"WHAT WE HEARD"
Consultation Report: City of Ottawa Water/Wastewater and Stormwater Rate Review

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Submitted to:

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PREAMBLE

This document attempts to capture accurately what we heard through the consultation process. It does not reflect the opinion of either One World Inc. or the City of Ottawa.

1. EXECUTIVE SUMMARY

The City of Ottawa conducted a consultation process to solicit input from residents on options for new rates for water/wastewater and stormwater services in March and April, 2016. The consultation process was conducted in both English and French and included:

- A series of consultations with stakeholder groups who have a particular interest in this issue. These included the Business Improvement Areas, the Industrial/Commercial/Institutional sector, as well as local environmental groups.
- A series of eight public meetings that were held across the City between March 21 and April 7, 2016. A total of 729 residents attended these meetings[1], with some attending more than one session.
- An on-line survey in English and French that was open from March 21 to April 10, 2016. A total of 137 responses were received.
- In addition to the above, residents provided input to the City via email.

Input to the consultation came overwhelmingly from residents who were on a private well and septic system. Most of these participants were concerned about the City's proposal that they should share in the cost of stormwater management - a service for which they are not currently charged.

Stormwater

The City presented three options for a new stormwater rate for consideration: a flat rate, an assessment-based rate and a hard surface area-based rate. Of the three options that were presented, the prevailing view among participants was that none were acceptable in their current form. In general, flat rate and hard surface-based rates were favoured over the assessment-based rate option.

The following were some of the main themes that were raised with respect to stormwater rates:

[1] An additional 50-60 people had to be turned away from the West Carleton consultation because of limited space. Some of these residents participated at subsequent consultation sessions

- Rural residents see stormwater in the broader context of expenses they already incur for water, wastewater and stormwater management (wells, septic fields, municipal drains, private entrance culverts, etc.), so they want to see these expenses taken into consideration in any discussion of fees.
- Different areas of the City have different levels of infrastructure to manage stormwater, so this should be taken into account.
- As the vast majority of stormwater infrastructure in the rural areas is associated with roads, there is a strong preference among rural participants that these expenses should be associated with the roads budget and paid for through property taxes. There was also a strong opinion that such a change should not result in a tax increase.
- Stormwater management should be a broader conversation with a vision that includes not only the control of drainage, but also protection of water quality, promotion of water conservation and ecologically sustainable development. Framing the issue in this way allows for it to be discussed in terms of how the City can work together with the commercial sector and residents to develop solutions.
- Participants repeatedly mentioned “Fairness” as an important principle to guide the development of mechanisms for paying for stormwater. To be considered “fair”, they felt stormwater rates should be charged to users for runoff discharged from their property, taking into consideration:
    - land use classification;
    - property size;
    - estimated impervious area (especially in proportion to permeable surface);
    - runoff contribution to the City's stormwater management system infrastructure; and
    - the level/type of infrastructure that exists in a neighbourhood.

Water/Wastewater

The City presented one proposal for a water/wastewater rate. Far fewer comments were received on the subject of the water/wastewater, possibly because the large majority of participants did not currently receive a water bill. Participants were generally accepting of the proposal for revising water/wastewater rates. They believed the proposal balances three important ideas: 1) Users should pay for the services they receive; 2) There is a need for a fixed proportion to cover fixed costs of infrastructure; and 3) There is a desire to promote conservation.

They suggested the following modifications:

- Adjusting the “Lifeline” level to take into account the number of people living at a residence;
- Adding an additional tier for high volume users to promote conservation;
- Introducing incentives (e.g. rebates) for wastewater conservation.

2. GOALS OF THE CONSULTATION

The City of Ottawa is developing new rate structures for its water, wastewater and stormwater services (see Appendix I for descriptions of options presented for consideration). The City would like to ensure that these new rate structures will fund the cost of operating and maintaining Ottawa’s infrastructure in a way that is sustainable, fair and affordable.

As part of this process the City wanted to get input from its residents by organizing consultation sessions with key stakeholders and with the general public. The information gathered through this consultation process would help the City to develop a rate structure that is sustainable and considers the views and priorities of residents.

