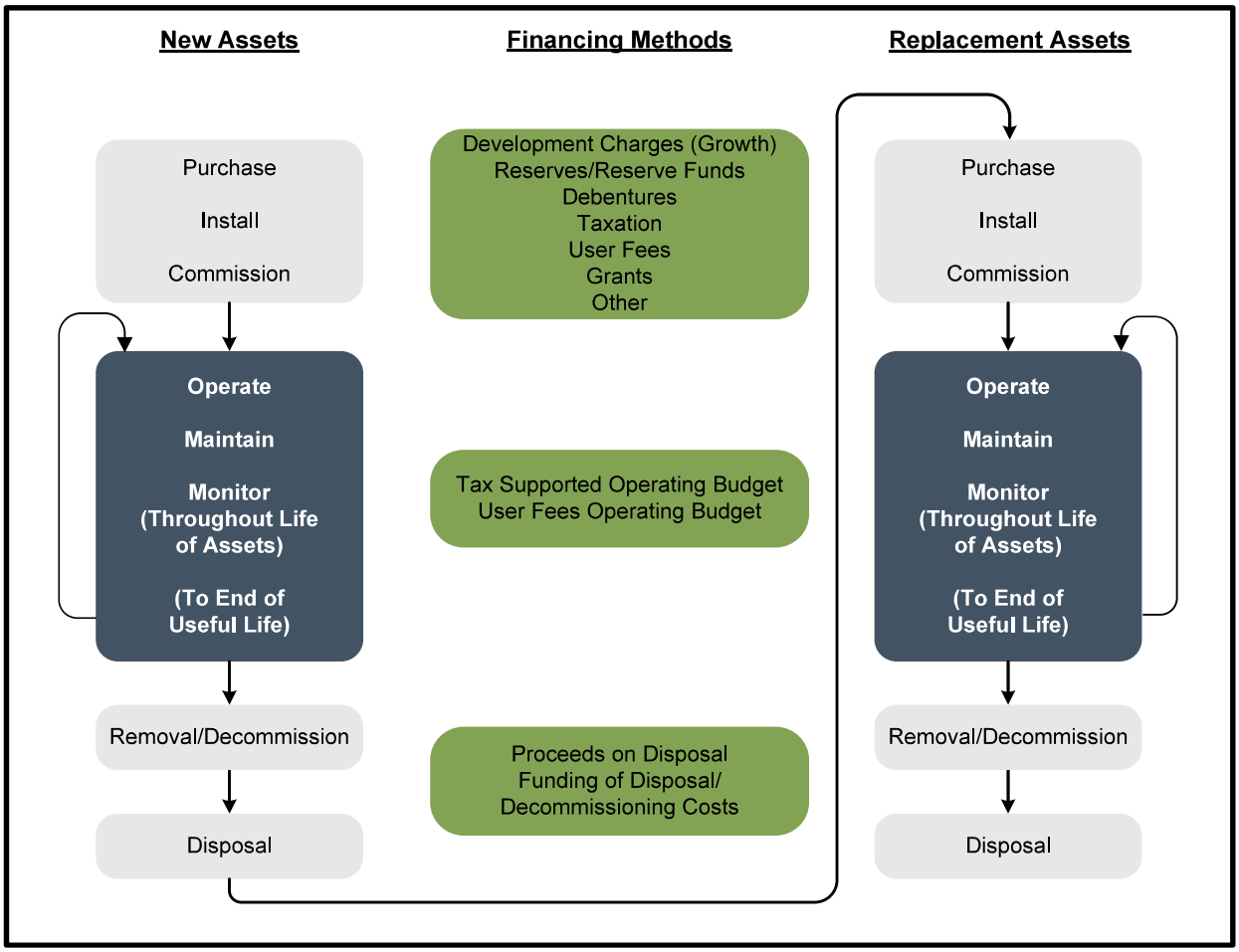
As referred to earlier, growth-related financing methods such as D.C.s and developer contributions could be utilized to finance the growth-related component of the new asset. These revenues are collected (indirectly) from the new homeowner/business who benefits directly from the installation of this asset. Other financing methods may be used as well to finance the non-growth-related component of this project, such as reserves which have been collected from past rate payers, operating budget contributions collected from existing rate payers and debentures which will be carried by future rate payers. Ongoing costs for monitoring, operating, and maintaining the asset will be charged annually to the existing ratepayer.

When the asset requires replacement, the sources of financing will be limited to reserves, debentures, and contributions from the operating budget. At this point, the question is raised: "If the cost of replacement is to be assessed against the ratepayer who benefits from the replacement of the asset, should the past ratepayer pay for this cost, or should future rate payers assume this cost?" If the position is taken that the past user has used up the asset, hence he should pay for the cost of replacement, then a charge should be assessed annually through the life of the asset, to have funds available to replace it when the time comes. If the position is taken that the future ratepayer should assume this cost, then debentures and, possibly, a contribution from the operating budget should be used to fund this work.

Charging for the cost of using up an asset is the fundamental concept behind depreciation methods utilized by the private sector. This concept allows for expending the asset as it is used up in the production process. The tracking of these costs forms part of the product's selling price and, hence, end-users are charged for the asset's depreciation. The same concept can be applied in a municipal setting to charge existing

users for the asset's use and set those funds aside in a reserve to finance the cost of replacing the asset in the future.

Figure 5-2
Financing Lifecycle Costs



5.1.3 Costing Methods

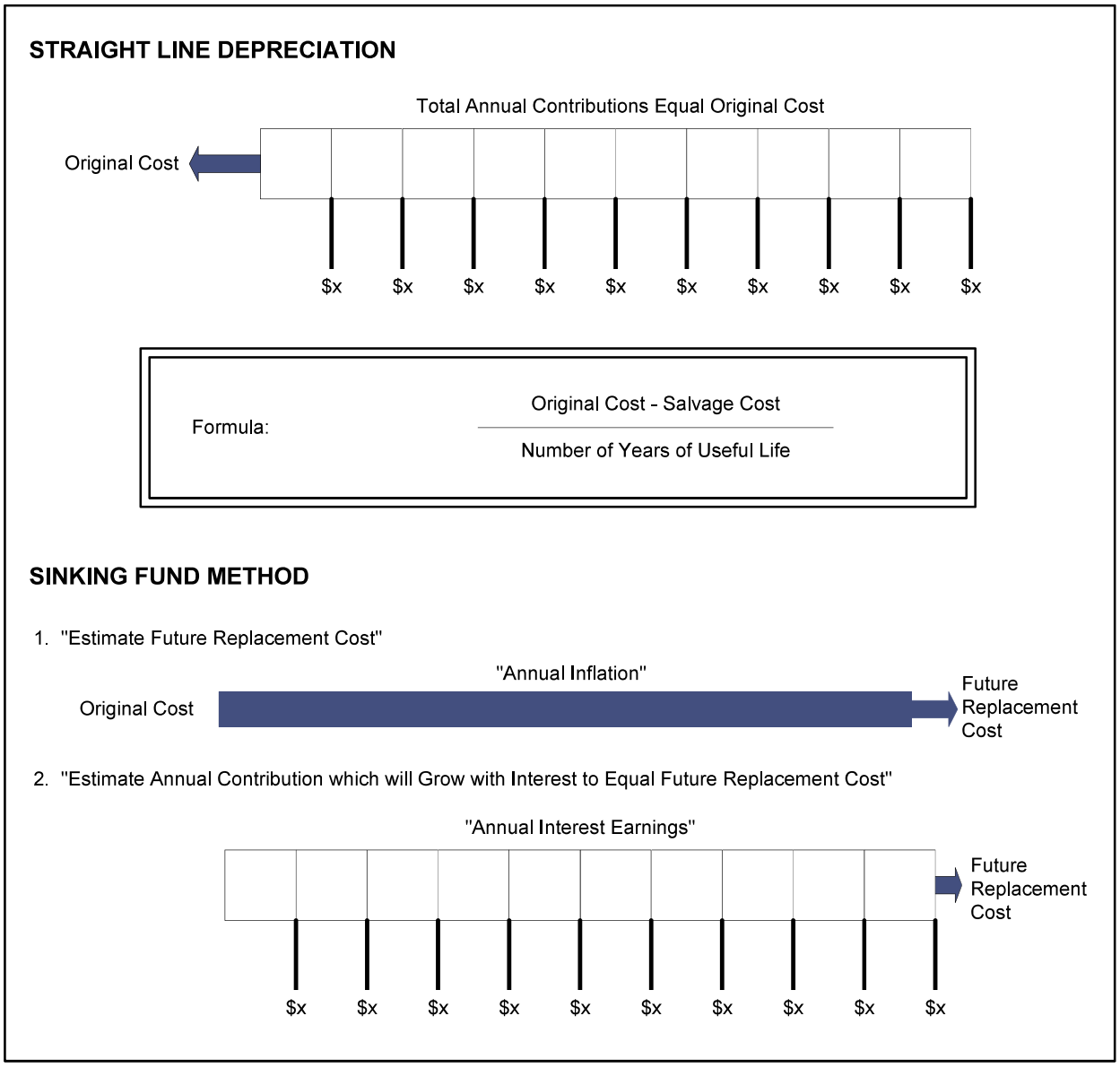
There are two fundamental methods of calculating the cost of the usage of an asset and for the provision of the revenue required when the time comes to retire and replace it. The first method is the Depreciation Method. This method recognizes the reduction in the value of the asset through wear and tear and aging. There are two commonly used forms of depreciation: the straight-line method and the reducing balance method (shown graphically in Figure 5-3).