3. METHODOLOGY and APPROACHES

Several approaches were used to solicit input on this issue:

- A series of consultations with specific stakeholder groups who have a particular interest in this issue. These included the Business Improvement Areas, the Industrial/Commercial/Institutional sector, as well as local environmental groups. See Appendix II for the key themes emerging from these meetings.
- A series of eight public meetings were held across the City between March 21 and April 7, 2016. A total of 729 residents attended these meetings[2](with some attending more than one session). Appendix III provides more detail on these sessions.
- An on-line survey in English and French that was open from March 21 to April 10, 2016. A total of 137 responses were received. Appendix IV provides the complete survey results.
- In addition to the above, residents and community associations provided input to the City via email.

[2] An additional 50-60 residents had to be turned away from the West Carleton consultation because of limited space. Some of these residents participated at subsequent consultation sessions

The City posted background information about the issue, as well as the consultation process on its website, Ottawa.ca. Residents were informed about the consultation process through the media, the City website, via their Councillors, and through the City's Rural Affairs office. The City also issued a public service announcement and the consultation was promoted through the City's social media channels. Information was posted in English and French, and residents were able to provide input through any of the means mentioned above in either language.

At the consultation sessions, participants were provided with background information on the topic (e.g. how the current rate structure for water, wastewater and stormwater works; the problems with the current structure and the need for change), as well as some specific options for consideration. One option was presented for water/wastewater rates, and three options were presented for the proposed new stormwater rate (flat rate, assessment-based rate, and hard surface-based rate). These are described in Appendix I. Input was sought on the advantages and disadvantages of the various options, as well as additional options that participants might suggest, or variations to consider.

Detailed information on the consultation processes may be found in Appendix II.

4. MAIN THEMES RAISED IN THE CONSULTATION PROCESS

The intent of this report is to reflect the main themes raised by participants in the consultation process. Participants spoke from their own individual perspective and experience; in some cases, they spoke on behalf of their community, particularly those that had developed and are maintaining their own stormwater management systems.

4.1 Who participated?

Residents who participated in the consultation process overwhelmingly included those who do not receive water bills, meaning they were on a private well and septic system. Two-thirds of the survey respondents fell into this category, as well as over 90% of people attending the community consultation sessions[3], and the vast majority of emails. As such, the participants do not constitute a representative cross-section of the population of Ottawa, but rather those that were strongly motivated to respond, largely because they were opposed to new charges for stormwater services. Many more comments were received relating to stormwater than water/wastewater.

4.2 Principles for developing options:

[3] As determined through the registration process.

The City used a set of six principles as a basis for the development of their options. In the survey and in the consultation sessions it became clear that residents interpreted these principles in a variety of different ways:

- Fairness and equity was the principle that was considered most important by respondents to the survey, and was most frequently mentioned in the consultations. Participants often said they were not opposed to paying for stormwater management, but they interpreted fairness in a number of ways:
    - Everyone benefits from stormwater infrastructure, so everyone should pay something (often used in favour of the Flat Fee option).
    - Those who contribute the most to the stormwater problem should pay the most (described by some as "You pave, you pay"). Many of these people favoured some form of the Hard Surface option, and often preferred it to be determined at the individual property level.
    - Residents' contribution should reflect the benefit they receive (i.e. amount/cost of infrastructure in their neighbourhood). As there is a much higher level of infrastructure in urban areas than rural, this should be taken into account in any option.
    - The issue of stormwater should not be isolated, but considered in light of all the expenses that residents incur in maintaining their own water/wastewater and stormwater infrastructure (e.g. municipal drains, private septic system), and in light of the view that rural residents do not receive the same level of benefits as other residents for the taxes they pay (e.g. level of snow plowing, public transit services).[4] Taking this perspective, some participants argued they are already paying enough in taxes and service charges, and it would not be "fair" to pay any additional fees for stormwater management.
    - Fairness should take into account a resident's ability to pay, which led some to consider that the Assessment Based option best reflected this.
- Affordability was considered to be the next most important principle. For participants, it was very important that the expenses associated with water, wastewater and stormwater be considered in the context of what they already pay. Residents who already manage their own wells and septic fields, as well as maintaining private entrance culverts and sometimes municipal drains, want to see these expenses taken into consideration in the development of options, and not just City expenses.

[4] Although rate funded services were beyond the scope of this consultation, these comments were frequently voiced by participants.

- Transparency was seen as an important principle, with some feeling that the City was not clear in terms of how it uses its funds. The introduction of a new strategy for paying for water/wastewater and stormwater was seen by some as a "tax grab" by the City to cover the general operating deficit. It was seen to be important to have a system where it was clear how revenues were being spent, and when/why rates would increase. Transparency also implies a clear way of calculating the rates and how they apply to properties, and a way to resolve disputes.
- Conservation was chosen by some participants as an important guiding principle for the entire exercise. Some participants were critical of the fact that the City did not seem to be taking an approach that sufficiently valued conservation, in either the stormwater or water/wastewater options. Some felt this could be an opportunity for the City to become a leader in this area. The main principle behind a conservation-based approach is that residents and commercial properties should be charged in accordance with the demand they place on the system. Benefits of the conservation approach were identified by participants as: quality improvements to the runoff, reduced peak flows, reduced flooding, reduced sedimentation, improved ground water recharge, better aquatic habitat, and greater resilience to climate change. From a financial point of view, benefits include less wear and tear on infrastructure reducing maintenance and rehabilitation costs. For stormwater, a more conservation-based approach would recognize that stormwater is a resource that could be used, and use incentives to reward property owners for reducing stormwater through measures such as decreasing impermeable surfaces, using rain barrels, etc. In rural areas, there could be a more ecological approach to stormwater management. Reference was made to Kitchener-Waterloo, which has adopted an ecological approach and uses incentives to reduce stormwater fees by up to 45%. With respect to water and wastewater, it was felt to be important to reward water conservation through tiered water rates and other approaches.
- Financial sustainability was a principle that was also understood in different ways. While the importance of generating enough revenue to pay for a system of services was generally supported, some participants questioned whether this was a problem of revenues or expenses. They urged the City to demonstrate how they have been able to find ways to reduce their costs before coming to the residents with a proposal to reallocate the way they collect revenue. It was difficult for some participants to accept the fact that, for the City, this was a "revenue neutral" exercise when their own costs would be increasing.
- Supporting economic development is a principle that was supported in the sense

that Ottawa's rates should not be out of line with similar municipalities. What was missing, however, was a sense of how municipalities with different levels of services/infrastructure (across urban, suburban and rural areas) handled these differences through their rate structure.

4.3 Stormwater

The following is a summary of comments specifically related to stormwater rate options:

1. Options should recognize and reflect different conditions across City:

Rural participants, in particular, felt the options didn't address the rural context. The following quote from a rural resident (sent via email) summarizes well the opinions that were expressed by many rural residents who felt that none of the options, as presented, were acceptable:

Urban and rural areas respond to precipitation in different ways. Urban geography provides poor drainage: buildings, paved areas, side walks, paved road surfaces do not absorb rainfall but shed it to flow to the lowest point. Good city planners put catchment arrangements and sewers to carry the water away, avoiding damage and keeping these artificial surfaces usable, even during most storm conditions.

Rural areas are covered by fields, wet lands and forests, with a much lower density of artificial surfaces such as buildings and roads. Fields and forest are naturally provided with drainage, in the form of streams and rivers, which connect rain run off to the same Ottawa River that receives the urban run off. Rural roads don't have sewers; instead they have ditches and culverts. Culverts connect ditches across roads and across access lanes, and sometimes connect ditches to streams and rivers. The amount of run off around rural roads is much less than on and around urban roads, but managing it is most critical because rural roads are not as well built as urban roads (some have no paved surface) and hence are more vulnerable to water damage.

Rural roads require constant, low cost maintenance. Neglect of ditch clearing may seem like an easy way to save on this year's budget, and the consequence is delayed so that cause and effect are not easily linked: cause (not keeping ditches and other waterways free flowing) and effect (washouts and road reconstruction). Rural governments understand this, as do their roads departments. They may be strapped for cash each year, like any government, but they understand keeping the water flowing away from our roads and property is not something to compromise.