The straight-line method is calculated by taking the original cost of the asset, subtracting its estimated salvage value (estimated value of the asset at the time it is disposed of) and dividing this by the estimated number of years of useful life. The reducing balance method is calculated by utilizing a fixed percentage rate and this rate is applied annually to the undepreciated balance of the asset value.

The second method of lifecycle costing is the sinking fund method. This method first estimates the future value of the asset at the time of replacement. This is done by inflating the original cost of the asset at an assumed annual inflation rate. A calculation is then performed to determine annual contributions (equal or otherwise), which, when invested, will grow with interest to equal the future replacement cost.

The preferred method used herein for forecasting purposes is the sinking fund method of lifecycle costing.

Figure 5-3



5.2 Impact on Budgets

The Township completed a Stormwater Master Plan in 2024, which evaluated the detailed inventory of the Township's stormwater system. The Master Plan identifies capital projects needed for the repair and replacement of infrastructure. These projects have been included in the capital budget as presented in Table 4-1.

Chapter 6
Capital Cost Financing Options

6. Capital Cost Financing Options

6.1 Summary of Capital Cost Financing Options

Historically, the powers that municipalities had to raise alternative revenues to taxation to fund capital services have been restrictive. Over the past decade, legislative reforms have been introduced. Some of these have expanded municipal powers (e.g. Bill 26 introduced in 1996 to provide for expanded powers for imposing fees and charges), while others appear to restrict them (e.g. Bill 23 in 2022 providing amendments to the D.C.A.).

The Province passed a new *Municipal Act* which came into force on January 1, 2003. Part XII of the Act and O.Reg. 584/06 govern a municipality's ability to impose fees and charges. In contrast to the previous *Municipal Act*, this Act provides municipalities with broadly defined powers and does not differentiate between fees for operating and capital purposes. It is anticipated that the powers to recover capital costs under the previous *Municipal Act* will continue within the new Statutes and Regulations, as indicated by s.9(2) and s.452 of the new *Municipal Act*.

Under s.484 of *Municipal Act, 2001*, the *Local Improvement Act* was repealed with the in-force date of the *Municipal Act* (January 1, 2003). The municipal powers granted under the *Local Improvement Act* now fall under the jurisdiction of the *Municipal Act*. To this end, on December 20, 2002, O.Reg. 390/02 was filed, which allowed for the *Local Improvement Act* to be deemed to remain in force until April 1, 2003. O.Reg. 119/03 was enacted on April 19, 2003, which restored many of the previous *Local Improvement Act* provisions; however, the authority is now provided under the *Municipal Act*.

The methods of capital cost recovery available to municipalities are provided as follows:

Recovery Methods	Section Reference
• *Development Charges Act, 1997*	6.2
• *Municipal Act* o Fees and Charges o Stormwater Area Charges o Connection Fees o Local Improvements	6.3
• Grant Funding	6.4

Recovery Methods	Section Reference
• Existing Reserves/Reserve Funds	6.5
• Debenture Financing	6.6
• Infrastructure Ontario	6.7

6.2 Development Charges Act, 1997

Development charges are a revenue tool used by municipalities to recover the capital costs associated with new development and redevelopment. These costs are in addition to what a developer/builder normally constructs as part of their subdivision (i.e. Local Services). Empowered by the *Development Charges Act, 1997*, municipalities may pass by-laws to impose charges to recover the capital costs associated with development and redevelopment.

The Township currently imposes Development Charges via by-law 2026-22, and will impose charges via by-law 2026-23 as of October 1, 2026. The Township does not impose Development Charges for Stormwater Services. However, this rate study has identified a project with a component of Development Charges as the funding source (i.e. D.C. reserve funds and growth-related debentures to be funded from future D.C. revenues). The growth component of this project is proposed to be funded from the Township's Public Works Development Charges reserve fund.

Since the inception of the revised *Development Charges Act*, in 1997, the province has expanded the number of mandatory exemptions and discounts required for new development. Should the mandatory exemptions and discounts continue to change with new legislation, the Township may need to reexamine the timing of capital projects to ensure adequate funding is available.

6.3 Municipal Act

Part XII of the *Municipal Act* provides municipalities with broad powers to impose fees and charges via passage of a by-law. These powers, as presented in s.391(1), include imposing fees or charges:

- "for services or activities provided or done by or on behalf of it;
- for costs payable by it for services or activities provided or done by or on behalf of any other municipality or local board; and

- for the use of its property including property under its control."

Restrictions are provided to ensure that the form of the charge is not akin to a poll tax. Any charges not paid under this authority may be added to the tax roll and collected in a like manner. The fees and charges imposed under this part are not appealable to the Ontario Land Tribunal (OLT).

Section 221 of the previous *Municipal Act* permitted municipalities to impose charges, by by-law, on owners or occupants of land who would or might derive benefit from the construction of sewage (storm and sanitary) or water works being authorized (in a specific benefit area). For a by-law imposed under this section of the previous Act:

- A variety of different means could be used to establish the rate and recovery of the costs and could be imposed by a number of methods at the discretion of Council (i.e., lot size, frontage, number of benefiting properties, etc.);
- Rates could be imposed with respect to costs of major capital works, even though an immediate benefit was not enjoyed;
- Non-abutting owners could be charged;
- Recovery was authorized against existing works, where a new water or sewer main was added to such works, "notwithstanding that the capital costs of existing works have in whole or in part been paid;"
- Charges on individual parcels could be deferred;
- Exemptions could be established;
- Repayment was secured; and
- OLT approval was not required.

While under the new *Municipal Act* no provisions are provided specific to the previous s.221, the intent to allow capital cost recovery through fees and charges is embraced within s.391. The new *Municipal Act* also maintains the ability of municipalities to impose capital charges for water and sewer services on landowners not receiving an immediate benefit from the works. Under s.391(2) of the Act, "a fee or charge imposed under subsection (1) for capital costs related to sewage or water services or activities may be imposed on persons not receiving an immediate benefit from the services or activities but who will receive a benefit at some later point in time." Also, capital charges imposed under s.391 are not appealable to the OLT on the grounds that the charges are "unfair or unjust."

Section 222 of the previous *Municipal Act* permitted municipalities to pass a by-law requiring buildings to connect to the municipality's sewer and water systems, charging the owner for the cost of constructing services from the mains to the property line. Under the new *Municipal Act*, this power still exists under Part II, General Municipal Powers (s.9 (3) b of the *Municipal Act*). Enforcement and penalties for this use of power are contained in s.427 (1) of the *Municipal Act*.

Under the previous *Local Improvement Act*:

- A variety of different types of works could be undertaken, such as watermain, storm and sanitary sewer projects, supply of electrical light or power, bridge construction, sidewalks, road widening and paving;
- Council could pass a by-law for undertaking such work on petition of a majority of benefiting taxpayers, on a 2/3 vote of Council and on sanitary grounds, based on the recommendation of the Minister of Health. The by-law was required to go to the OLT, which might hold hearings and alter the by-law, particularly if there were objections;
- The entire cost of a work was assessed only upon the lots abutting directly on the work, according to the extent of their respective frontages, using an equal special rate per metre of frontage; and
- As noted, this Act was repealed as of April 1, 2003; however, O. Reg. 119/03 was enacted on April 19, 2003, which restores many of the previous *Local Improvement Act* provisions; however, the authority is now provided under the *Municipal Act*.

6.4 Grant Funding

Phase 1 (April 1, 2016 to March 31, 2018)

Funding was provided by the Government of Canada to expressly help municipalities with repair and rehabilitation projects. Funding was mainly provided through the Clean Water and Wastewater Fund (C.W.W.F.) and Public Transit Infrastructure Fund (P.T.I.F.) in Federal Phase 1 projects. The C.W.W.F. was announced in Ontario on September 15, 2016. The Fund was $1.1 billion for water, wastewater, and stormwater systems in Ontario. The federal government provided $569 million and Ontario and municipal governments provided $275 million each.

Over 1,300 water, wastewater, and stormwater projects have been approved in Ontario through the C.W.W.F. In Ontario, P.T.I.F. accounted for nearly $1.5 billion of the national total of $3.4 billion. The program was allocated by ridership numbers from the Canadian Urban Transit Association. The Association of Municipalities of Ontario (A.M.O.) understands that $1 billion of Ontario's share has been approved.

Phase 2: Next Steps

The federal government announced Phase 2 of its infrastructure funding plan with a total of $180 billion spent over 11 years. In addition to the balance of funding for previous green, social, and public transit infrastructure funds ($20 billion each, including Phase 1), the government added $10.1 billion for trade and transportation infrastructure and $2 billion for rural and northern communities.

In Phase 2, Ontario was eligible for $11.8 billion including $8.3 billion for transit, $2.8 billion for green infrastructure, $407 million for community, culture and recreation and $250 million for rural and northern communities.