Which brings us to the topic of a rural tax to support the waste water management program. I'm pretty sure most rural residents support looking after our roads and the

ditches and culverts associated with them. We thought we were already paying for that, but if that is wrong then we should pay our share - as part of the roads budget.

Some participants suggested that, because a “one size fits all” approach does not seem to make sense as a way to address this issue, there could be a different approach for rural, suburban or urban areas, e.g. flat rate for rural and hard surface rate for urban.

2. Payment in accordance with services/benefits received

According to principle of fairness, many participants felt they should pay in accordance to the level of infrastructure in their neighbourhood. The level of infrastructure (and cost of maintenance) in rural areas (and other areas where residents are on private services) was seen to be much less than urban, so they felt this needed to be taken into account. Some participants did not see benefits on their own properties from the stormwater infrastructure, although others recognized that there is a collective benefit to keeping the road system in good repair.

3. Payment in accordance with demand on the stormwater system

For many participants, fairness also meant that residents should pay according to the amount of demand their property places on the stormwater system. The idea of using hard surface area based on a broad property classification was seen to be too coarse and did not apply well to rural areas. Residents pointed out that while properties in an urban area generate stormwater that largely goes into the stormwater system, in rural areas the stormwater is largely absorbed into the ground. The following modifications were proposed:

- create classes of residential properties that relate to the level of stormwater infrastructure in the neighbourhood (urban, suburban and rural) so costs can be allocated more equitably;
- create incentives for property owners that reduce demand on stormwater system;
- look at adapting the Hard Surface option, possibly by looking at the proportion of impermeable surface on a property, rather than the absolute amount of impermeable surface. This would take into account the relatively low proportion of impermeable surface on most rural properties.
- at the same time, participants were concerned that the approach not increase bureaucracy or costs.

4. Conservation approach to stormwater management

Participants noted that forest and farm areas act as “sinks” for stormwater from

developed areas, so there should be recognition/credit for this. Some participants felt that the City's approach could have been strengthened by starting with a vision for the stormwater management system that was based more explicitly on conservation principles; stormwater should be seen as a resource that protects water quality, and promotes water conservation and ecologically sensitive development. Some participants suggested examples of jurisdictions that had adopted such an approach to stormwater management.[5] It was suggested that such a vision might also help move the conversation from a property-based discussion of revenue generation to a more collaborative approach to managing stormwater.

5. Expenses incurred by residents on private services

Many participants noted that the options do not recognize that residents on private services incur significant expenses to manage their own water systems. They dig and maintain wells and septic systems. They also maintain their own private entrance culverts.

Municipal drains were frequently mentioned as being important structures for stormwater management. Although they lie on private property, the responsibility for maintaining them rests with the City, which then charges the costs back to the property owners that benefit. Some participants stated they had spent their own time and money on maintaining municipal drains in order to keep them in good repair. Municipal drains were specifically not included in the scope of this consultation, and many participants did not understand why they would be excluded as they play such an important role. Some participants were concerned that they would be, in effect, "paying twice" for the same service if they are paying for the maintenance, and also being forced to pay a City fee on top of this.

6. Put stormwater management on the roads budget

The most frequently mentioned alternative to the proposed options was that stormwater should be part of the roads budget, as the purpose of stormwater management in rural areas is primarily to help maintain the roads. This had been the practice prior to amalgamation (and many participants did not understand the rationale that had been used at that time to shift the revenue for stormwater management from property taxes to the water bill). Many participants felt this makes the most sense. They also stated, however, that this change should be done without increasing property taxes. Instead,

[5] Australian Guidelines for Stormwater Management, City of Thunder Bay Stormwater Master Plan for Sustainable Surface Water Management, Guelph Stormwater Management Master Plan.

many participants felt the City should look for other cost savings or a reevaluation of priorities to keep overall tax increases within the 2% Council direction.

7. Tax vs. Fee

Many participants did not see an advantage to generating revenue for stormwater services through a specific fee rather than taking it from property taxes; they simply saw it as an extra expense they were not currently paying if they did not receive a water bill. Some were concerned that a fee could be increased more easily than a tax. In addition, a fee was seen as a charge for a specific service, which participants felt was appropriate for water/wastewater; as some did not consider they were receiving a specific benefit from stormwater management, they did not feel that a fee was an appropriate way to charge for this service.

While participants understood the argument that with a fee, designated farmland and forests would not be included in the rates, there was mixed reaction as to the appropriateness of this. Some felt that farmland filled with snowmelt in the spring and created significant runoff to surrounding ditches and streams.

8. Communities that maintain their own stormwater infrastructure

Some felt that there was a need for special consideration for communities that paid for their own stormwater infrastructure when their homes were built and continue to be responsible for maintenance of these systems (e.g. West Lake, Sunset Lake, The Glens communities).

9. Amounts of the charges

Some participants suggested the amount of the charges in rural areas should be proportional to what rates were before amalgamation. If the levy had been $18/year pre-amalgamation for some Townships, then the yearly charge should be proportional to this, with allowance for inflation (they estimated approx. $28/year now).

10. Snow plowing contributing to problem of stormwater management

According to some participants, snow plowing practices in rural areas might exacerbate the problem of stormwater management (i.e. municipal drains fill with plowed snow, so they cannot drain properly).

11. Perceived high cost of City infrastructure and maintenance

Some participants questioned the costs the City paid for constructing and maintaining infrastructure e.g. municipal drains. There was an impression that the cost of this work

might be “too high”, but these perceptions were based on impressions rather than on hard figures or specific examples. In general, participants sought answers to the following questions:

- How does the City cost out this infrastructure work?
- How does the City ensure it is being done for a competitive price?
- What happens if work is found to be of low quality?

City staff explained the competitive bidding and quality control process that it uses to oversee this work.

12. Service level concerns

Participants cited specific examples of service level concerns (e.g. municipal drains being inadequately maintained by the City) as reasons why they did not see a benefit in paying for stormwater management. Although these specific and individual service concerns were not the focus for this consultation, the City was urged to clarify the basis on which it provides these services. For example, the City clarified that municipal ditches were maintained on a complaints basis, instead of according to a specific schedule.

13. Industrial/Commercial/Institutional (ICI) sector properties

Participants were in favor of the proposed shift in the proportion of stormwater management that ICIs would be paying in the options. However, the message for rural ICI properties was similar to rural residential properties – that consideration needs to be given to the lower level of stormwater infrastructure and services being provided rurally, as well as the difference in impermeable surfaces (e.g. many have gravel, not paved parking lots and argued that gravel should not be considered equal to paved in terms of permeability).

Benefits and challenges/limitations of the options

In general, the Flat Rate and Hard Surface options received more support from participants than the Assessment-based option. That being said, however, none of the options were deemed to be acceptable “as is”; both Flat Rate and Hard Surface options might be acceptable with a number of revisions.

The following summarizes the participants’ comments made on each of the options.

Flat Rate Benefits:

- As everyone benefits from stormwater infrastructure, the flat rate was considered

to be appropriate.
- Easy to understand.
- It would be very challenging to calculate the contribution of individual properties to stormwater, or the benefit that individual properties derive from stormwater services, so flat rate would be easy to administer.

Flat Rate Challenges/limitations/modifications:

- A single flat rate for the whole city does not take into account different levels of infrastructure in urban and rural areas. Recommend different flat rates in urban and rural areas to take this into account.
- Does not take into account fact that many rural households incur expenses to maintain aspects of their water, wastewater and stormwater systems.
- Would mean large and small properties would pay the same.
- Might not be affordable for those on low or fixed incomes.
- Does not take into account different contributions to the problem; no incentive for conservation. An improvement would be a flat rate with reductions for incentives.

Assessment-Based Rate Benefits:

- Some participants felt this approach was more consistent with a resident's ability to pay (if it could be assumed that residents owning properties with higher assessments had the means to pay higher fees, but this is not necessarily the case).
- Easy to administer.
- Already understood by residents.
- Makes sense to put on property taxes as this is a City service.

Assessment-Based Challenges/limitations/modifications:

- Least fair as it is based on type and features of the house; no relation to contribution to stormwater.
- No incentive for conservation.
- No recognition of different levels of infrastructure in different parts of City.
- Does not take into account fact that many rural households incur expenses to maintain aspects of their water, wastewater and stormwater systems.