Canada Community-Building Fund

The Canada Community-Building Fund (C.C.B.F.) is a permanent source of funding provided up front, twice-a-year, to Provinces and Territories, who in turn flow this funding to their municipalities to support local infrastructure priorities. Municipalities can pool, bank and borrow against this funding, providing significant financial flexibility. Every year, the C.C.B.F provides over $2 billion and supports approximately 2,500 projects in communities across Canada. Each municipality selects how best to direct the funds with the flexibility provided to make strategic investments across 18 different project categories, which include other water and wastewater servicing.

Ontario Government

The Province has taken steps to increase municipal infrastructure funding. The Ontario Community Infrastructure Fund (O.C.I.F.) was increased in 2016 with formula-based support growing to $200 million, and application funding growing to $100 million annually by 2018/2019. As well, $15 million annually will go to the new Connecting Links program to help pay for the construction and repair costs of municipal roads that connect communities to provincial highways. This is on top of the Building Ontario Up investment of $130 billion in public infrastructure over 10 years starting in 2015.

Recently the Province announced funding through a new Ontario Infrastructure Bank. This new, arms-length, board-governed agency will assist investors and institutions to further participate in large-scale infrastructure projects. Ontario is providing $825 million over three years towards the Housing-Enabling Water Systems Fund (H.E.W.S.F.), which will help municipalities repair, rehabilitate and expand drinking water, wastewater and stormwater infrastructure needed to build more homes.

The Township received a $6.80 million grant from the H.E.W.S.F. in August 2025. The grant is intended to extend servicing to South Fergus, enabling the construction of 3,000 homes. The fund will be used to finance water, wastewater, and stormwater project costs for the following projects:

- Guelph St. – 60m south of Cummings Cres. to Union St.; and
- Union St. – Guelph Rd. to Tower St. to Queen St. to Fergus Wastewater Treatment Plant.

6.5 Existing Reserves/Reserve Funds

The Township does not have a dedicated stormwater capital reserve or reserve fund. If the Township implements a dedicated stormwater funding mechanism for stormwater management services, it is recommended that a stormwater capital reserve or reserve fund be established with funding over the first few years of the forecast to be transferred from other general capital reserves if required. Revenue from the stormwater rates should then be allocated to the reserve fund annually to fund future capital expenditures.

6.6 Debenture Financing

Although it is not a direct method of minimizing the overall cost to the ratepayer, debentures are used by municipalities to assist in cash flowing large capital expenditures. In addition, debenture financing can promote inter-generational equity whereby future tax and rate payers who will benefit from the infrastructure pay for the cost of the infrastructure.

The Ministry of Municipal Affairs regulates the level of debt incurred by Ontario municipalities, through its powers established under the *Municipal Act*. Ontario Regulation 403/02 provides the current rules respecting municipal debt and financial

obligations. Through the rules established under these regulations, a municipality's debt capacity is capped at a level where no more than 25% of the municipality's own purpose revenue may be allotted for servicing the debt (i.e. debt charges). The Township of Centre Wellington's calculation on Debt Capacity is shown on the Township's 2026 Annual Repayment Limit. This calculates the Township's estimated annual repayment limit of approximately $9.24 million. Based upon 20-year financing at an assumed rate of 4.30%, the available debt for the Township is approximately $122.36 million. With respect to new debt issuances, the analysis presented herein does not forecast the need for any new debt issuances for stormwater. While the 2025 Water and Wastewater Rate Study forecasted approximately $45.66 million in growth-related debt for water services, no new debt issuances were forecasted for wastewater services over the forecast period.

6.7 Infrastructure Ontario

Infrastructure Ontario (I.O.) is an arms-length crown corporation, which supports the Ontario government's goals of modernizing and maximizing the value of public infrastructure. Its lending program was established as a tool to offer low-cost and longer-term financing to assist municipalities in modernizing and renewing their infrastructure. I.O. combines the infrastructure renewal needs of municipalities into an infrastructure investment "pool." I.O. will raise investment capital to finance loans to the public sector by selling Infrastructure Renewal Bonds to individual and institutional investors.

I.O. provides access to infrastructure capital that would not otherwise be available to smaller borrowers. Larger borrowers receive longer loan terms than they could get in the financial markets. They can also save on costs such as legal fees and underwriting commissions. Under the I.O. approach, all borrowers receive the same low interest rate. I.O. will enter into a financial agreement with each municipality, subject to technical and credit reviews, for a loan up to the maximum amount of the loan request.

To be eligible to receive these loans, municipalities must submit a formal application along with pertinent financial information. Allotments are prioritized and distributed based upon the Province's assessment of need.

6.7.1 Housing-Enabling Water Infrastructure Lending Stream

On November 28, 2024, the Province and I.O. announced the Housing-Enabling Water Infrastructure (H.E.W.I.) lending stream. This lending stream will provide up to $1.0 billion in loans to municipalities for projects to construct, expand, and rehabilitate drinking water, wastewater, and stormwater infrastructure to enable new housing development. Eligible projects under this stream include:

- Potable Water Assets: Treatment plants, reservoirs, local pipes, distribution system watermains, municipal service lines, and pump stations.
- Wastewater Assets: Lagoon systems, pump stations, lift stations, linear assets, treatment plants, storage tanks, and collection systems.
- Stormwater Assets: Management facilities and linear assets such as conveyance piping, ditches, and culverts.

Key features of this lending stream include lower interest rates, the option to defer interest payments during the construction phase of a project, and extended amortization periods (up to 40 years). Additionally, municipalities have the flexibility to issue multiple debentures in sequence over the 40-year period (i.e., split terms during debentures) and to pay down the principal between sequential debentures. This program started accepting applications on December 2, 2024, and is being administered on a "first-come-first-served" basis until the maximum program amount is reached.

6.8 Summary of Capital Financing

Of the various funding alternatives provided in this section, the following are recommended for further consideration by the Township for the capital expenditures (inflated) provided in Chapter 4:

Table 6-1
Township of Centre Wellington
Capital Forecasting Financing Sources (2026 to 2035)
Inflated $

Description	Stormwater
Other Development Charges Reserve Fund	$1,966,500
Stormwater Reserve	$32,330,500
Total Capital Financing	**$34,297,000**

Tables 6-2 provide for the full capital expenditure and funding program by year for the stormwater system.

Table 6-2
Township of Centre Wellington
Capital Budget Forecast – Stormwater (Inflated $)

Description	Total	Forecast									
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Capital Expenditures											
2023-051 - Storm Sewer Relocation on WR7 from Carlton Place to McNab St	1,161,000	-	-	-	-	-	-	-	-	1,161,000	-
2025-070 - Storm Water Pond Sediment Removal - 2026-2034	581,000	103,000	-	109,000	-	116,000	-	123,000	-	130,000	-
2025-071 - Open Channel Rehabilitation - 2027 - 2034	465,000	-	106,000	-	113,000	-	119,000	-	127,000	-	-
2024-017 - Storm and Sanitary Sewer CCTV Inspections - 2026 to 2034	728,000	129,000	-	137,000	-	145,000	-	154,000	-	163,000	-
2024-019 - Sewer Relining and Repairs - 2026 to 2033	232,000	-	53,000	-	56,000	-	60,000	-	63,000	-	-
Stormwater Capital Identified Seperately											
Bridge St (Fergus) - Tower St S to Queen St	20,000	-	20,000	-	-	-	-	-	-	-	-
Chalmers Street - East Mill to Church	849,000	-	-	-	-	-	-	-	849,000	-	-
Church St - Metcalfe St to Price St	220,000	-	-	-	-	-	220,000	-	-	-	-
David St - Aqua St to John St N	134,000	-	-	-	-	-	134,000	-	-	-	-
David St - Geddes St to Aqua St	250,000	-	-	-	-	-	250,000	-	-	-	-
David St - John St N to Irvine St	41,000	-	-	-	-	-	41,000	-	-	-	-
Fergus Curling Club Parking Lot Major Resurfacing	52,000	52,000	-	-	-	-	-	-	-	-	-
First Line - WR 7 to Bridge St	560,000	-	-	-	-	276,000	284,000	-	-	-	-
Forfar St E - St David St to James St	437,000	-	-	437,000	-	-	-	-	-	-	-
Garafraxa St - Provost Lane to St David St	215,000	-	-	-	-	-	-	-	215,000	-	-
Gerrie Rd - WR 18 to Patrick St	118,000	-	-	-	-	-	118,000	-	-	-	-
Gilkison St - South River Road to Trestle Bridge Trail Crossing	367,000	-	-	-	-	-	-	-	367,000	-	-
Hill St Drainage Within Subdivision, Elora	1,013,000	-	-	-	-	-	-	-	1,013,000	-	-
Irvine St - East Mill St to Colborne St	814,000	-	814,000	-	-	-	-	-	-	-	-
James St (Elora) - Metcalfe St to Victoria Cres	664,000	-	71,000	593,000	-	-	-	-	-	-	-
John St. (Fergus) - Provost Lane to Tower St.	179,000	-	-	-	-	179,000	-	-	-	-	-
Melville St - Moir St to David St	327,000	-	-	-	-	327,000	-	-	-	-	-
Moir St - Smith St to Geddes St	68,000	-	-	-	68,000	-	-	-	-	-	-
Nichol St - Victoria St to High St Reconstruction	232,000	-	-	232,000	-	-	-	-	-	-	-
North Queen St - Colborne St to David St	414,000	-	-	-	414,000	-	-	-	-	-	-
Open Channel Rehabilitation - 2027 - 2034	465,000	-	106,000	-	113,000	-	119,000	-	127,000	-	-
Price St - Church St to James St	175,000	-	-	175,000	-	-	-	-	-	-	-
Princess St (Elora) - Moir St to David St	180,000	-	180,000	-	-	-	-	-	-	-	-
Provost Parking Lot Improvements	82,000	82,000	-	-	-	-	-	-	-	-	-
Salem Semi-Urban Road Drainage Improvements and Gravel Road Conversion (Washington, George & James)	268,000	-	-	-	-	-	268,000	-	-	-	-
Sewer Relining and Repairs - 2026 to 2033	232,000	-	53,000	-	56,000	-	60,000	-	63,000	-	-
Sideroad 18 Reconstruction - Vincent St to Steele St	540,000	-	-	-	-	-	-	-	540,000	-	-
Smith St - David St to Henderson St	124,000	124,000	-	-	-	-	-	-	-	-	-
South River Road - Haylock Ave to Gilkison Rd	396,000	-	-	-	-	-	-	396,000	-	-	-
St Andrew St E - Lamond St to Anderson St	957,000	-	-	-	-	-	-	-	957,000	-	-
St Andrew St W - Tower St to St David St	439,000	-	-	-	439,000	-	-	-	-	-	-
St George St E - Gowrie St to Cameron St	252,000	-	-	-	-	-	-	252,000	-	-	-
St George St W - Maple St to Beatty Line	33,000	-	-	33,000	-	-	-	-	-	-	-
St Patrick Lane - Breadalbane St to Beatty Line Reconstruction	435,000	-	-	-	-	435,000	-	-	-	-	-