Hard Surface-Based Rate Benefits:

- Aligns payment to contribution to stormwater – "user pay" system.

- Aligns somewhat to conservation.
- Might be better to use hard surface for commercial and flat rate for residential.
- Makes sense, especially for commercial.

Hard Surface-Based Challenges/limitations/modifications

- Does not reflect the actual demand placed on the stormwater system by individual properties (impermeable surfaces in urban and rural areas lead to very different demands on the stormwater system).
- Difficult to calculate, administer. What would be the cost to implement this?
- May be confusing for residents.
- To be really meaningful, fair and contribute to conservation need to be able to calculate at individual property level.
- Could GIS technology be used to get property-specific info?
- Could be useful to do some calculation of hard surface on a neighbourhood/community level to get a sense of collective contribution to stormwater. Might be less resource intensive than surveying individual properties.
- Some participants questioned how "hard surface" was being defined, and how this could be made clear for residents.
- Could offer incentives to property owners to reward them for improvements intended to decrease contribution to stormwater (e.g. rain barrels, eaves diversions, tree canopy, swales, large vegetation strips, creation of permeable surfaces).
- Does not recognize that rural properties generate very little demand on stormwater management system (and serve as sinks for stormwater).
- Does not take into account different levels of service or infrastructure.
- One modification could be to look at proportion of impermeable area on a property, which would be much higher in urban areas (and fairer, in terms of actual contribution to stormwater).
- Hard-surface based rate, as presented, does not provide incentives for commercial sector to reduce demands on stormwater system, so there should be some form of incentive built in.

4.4 Water/Wastewater

As mentioned above, the issue of water/wastewater rates did not attract nearly the same level of interest in the survey or the consultations as most of the participants did not receive water bills. The survey results indicated that most respondents felt the

proposal did not sufficiently address the City's principles, but there was not strong opposition in the consultation sessions where the water/wastewater proposal was discussed. Some participants were confused at how levels of water consumption in the City could be falling when the City's population is expanding (which was explained by City staff as being largely due to the use of more efficient appliances by residents, as well as adoption of conservation measures). As well, there was a sense of disappointment that even though many people had made an attempt to conserve water, they felt they would be collectively penalized because this was not generating enough revenue for the City.

Input was sought on the following two specific issues related to the water/wastewater rate proposal:

1. "Lifeline" level of 6 cubic metres per month

Research reviewed by the City determined that the average household required a minimum of 6 cubic metres of water per month for basic needs, so the city established this as a "lifeline" level in its new rate proposal. Participants were asked to comment on whether they felt this level was adequate. Most participants did not have any strong feeling about this question. Of those who did comment, some felt it should be based on the number of people living at the residence to make it more equitable.

2. Creation of additional tier

Participants were asked whether they felt there should be an additional tier of rates for high water users to encourage conservation. In general, participants were supportive of this idea.

The following summarizes the comments made by participants with respect to the water/wastewater rate proposal:

Benefits:

- Strong support for "user pay" principle, which participants saw as "everyone paying for their fair share".
- Higher rate for high volume users promotes conservation
- Better financial sustainability for City through fixed monthly charge.
- Easy to administer.
- Reflects actual costs to City.
- Covers actual cost of infrastructure.
- More predictable funding base.

- Ties wastewater to volume of water used.
- Treats water and wastewater as a public good.

Challenges/limitations/modifications

- Not applicable to rural areas
- Some respondents on well and septic were worried that they would be charged (although they received assurances from the City that they would not be charged).
- Fixed charge means people who are away for extended periods must still pay (City stressed that these basic infrastructure expenses were present regardless of use).
- Need to make sure the service is affordable; controlling cost increases over time.
- Since wastewater is not metered there is no benefit to redirecting and reducing wastewater.
- Industrial users were not seen as "pulling their weight"; need separate way to charge large volume commercial users.
- Need to see how this proposal relates to apartments and condos with single meter – no incentive for conservation.