Table 6-2 (Continued)
Township of Centre Wellington
Capital Budget Forecast – Stormwater (Inflated $)

Description	Total	Forecast									
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Storm and Sanitary Sewer CCTV Inspections - 2026 to 2034	565,000	129,000	-	137,000	-	145,000	-	154,000	-	-	-
Storm Water Pond Sediment Removal - 2026-2034	451,000	103,000	-	109,000	-	116,000	-	123,000	-	-	-
Tower St N - Hill St W to Garafraxa St W	290,000	-	-	-	290,000	-	-	-	-	-	-
Tower St N - Hill St W to St George St W	135,000	-	-	-	135,000	-	-	-	-	-	-
Victoria Cres (Elora) - Henderson St to David St	128,000	128,000	-	-	-	-	-	-	-	-	-
Washington St - Woolwich St W to George St	42,000	-	-	-	-	-	42,000	-	-	-	-
Wellesley St - Colborne St to Church St Reconstruction	378,000	-	-	-	-	-	-	378,000	-	-	-
High Priority Stormwater Projects from Master Plan	14,070,000	1,227,000	1,264,000	1,302,000	1,341,000	1,381,000	1,423,000	1,466,000	1,510,000	1,555,000	1,601,000
Open Channel Rehabilitation - Major Operating	581,000	103,000	-	109,000	-	116,000	-	123,000	-	130,000	-
Pond Cleanout - Major Operating	581,000	103,000	-	109,000	-	116,000	-	123,000	-	130,000	-
Snow Management Site	2,185,000	-	-	2,185,000	-	-	-	-	-	-	-
Studies:											
2021-048 - Water, Wastewater and Stormwater Rate Study - 2030	55,000	-	-	-	-	55,000	-	-	-	-	-
New - Water, Wastewater and Stormwater Rate Study - 2035	64,000	-	-	-	-	-	-	-	-	-	64,000
Salt/Sand Management Plan	53,000	-	53,000	-	-	-	-	-	-	-	-
Total Capital Expenditures	**34,297,000**	**2,283,000**	**2,720,000**	**5,667,000**	**3,025,000**	**3,407,000**	**3,138,000**	**3,292,000**	**5,831,000**	**3,269,000**	**1,665,000**
Capital Financing											
Provincial/Federal Grants	-										
Development Charges Reserve Fund	-	-	-	-	-	-	-	-	-	-	-
Other Development Charges Reserve Fund	1,966,500	-	-	1,966,500	-	-	-	-	-	-	-
Non-Growth Related Debenture Requirements	-	-	-	-	-	-	-	-	-	-	-
Growth Related Debenture Requirements	-	-	-	-	-	-	-	-	-	-	-
Operating Contributions	-	-	-	-	-	-	-	-	-	-	-
Lifecycle Reserve Fund	-	-	-	-	-	-	-	-	-	-	-
Stormwater Reserve	32,330,500	2,283,000	2,720,000	3,700,500	3,025,000	3,407,000	3,138,000	3,292,000	5,831,000	3,269,000	1,665,000
Total Capital Financing	**34,297,000**	**2,283,000**	**2,720,000**	**5,667,000**	**3,025,000**	**3,407,000**	**3,138,000**	**3,292,000**	**5,831,000**	**3,269,000**	**1,665,000**

Chapter 7
Operating Expenditures and Revenues

7. Operating Expenditures and Revenues

7.1 Operating Expenditures

In this report, the operating budget for 2026 was provided by Township staff who extracted stormwater-related costs from the approved budgets for stormwater, water, wastewater, and public works. The costs for each component of the operating budget have been reviewed with staff to establish forecast inflationary adjustments. The expenditures have been assumed to increase at a rate of 2.0% annually.

Operating expenditures include a portion of those related to ditching (10%), curbs, gutters, and basins, storm sewers, stormwater pond maintenance, and various works recommended in the Township's Stormwater Master Plan. Additionally, an expenditure for general administrative costs has been added to the stormwater operating budget to account for the proportion of administrative time allocated to S.W.M.

Annual transfers to the new (proposed) capital reserve fund have been built into the operating expenditure forecasts to minimize the need for debt to finance the capital program.

Gross operating expenditures for stormwater services are expected to increase from approximately $5.00 million in 2026 to $8.00 million in 2035.

7.2 Operating Revenues

The Township has identified annual revenue from stormwater frontage and connection charges to help contribute to operating expenditures. These revenues are assumed to increase by 2% each year over the forecast period.

The resulting net costs will be funded from the preferred funding source discussed in Chapter 8 of this report. Similarly, the reserve or reserve fund would then be supported by the preferred funding option selected by Council.

Table 7-1 provides for the operating budget for stormwater management services.

Table 7-1
Township of Centre Wellington
Operating Budget Forecast (inflated $)

Description	Forecast									
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Expenditures										
Operating Costs										
Roads										
Ditching:										
RM - Ditching - Labour Applied	3,384	3,500	3,600	3,700	3,800	3,900	4,000	4,100	4,200	4,300
RM - Ditching - Payroll Benefits	860	900	900	900	900	900	900	900	900	900
RM - Ditching - Outside Services	3,060	3,100	3,200	3,300	3,400	3,500	3,600	3,700	3,800	3,900
Curbs, Gutters & Basins:										
RM - Curb/Gutter/Basin - Labour Applied	28,203	28,800	29,400	30,000	30,600	31,200	31,800	32,400	33,000	33,700
RM - Curb/Gutter/Basin - Payroll Benefits	7,169	7,300	7,400	7,500	7,700	7,900	8,100	8,300	8,500	8,700
RM - Curb/Gutter/Basin - Materials	5,100	5,200	5,300	5,400	5,500	5,600	5,700	5,800	5,900	6,000
RM - Curb/Gutter/Basin - Outside Services	5,610	5,700	5,800	5,900	6,000	6,100	6,200	6,300	6,400	6,500
Storm Sewer:										
Storm Sewer - Labour Applied	28,197	28,800	29,400	30,000	30,600	31,200	31,800	32,400	33,000	33,700
Storm Sewer - Payroll Benefits	8,336	8,500	8,700	8,900	9,100	9,300	9,500	9,700	9,900	10,100
Storm Sewer - Materials	1,020	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Storm Sewer - Outside Services	2,040	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Storm Water Pond Maintenance:										
Storm Water Pond - Labour Applied	11,351	11,600	11,800	12,000	12,200	12,400	12,600	12,900	13,200	13,500
Storm Water Pond - Payroll Benefits	3,355	3,400	3,500	3,600	3,700	3,800	3,900	4,000	4,100	4,200
Storm Water Pond - Materials	1,020	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Storm Water Pond - Outside Services	5,100	5,200	5,300	5,400	5,500	5,600	5,700	5,800	5,900	6,000
SWMP Operating Costs										
Water Quality O&M Works	212,160	216,403	220,731	225,146	229,649	234,242	238,927	243,705	248,579	253,551
Storm Sewer CCTV Inspection and Potential Flushing	73,440	74,909	76,407	77,935	79,494	81,084	82,705	84,359	86,047	87,768
Catchbasin inspections and assumed cleanout	143,820	146,696	149,630	152,623	155,675	158,789	161,965	165,204	168,508	171,878
OGS inspections	7,446	7,595	7,747	7,902	8,060	8,221	8,385	8,553	8,724	8,899
OGS cleanouts	7,446	7,595	7,747	7,902	8,060	8,221	8,385	8,553	8,724	8,899
SWMF bathymetric surveys	20,196	20,600	21,012	21,432	21,861	22,298	22,744	23,199	23,663	24,136
SWMF cleanouts	731,340	745,967	760,886	776,104	791,626	807,458	823,608	840,080	856,881	874,019
SW - Other - Gen Admin Applied	1,006,966	1,027,100	1,047,600	1,068,600	1,090,000	1,111,800	1,134,000	1,156,700	1,179,800	1,203,400
Sub Total Operating	**2,316,619**	**2,362,965**	**2,410,160**	**2,458,343**	**2,507,524**	**2,557,613**	**2,608,619**	**2,660,753**	**2,713,827**	**2,768,149**

Table 7-1 (Continued)
Township of Centre Wellington
Operating Budget Forecast (inflated $)

Description	Forecast									
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Capital-Related										
Existing Debt (Principal) - Growth Related										
Existing Debt (Interest) - Growth Related										
New Growth Related Debt (Principal)	-	-	-	-	-	-	-	-	-	-
New Growth Related Debt (Interest)	-	-	-	-	-	-	-	-	-	-
Existing Debt (Principal) - Non-Growth Related										
Existing Debt (Interest) - Non-Growth Related										
New Non-Growth Related Debt (Principal)	-	-	-	-	-	-	-	-	-	-
New Non-Growth Related Debt (Interest)	-	-	-	-	-	-	-	-	-	-
Transfer to Capital Reserve	2,689,530	2,910,122	3,144,036	3,391,894	3,654,467	3,932,708	4,227,443	4,539,421	4,869,802	5,219,257
Sub Total Capital Related	**2,689,530**	**2,910,122**	**3,144,036**	**3,391,894**	**3,654,467**	**3,932,708**	**4,227,443**	**4,539,421**	**4,869,802**	**5,219,257**
Total Expenditures	**5,006,149**	**5,273,087**	**5,554,196**	**5,850,238**	**6,161,991**	**6,490,321**	**6,836,062**	**7,200,174**	**7,583,629**	**7,987,406**
Revenues										
Public Works	-	-	-	-	-	-	-	-	-	-
PW - Storm Front /Connect Charge	5,610	5,700	5,800	5,900	6,000	6,100	6,200	6,300	6,400	6,500
Contributions from Reserves / Reserve Funds	-	-	-	-	-	-	-	-	-	-
Total Operating Revenue	**5,610**	**5,700**	**5,800**	**5,900**	**6,000**	**6,100**	**6,200**	**6,300**	**6,400**	**6,500**
Stormwater Billing Recovery - Total	**5,000,539**	**5,267,387**	**5,548,396**	**5,844,338**	**6,155,991**	**6,484,221**	**6,829,862**	**7,193,874**	**7,577,229**	**7,980,906**

Chapter 8
Stormwater Rate Calculations

8. Stormwater Rate Calculations

8.1 Introduction

To summarize the rate study developed thus far, Chapter 2 summarizes the process undertaken to arrive at the potential rate structure. Chapter 3 provides forecasted growth and servicing requirements. Chapter 4 reviewed capital-related investment, and Chapter 5 responded to the provincial directives to maintain and upgrade infrastructure to the required levels. Chapter 6 provided a review of capital financing options. Finally, Chapter 7 established the operating forecast of expenditures, including an annual capital reserve contribution. The following section describes the rate calculation and analysis undertaken to calculate the potential impact of the proposed funding option. Additionally, a billing database was generated and provided to Township staff for the proposed funding option if a decision is made to proceed with this approach.

8.2 Stormwater Rate Calculation

Based on the discussion of rate structures provided in Chater 2 and the recommendation to implement a rate per measured impervious acre of land area, the rates are calculated by taking the net recoverable amounts from Table 7-1 (the product of total expenditures less non-rate revenues, and completes the calculation by dividing them by the impervious acres, resulting in the forecasted rates. The rates are anticipated to increase at a rate of 5% per year over the entire forecast. The rates are presented in Table 8-1. Detailed calculations on the rates are provided in Appendix B. A summary of the recommended rates, along with the total annual bill for various customer types per year, is summarized in Table 8-2.

Table 8-1
Township of Centre Wellington
Rate per Impervious Acre Forecast

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Constant Rate	$1,318	$1,384	$1,453	$1,526	$1,602	$1,682	$1,766	$1,855	$1,947	$2,045
% Increase - Constant Rate		5%	5%	5%	5%	5%	5%	5%	5%	5%

Table 8-2
Township of Centre Wellington
Sample Annual Stormwater Bill (2027)

Property Type	Acres of Land	Impervious Land Area[1]	Average Annual Stormwater Bill
Residential - Single Family Detached	0.29	0.08	$109
Commercial - Retail	0.70	0.46	$637
Industrial - Standard	4.30	2.26	$3,131

[1]Impervious land area estimates are based on the average imperviousness of the property code for existing Township properties

Chapter 9
Considerations

9. Considerations

Based on increasing financial pressures on the Township's stormwater system, it is recommended that the Township consider implementing a funding option that includes a user fee dedicated to stormwater management services, versus continuing with the current approach of funding stormwater management services through the general tax levy.

One of the more compelling reasons for introducing a user fee is that the costs related to stormwater management would be more fairly distributed amongst benefitting properties. Impervious area can be used to assess the benefit derived from a municipal stormwater management program.

If a decision is made by Council to adopt a dedicated stormwater management rate, an implementation phase should follow this study. The implementation phase would include the development of an integrated billing database in preparation for sending out stormwater bills to customers. Note that stormwater user fees cannot be included on the tax bill in accordance with the following legislation:

- O. Reg. 75/01 of the *Municipal Act, 2001*, being a regulation that sets out the form and content require for tax notices, and
- Section 326 of the *Municipal Act, 2001* which outlines the requirements for a Special Service.

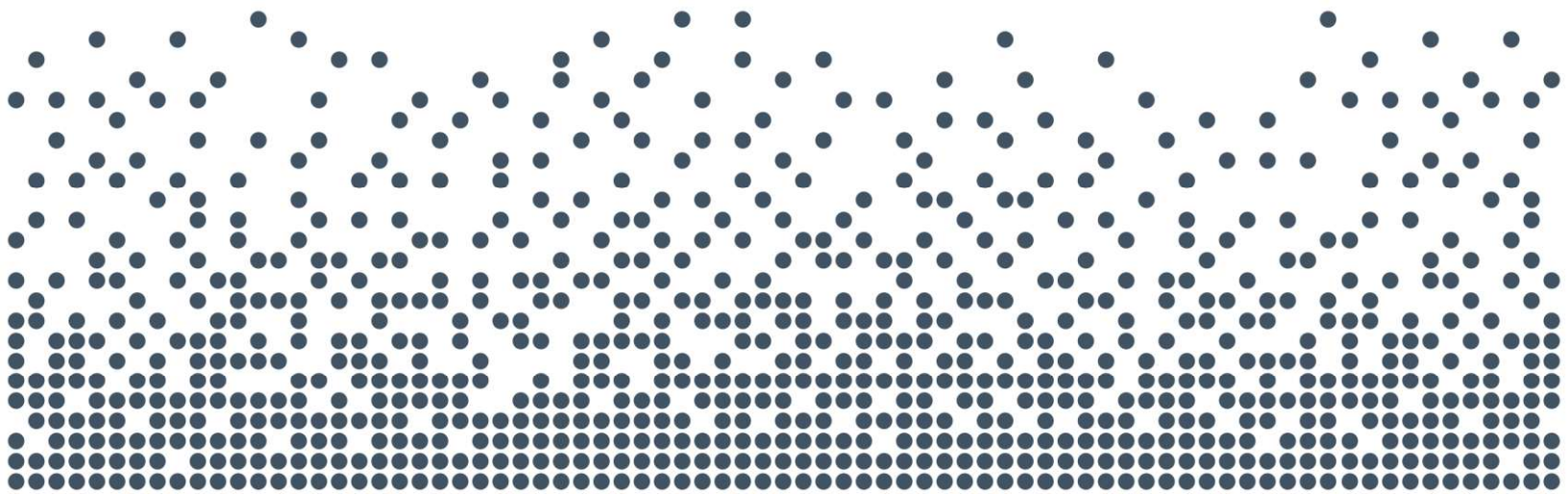
The rates presented in this report should be reviewed based on the information in the billing database (i.e., number of properties and/or land area/impervious land area by property category for billable properties) and updated as necessary. The implementation phase should include public engagement to inform the public about the importance of stormwater management services, the proposed 10-year plan, and the changes to the funding model and associated rates.

As part of the implementation phase, the Township may wish to consider options for a credit program to recognize investments made by property owners to better manage stormwater on properties, thereby giving them greater control over their stormwater bill. However, it is noted that the total value of the stormwater program must be funded, therefore, where a credit program is in place, it would result in higher charges to other properties unless an external funding source for the credit program is established.

As presented within this report, capital and operating expenditures have been identified and forecasted over a ten-year period for stormwater management services. Based upon the foregoing, the following recommendations are identified for consideration by Township Council:

1. That Council provide for the recovery of all stormwater costs through full cost recovery rates.

2. That Council consider the Capital Plan for stormwater as provided in Table 4-1 and the associated Capital Financing Plan as set out in Table 6-1.



Appendices

Appendix A
Survey of Stormwater Rate Structures

Appendix A: Survey of Stormwater Rate Structures

Table A-1
Township of Centre Wellington
Municipal Survey of Stormwater Rate Structures

Municipality	Type of Rate Based Structure	Rate Categories
Aurora	Flat Rate Charge per Unit	Residential and condominium properties
		Non-residential and multi-residential properties
Brampton	Tiered Flat Fee (based on roofprint area)	5 categories for Single Residential properties
	Rate per m^2 of impervious area (impervious area individually assessed for each property)	Multi-residential & non-residential properties
Hamilton	Flat Rate Charge per Unit	11 Residential Categories
	Rate per Equivalent Residential Unit (ERU) based on impervious area (ERU multiplier = impervious area/291 cu.m)	Non-Residential
London	Flat Rate Charge per Property	Land area 0.4 hectares or less
		Residential land area 0.4 hectares or less without a storm drain within 90m
	Rate per hectare	Land area above 0.4 hectares
Markham	Flat Rate Charge per Property	Residential
	Current Value Assessment	Non-residential
Middlesex Centre	Flat Rate Charge per Property	Land area 0.4 hectares or less
	Rate per hectare	Non-residential land area above 0.4 hectares
Mississauga	Tiered Flat Fee (based on roofprint area)	5 categories for Single Residential properties
	Rate per m^2 of impervious area (impervious area individually assessed for each property)	Multi-residential & non-residential properties
Newmarket	Tiered charge per unit of land area	3 tiers by runoff level group
North Middlesex	Flat Rate Charge per Property	All Properties

Table A-1 (Continued)
Township of Centre Wellington
Municipal Survey of Stormwater Rate Structures

Municipality	Type of Rate Based Structure	Rate Categories
Ottawa	Residential - Flat Rate per Property (by property type, Urban & Rural)	Residential (RS) and Multi-Residential (RA) - Urban/Rural
	Non-Residential - Tiered Flate Fee (based on CVA, Urban/Rural)	ICI - 8 CVA ranges/categories - Urban and Rural
Richmond Hill	Area Rate (Varied by Property Type Based on Runoff Coefficient)	Residential
		Commercial/Industrial and Multi-Res
		Vacant Land
		Golf Courses
St. Thomas	Flat Rate per Property	Residential & commercial/institutional under 1,800 m^2 land area
	Rate per Hectare	Commercial/institutional over 1,800 m^2 land area & all industrial
Vaughan	Flat Rate Charge per Property	3 Residential categories
		Vacant
		3 Non-Residential categories
Whitchurch-Stouffville	Flat Rate Charge per Property	Residential
		Commercial, Industrial, and Multi-residential
Guelph	Flat Rate Charge	Residential - applied to every detached home, townhouse, apartment, and condo
	Rate per Equivalent Residential Unit (ERU) based on impervious area (ERU multiplier = impervious area/188 cu.m)	Industrial, commercial, and institutional properties
Kitchener	Tiered Flat Fee (based on property type and size of impervious area)	10 residential categories
		6 non-residential categories
Waterloo (City)	Flat Rate per Property (by property type & size)	3 residenital categories & 3 multi-residential categories
		3 institutional categories & 4 industrial/commercial categories

Appendix B
Detailed Rate Calculations

Appendix B: Detailed Rate Calculations

Table B-1
Township of Centre Wellington
Capital Budget Forecast (uninflated $)

Description	Total	Forecast									
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Capital Expenditures											
2023-051 - Storm Sewer Relocation on WR7 from Carlton Place to McNab St	890,000	-	-	-	-	-	-	-	-	890,000	
2025-070 - Storm Water Pond Sediment Removal - 2026-2034	500,000	100,000	-	100,000	-	100,000	-	100,000	-	100,000	
2025-071 - Open Channel Rehabilitation - 2027 - 2034	400,000	-	100,000	-	100,000	-	100,000	-	100,000	-	
302-7050 - Catch Basin Rebuild - 2025	-	-	-	-	-	-	-	-	-	-	
302-7051 - Storm Water Management Pond Sediment Survey	-	-	-	-	-	-	-	-	-	-	
302-7052 - Open Channel Rehabilitation - 2025	-	-	-	-	-	-	-	-	-	-	
2024-017 - Storm and Sanitary Sewer CCTV Inspections - 2026 to 2034	625,000	125,000	-	125,000	-	125,000	-	125,000	-	125,000	
2024-019 - Sewer Relining and Repairs - 2026 to 2033	200,000	-	50,000	-	50,000	-	50,000	-	50,000	-	
Stormwater Capital Identified Seperately	-										
Bridge St (Fergus) - Tower St S to Queen St	18,500	-	18,500	-	-	-	-	-	-		
Chalmers Street - East Mill to Church	670,000	-	-	-	-	-	-	-	670,000		
Church St - Metcalfe St to Price St	184,250	-	-	-	-	-	184,250	-	-		
David St - Aqua St to John St N	112,500	-	-	-	-	-	112,500	-	-		
David St - Geddes St to Aqua St	209,040	-	-	-	-	-	209,040	-	-		
David St - John St N to Irvine St	34,500	-	-	-	-	-	34,500	-	-		
Fergus Curling Club Parking Lot Major Resurfacing	50,000	50,000	-	-	-	-	-	-	-		
First Line - WR 7 to Bridge St	476,370	-	-	-	-	238,185	238,185	-	-		
Forfar St E - St David St to James St	400,000	-	-	400,000	-	-	-	-	-		
Garafraxa St - Provost Lane to St David St	170,000	-	-	-	-	-	-	-	170,000		
Gerrie Rd - WR 18 to Patrick St	99,160	-	-	-	-	-	99,160	-	-		
Gilkison St - South River Road to Trestle Bridge Trail Crossing	289,440	-	-	-	-	-	-	-	289,440		
Hill St Drainage Within Subdivision, Elora	800,000	-	-	-	-	-	-	-	800,000		
Irvine St - East Mill St to Colborne St	767,500	-	767,500	-	-	-	-	-	-		
James St (Elora) - Metcalfe St to Victoria Cres	609,700	-	67,000	542,700	-	-	-	-	-		
John St. (Fergus) - Provost Lane to Tower St.	154,100	-	-	-	-	154,100	-	-	-		
Melville St - Moir St to David St	282,500	-	-	-	-	282,500	-	-	-		
Moir St - Smith St to Geddes St	60,000	-	-	-	60,000	-	-	-	-		
Nichol St - Victoria St to High St Reconstruction	212,390	-	-	212,390	-	-	-	-	-		
North Queen St - Colborne St to David St	367,500	-	-	-	367,500	-	-	-	-		
Open Channel Rehabilitation - 2027 - 2034	400,000	-	100,000	-	100,000	-	100,000	-	100,000		
Price St - Church St to James St	160,000	-	-	160,000	-	-	-	-	-		
Princess St (Elora) - Moir St to David St	170,000	-	170,000	-	-	-	-	-	-		

Table B-1 (Continued)
Township of Centre Wellington
Capital Budget Forecast (uninflated $)

Description	Total	Forecast									
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Capital Expenditures											
Provost Parking Lot Improvements	80,000	80,000	-	-	-	-	-	-	-		
Salem Semi-Urban Road Drainage Improvements and Gravel Road Conversion (Washington, George & James)	224,450	-	-	-	-	-	224,450	-	-		
Sewer Relining and Repairs - 2026 to 2033	200,000	-	50,000	-	50,000	-	50,000	-	50,000		
Sideroad 18 Reconstruction - Vincent St to Steele St	426,120	-	-	-	-	-	-	-	426,120		
Smith St - David St to Henderson St	120,600	120,600	-	-	-	-	-	-	-		
South River Road - Haylock Ave to Gilkison Rd	321,600	-	-	-	-	-	-	321,600	-		
St Andrew St E - Lamond St to Anderson St	755,760	-	-	-	-	-	-	-	755,760		
St Andrew St W - Tower St to St David St	390,000	-	-	-	390,000	-	-	-	-		
St George St E - Gowrie St to Cameron St	205,000	-	-	-	-	-	-	205,000	-		
St George St W - Maple St to Beatty Line	30,000	-	-	30,000	-	-	-	-	-		
St Patrick Lane - Breadalbane St to Beatty Line Reconstruction	375,200	-	-	-	-	375,200	-	-	-		
Storm and Sanitary Sewer CCTV Inspections - 2026 to 2034	500,000	125,000	-	125,000	-	125,000	-	125,000	-		
Storm Water Pond Sediment Removal - 2026-2034	400,000	100,000	-	100,000	-	100,000	-	100,000	-		
Tower St N - Hill St W to Garafraxa St W	257,950	-	-	-	257,950	-	-	-	-		
Tower St N - Hill St W to St George St W	120,000	-	-	-	120,000	-	-	-	-		
Victoria Cres (Elora) - Henderson St to David St	123,950	123,950	-	-	-	-	-	-	-		
Washington St - Woolwich St W to George St	35,067	-	-	-	-	-	35,067	-	-		
Wellesley St - Colborne St to Church St Reconstruction	307,500	-	-	-	-	-	-	307,500	-		
High Priority Stormwater Projects from Master Plan	11,916,200	1,191,620	1,191,620	1,191,620	1,191,620	1,191,620	1,191,620	1,191,620	1,191,620	1,191,620	1,191,620
Open Channel Rehabilitation - Major Operating	500,000	100,000		100,000		100,000		100,000		100,000	
Pond Cleanout - Major Operating	500,000	100,000		100,000		100,000		100,000		100,000	
Snow Management Site	2,000,000			2,000,000							
Studies:	-										
105-7022 - Water, Wastewater and Stormwater Rate Study - 2025	-										
2021-048 - Water, Wastewater and Stormwater Rate Study - 2030	47,700					47,700					
New - Water, Wastewater and Stormwater Rate Study - 2035	47,700										47,700
Salt/Sand Management Plan	50,000		50,000								
Total Capital Expenditures	**29,247,247**	**2,216,170**	**2,564,620**	**5,186,710**	**2,687,070**	**2,939,305**	**2,628,772**	**2,675,720**	**4,602,940**	**2,506,620**	**1,239,320**

Table B-2
Township of Centre Wellington
Capital Budget Forecast (inflated $)

Description	Total	Forecast									
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Capital Expenditures											
2023-051 - Storm Sewer Relocation on WR7 from Carlton Place to McNab St	1,161,000	-	-	-	-	-	-	-	-	1,161,000	-
2025-070 - Storm Water Pond Sediment Removal - 2026-2034	581,000	103,000	-	109,000	-	116,000	-	123,000	-	130,000	-
2025-071 - Open Channel Rehabilitation - 2027 - 2034	465,000	-	106,000	-	113,000	-	119,000	-	127,000	-	-
302-7050 - Catch Basin Rebuild - 2025	-	-	-	-	-	-	-	-	-	-	-
302-7051 - Storm Water Management Pond Sediment Survey	-	-	-	-	-	-	-	-	-	-	-
302-7052 - Open Channel Rehabilitation - 2025	-	-	-	-	-	-	-	-	-	-	-
2024-017 - Storm and Sanitary Sewer CCTV Inspections - 2026 to 2034	728,000	129,000	-	137,000	-	145,000	-	154,000	-	163,000	-
2024-019 - Sewer Relining and Repairs - 2026 to 2033	232,000	-	53,000	-	56,000	-	60,000	-	63,000	-	-
Stormwater Capital Identified Seperately											
Bridge St (Fergus) - Tower St S to Queen St	20,000	-	20,000	-	-	-	-	-	-	-	-
Chalmers Street - East Mill to Church	849,000	-	-	-	-	-	-	-	849,000	-	-
Church St - Metcalfe St to Price St	220,000	-	-	-	-	-	220,000	-	-	-	-
David St - Aqua St to John St N	134,000	-	-	-	-	-	134,000	-	-	-	-
David St - Geddes St to Aqua St	250,000	-	-	-	-	-	250,000	-	-	-	-
David St - John St N to Irvine St	41,000	-	-	-	-	-	41,000	-	-	-	-
Fergus Curling Club Parking Lot Major Resurfacing	52,000	52,000	-	-	-	-	-	-	-	-	-
First Line - WR 7 to Bridge St	560,000	-	-	-	-	276,000	284,000	-	-	-	-
Forfar St E - St David St to James St	437,000	-	-	437,000	-	-	-	-	-	-	-
Garafraxa St - Provost Lane to St David St	215,000	-	-	-	-	-	-	-	215,000	-	-
Gerrie Rd - WR 18 to Patrick St	118,000	-	-	-	-	-	118,000	-	-	-	-
Gilkison St - South River Road to Trestle Bridge Trail Crossing	367,000	-	-	-	-	-	-	-	367,000	-	-
Hill St Drainage Within Subdivision, Elora	1,013,000	-	-	-	-	-	-	-	1,013,000	-	-
Irvine St - East Mill St to Colborne St	814,000	-	814,000	-	-	-	-	-	-	-	-
James St (Elora) - Metcalfe St to Victoria Cres	664,000	-	71,000	593,000	-	-	-	-	-	-	-
John St. (Fergus) - Provost Lane to Tower St.	179,000	-	-	-	-	179,000	-	-	-	-	-
Melville St - Moir St to David St	327,000	-	-	-	-	327,000	-	-	-	-	-
Moir St - Smith St to Geddes St	68,000	-	-	-	68,000	-	-	-	-	-	-
Nichol St - Victoria St to High St Reconstruction	232,000	-	-	232,000	-	-	-	-	-	-	-
North Queen St - Colborne St to David St	414,000	-	-	-	414,000	-	-	-	-	-	-
Open Channel Rehabilitation - 2027 - 2034	465,000	-	106,000	-	113,000	-	119,000	-	127,000	-	-
Price St - Church St to James St	175,000	-	-	175,000	-	-	-	-	-	-	-
Princess St (Elora) - Moir St to David St	180,000	-	180,000	-	-	-	-	-	-	-	-

Table B-2 (Continued)
Township of Centre Wellington
Capital Budget Forecast (inflated $)

Description	Total	Forecast									
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Provost Parking Lot Improvements	82,000	82,000	-	-	-	-	-	-	-	-	-
Salem Semi-Urban Road Drainage Improvements and Gravel Road Conversion (Washington, George & James)	268,000	-	-	-	-	-	268,000	-	-	-	-
Sewer Relining and Repairs - 2026 to 2033	232,000	-	53,000	-	56,000	-	60,000	-	63,000	-	-
Sideroad 18 Reconstruction - Vincent St to Steele St	540,000	-	-	-	-	-	-	-	540,000	-	-
Smith St - David St to Henderson St	124,000	124,000	-	-	-	-	-	-	-	-	-
South River Road - Haylock Ave to Gilkison Rd	396,000	-	-	-	-	-	-	396,000	-	-	-
St Andrew St E - Lamond St to Anderson St	957,000	-	-	-	-	-	-	-	957,000	-	-
St Andrew St W - Tower St to St David St	439,000	-	-	-	439,000	-	-	-	-	-	-
St George St E - Gowrie St to Cameron St	252,000	-	-	-	-	-	-	252,000	-	-	-
St George St W - Maple St to Beatty Line	33,000	-	-	33,000	-	-	-	-	-	-	-
St Patrick Lane - Breadalbane St to Beatty Line Reconstruction	435,000	-	-	-	-	435,000	-	-	-	-	-
Storm and Sanitary Sewer CCTV Inspections - 2026 to 2034	565,000	129,000	-	137,000	-	145,000	-	154,000	-	-	-
Storm Water Pond Sediment Removal - 2026-2034	451,000	103,000	-	109,000	-	116,000	-	123,000	-	-	-
Tower St N - Hill St W to Garafraxa St W	290,000	-	-	-	290,000	-	-	-	-	-	-
Tower St N - Hill St W to St George St W	135,000	-	-	-	135,000	-	-	-	-	-	-
Victoria Cres (Elora) - Henderson St to David St	128,000	128,000	-	-	-	-	-	-	-	-	-
Washington St - Woolwich St W to George St	42,000	-	-	-	-	-	42,000	-	-	-	-
Wellesley St - Colborne St to Church St Reconstruction	378,000	-	-	-	-	-	-	378,000	-	-	-
High Priority Stormwater Projects from Master Plan	14,070,000	1,227,000	1,264,000	1,302,000	1,341,000	1,381,000	1,423,000	1,466,000	1,510,000	1,555,000	1,601,000
Open Channel Rehabilitation - Major Operating	581,000	103,000	-	109,000	-	116,000	-	123,000	-	130,000	-
Pond Cleanout - Major Operating	581,000	103,000	-	109,000	-	116,000	-	123,000	-	130,000	-
Snow Management Site	2,185,000	-	-	2,185,000	-	-	-	-	-	-	-
Studies:											
105-7022 - Water, Wastewater and Stormwater Rate Study - 2025	-	-	-	-	-	-	-	-	-	-	-
2021-048 - Water, Wastewater and Stormwater Rate Study - 2030	55,000	-	-	-	-	55,000	-	-	-	-	-
New - Water, Wastewater and Stormwater Rate Study - 2035	64,000	-	-	-	-	-	-	-	-	-	64,000
Salt/Sand Management Plan	53,000	-	53,000	-	-	-	-	-	-	-	-
Total Capital Expenditures	**34,297,000**	**2,283,000**	**2,720,000**	**5,667,000**	**3,025,000**	**3,407,000**	**3,138,000**	**3,292,000**	**5,831,000**	**3,269,000**	**1,665,000**

Table B-2 (Continued)
Township of Centre Wellington
Capital Budget Forecast (inflated $)

Description	Total	Forecast									
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Capital Financing											
Provincial/Federal Grants	-										
Development Charges Reserve Fund	-	-	-	-	-	-	-	-	-	-	-
Other Development Charges Reserve Fund	1,966,500	-	-	1,966,500	-	-	-	-	-	-	-
Non-Growth Related Debenture Requirements	-	-	-	-	-	-	-	-	-	-	-
Growth Related Debenture Requirements	-	-	-	-	-	-	-	-	-	-	-
Operating Contributions	-	-	-	-	-	-	-	-	-	-	-
Lifecycle Reserve Fund	-	-	-	-	-	-	-	-	-	-	-
Stormwater Reserve	32,330,500	2,283,000	2,720,000	3,700,500	3,025,000	3,407,000	3,138,000	3,292,000	5,831,000	3,269,000	1,665,000
Total Capital Financing	**34,297,000**	**2,283,000**	**2,720,000**	**5,667,000**	**3,025,000**	**3,407,000**	**3,138,000**	**3,292,000**	**5,831,000**	**3,269,000**	**1,665,000**

Table B-3
Township of Centre Wellington
Schedule of Non-Growth-Related Debenture Repayments (inflated $)

Debenture Year	Principal (Inflated)	Forecast									
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
2026	-		-	-	-	-	-	-	-	-	-
2027	-			-	-	-	-	-	-	-	-
2028	-				-	-	-	-	-	-	-
2029	-					-	-	-	-	-	-
2030	-						-	-	-	-	-
2031	-							-	-	-	-
2032	-								-	-	-
2033	-									-	-
2034	-										-
2035	-										
Total Annual Debt Charges	**-**	-	-	-	-	-	-	-	-	-	-

Table B-4
Township of Centre Wellington
Schedule of Growth-Related Debenture Repayments (inflated $)

Debenture Year	Principal (Inflated)	Forecast									
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
2026	-		-	-	-	-	-	-	-	-	-
2027	-			-	-	-	-	-	-	-	-
2028	-				-	-	-	-	-	-	-
2029	-					-	-	-	-	-	-
2030	-						-	-	-	-	-
2031	-							-	-	-	-
2032	-								-	-	-
2033	-									-	-
2034	-										-
2035	-										
Total Annual Debt Charges	**-**	-	-	-	-	-	-	-	-	-	-

Table B-5
Township of Centre Wellington
Stormwater Reserve/Reserve Fund Continuity (inflated $)

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	-	414,661	616,879	61,623	437,087	698,245	1,522,812	2,507,420	1,240,157	2,897,779
Transfer from Operating	2,689,530	2,910,122	3,144,036	3,391,894	3,654,467	3,932,708	4,227,443	4,539,421	4,869,802	5,219,257
Transfer to Capital	2,283,000	2,720,000	3,700,500	3,025,000	3,407,000	3,138,000	3,292,000	5,831,000	3,269,000	1,665,000
Transfer to Operating	-	-	-	-	-	-	-	-	-	-
Closing Balance	**406,530**	**604,783**	**60,414**	**428,517**	**684,554**	**1,492,953**	**2,458,255**	**1,215,841**	**2,840,960**	**6,452,036**
Interest	8,131	12,096	1,208	8,570	13,691	29,859	49,165	24,317	56,819	129,041

Table B-6
Township of Centre Wellington
Operating Budget Forecast (inflated $)

Description	Forecast									
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Expenditures										
Operating Costs										
Roads										
Ditching:										
RM - Ditching - Labour Applied	3,384	3,500	3,600	3,700	3,800	3,900	4,000	4,100	4,200	4,300
RM - Ditching - Payroll Benefits	860	900	900	900	900	900	900	900	900	900
RM - Ditching - Outside Services	3,060	3,100	3,200	3,300	3,400	3,500	3,600	3,700	3,800	3,900
Curbs, Gutters & Basins:										
RM - Curb/Gutter/Basin - Labour Applied	28,203	28,800	29,400	30,000	30,600	31,200	31,800	32,400	33,000	33,700
RM - Curb/Gutter/Basin - Payroll Benefits	7,169	7,300	7,400	7,500	7,700	7,900	8,100	8,300	8,500	8,700
RM - Curb/Gutter/Basin - Materials	5,100	5,200	5,300	5,400	5,500	5,600	5,700	5,800	5,900	6,000
RM - Curb/Gutter/Basin - Outside Services	5,610	5,700	5,800	5,900	6,000	6,100	6,200	6,300	6,400	6,500
Storm Sewer:										
Storm Sewer - Labour Applied	28,197	28,800	29,400	30,000	30,600	31,200	31,800	32,400	33,000	33,700
Storm Sewer - Payroll Benefits	8,336	8,500	8,700	8,900	9,100	9,300	9,500	9,700	9,900	10,100
Storm Sewer - Materials	1,020	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Storm Sewer - Outside Services	2,040	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Storm Water Pond Maintenance:										
Storm Water Pond - Labour Applied	11,351	11,600	11,800	12,000	12,200	12,400	12,600	12,900	13,200	13,500
Storm Water Pond - Payroll Benefits	3,355	3,400	3,500	3,600	3,700	3,800	3,900	4,000	4,100	4,200
Storm Water Pond - Materials	1,020	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Storm Water Pond - Outside Services	5,100	5,200	5,300	5,400	5,500	5,600	5,700	5,800	5,900	6,000
SWMP Operating Costs										
Water Quality O&M Works	212,160	216,403	220,731	225,146	229,649	234,242	238,927	243,705	248,579	253,551
Storm Sewer CCTV Inspection and Potential Flushing	73,440	74,909	76,407	77,935	79,494	81,084	82,705	84,359	86,047	87,768
Catchbasin inspections and assumed cleanout	143,820	146,696	149,630	152,623	155,675	158,789	161,965	165,204	168,508	171,878
OGS inspections	7,446	7,595	7,747	7,902	8,060	8,221	8,385	8,553	8,724	8,899
OGS cleanouts	7,446	7,595	7,747	7,902	8,060	8,221	8,385	8,553	8,724	8,899
SWMF bathymetric surveys	20,196	20,600	21,012	21,432	21,861	22,298	22,744	23,199	23,663	24,136
SWMF cleanouts	731,340	745,967	760,886	776,104	791,626	807,458	823,608	840,080	856,881	874,019
SW - Other - Gen Admin Applied	1,006,966	1,027,100	1,047,600	1,068,600	1,090,000	1,111,800	1,134,000	1,156,700	1,179,800	1,203,400
Sub Total Operating	**2,316,619**	**2,362,965**	**2,410,160**	**2,458,343**	**2,507,524**	**2,557,613**	**2,608,619**	**2,660,753**	**2,713,827**	**2,768,149**

Table B-6 (Continued)
Township of Centre Wellington
Operating Budget Forecast (inflated $)

Description	Forecast									
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Capital-Related										
Existing Debt (Principal) - Growth Related										
Existing Debt (Interest) - Growth Related										
New Growth Related Debt (Principal)	-	-	-	-	-	-	-	-	-	-
New Growth Related Debt (Interest)	-	-	-	-	-	-	-	-	-	-
Existing Debt (Principal) - Non-Growth Related										
Existing Debt (Interest) - Non-Growth Related										
New Non-Growth Related Debt (Principal)	-	-	-	-	-	-	-	-	-	-
New Non-Growth Related Debt (Interest)	-	-	-	-	-	-	-	-	-	-
Transfer to Capital Reserve	2,689,530	2,910,122	3,144,036	3,391,894	3,654,467	3,932,708	4,227,443	4,539,421	4,869,802	5,219,257
Sub Total Capital Related	**2,689,530**	**2,910,122**	**3,144,036**	**3,391,894**	**3,654,467**	**3,932,708**	**4,227,443**	**4,539,421**	**4,869,802**	**5,219,257**
Total Expenditures	**5,006,149**	**5,273,087**	**5,554,196**	**5,850,238**	**6,161,991**	**6,490,321**	**6,836,062**	**7,200,174**	**7,583,629**	**7,987,406**
Revenues										
Public Works	-	-	-	-	-	-	-	-	-	-
PW - Storm Front /Connect Charge	5,610	5,700	5,800	5,900	6,000	6,100	6,200	6,300	6,400	6,500
Contributions from Reserves / Reserve Funds	-	-	-	-	-	-	-	-	-	-
Total Operating Revenue	**5,610**	**5,700**	**5,800**	**5,900**	**6,000**	**6,100**	**6,200**	**6,300**	**6,400**	**6,500**
Stormwater Billing Recovery - Total	**5,000,539**	**5,267,387**	**5,548,396**	**5,844,338**	**6,155,991**	**6,484,221**	**6,829,862**	**7,193,874**	**7,577,229**	**7,980,906**

Table B-7
Township of Centre Wellington
Stormwater Rate Forecast

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total Stormwater Billing Recovery	5,000,539	5,267,387	5,548,396	5,844,338	6,155,991	6,484,221	6,829,862	7,193,874	7,577,229	7,980,906
Total Impervious Area (Acres)	3,794	3,806	3,818	3,830	3,842	3,854	3,867	3,879	3,891	3,903
Constant Rate	**1,318**	**1,384**	**1,453**	**1,526**	**1,602**	**1,682**	**1,766**	**1,855**	**1,947**	**2,045**
Annual Percentage Change		**5%**	**5%**	**5%**	**5%**	**5%**	**5%**	**5%**	**5%**	**5%**