4.5 Other issues

The consultation process attracted strong and consistent input from residents who were predominantly rural, and/or not receiving water bills. The tone, quantity and volume of the comments made it very clear that, for many rural residents, this issue is not a simple, isolated question of how to pay for stormwater services; rather, participants used the consultation process to raise a wide range of issues that related to how rural issues are being dealt with. They see the issue of stormwater services and rates in this broader context. Although beyond the scope of this consultation, the comments were made repeatedly at virtually all consultation sessions, as well as in the survey, so they are described here to illustrate the context of the discussions:

- Participants did not appreciate the fact that some have framed this issue as rural residents "not paying their fair share", since the issue needs to be seen in a broader context. They feel they already incur costs of managing their water and wastewater (wells and septic fields) and stormwater (municipal drains and private entrance culverts). In addition, they pay added costs in comparison with most urban dwellers (with Hydro One being the primary example). Finally, many pointed out that they pay taxes for services they are not likely to benefit from, such as bike lanes and public transit. As a result, the City was seen by some as

"cherry picking" one issue, rather than taking the broader rural reality and contribution into account.

- The consultation process was seen to be too limited to come up with solutions for such a complex issue. Many participants felt that bringing a recommendation to Environment Committee in May (the City's initially proposed timeline) would mean that staff would not have adequate time to consider what they learned through the consultation process. As well, providing residents with only one week to review a staff report before it goes to Environment Committee (which is the City's normal legislative process for Committee reports) was seen as inadequate. Participants felt the issue was important and they wanted to be involved in a meaningful way in developing an option that is reflective of the rural situation and its complexity. Some suggested that the report go to the Agriculture and Rural Affairs Committee for review.
- Some participants urged the City to take an approach that engages others as partners in the issue of stormwater management, rather than treating this as an isolated issue of how to pay for stormwater services. They suggested such an approach could produce a more collaborative strategy for managing the broader issue of stormwater management.

5. SUMMARY OF MAIN FINDINGS

Considering the input from the consultations came overwhelmingly from residents who did not receive water bills, this is a summary of the main findings of the consultation, but may not be representative of general public opinion.

Stormwater options

- Participants repeatedly mentioned "Fairness" as important principle for the development of mechanisms for paying for stormwater. To be considered "fair", stormwater user pay rates should be charged to users for runoff discharged from their property, taking into consideration:
    - land use classification;
    - property size;
    - estimated impervious area (especially in proportion to permeable);
    - runoff contribution to the City's stormwater management system infrastructure; and
    - the level/type of infrastructure that exists in a neighbourhood.
- The issue of how to pay for stormwater needs to be placed in the broader context of expenses that households on private services already incur for water management (e.g. well, septic and municipal drains). Consideration should also

be given to the fact that rural residents do not see equal benefits to urban residents in terms of some service levels, despite the fact they contribute to these services through their property taxes. Some rural participants saw the proposed stormwater options as helping urban residents (by reducing their costs) while they didn't see their rural issues being addressed.

- As the vast majority of stormwater infrastructure in rural areas is associated with roads, there is a strong preference among participating rural residents that these expenses should be part of the roads budget and included as part of property taxes. At the same time, most participants were clear that they did not want to see an increase in property taxes as a result.
- Stormwater management should be a broader conversation with a vision that includes not only the control of drainage, but also protection of water quality, promotion of water conservation and ecologically sustainable development. Framing the issue in this way allows for it to be discussed in terms of how the City can work together with the commercial sector and residents to develop solutions.
- To promote conservation, the City should introduce incentives to reduce the demand on the stormwater system.

Water/wastewater proposal

Based on limited input, residents were generally accepting of the proposal for revising water/wastewater rates. They believed the proposal balances three important ideas: 1) Users should pay for the services they receive; 2) There is a need for a fixed proportion to cover fixed costs of infrastructure; and 3) There is a desire to promote conservation.

They suggested the following modifications:

- Adjusting the "Lifeline" level to take into account the number of people living at a residence;
- Adding an additional tier for high volume users to promote conservation;
- Introduce some incentives (e.g. rebates) for wastewater conservation.

Appendix I: Proposed Options for Stormwater Rate Structure

1) Flat Rate

- Total cost spread equally over all properties in the City

2) Assessment-Based Rate

- Property assessment value used to allocate the charge (excludes farmland and forest land)

3) Hard Surface-Based Rate

- Flat rate based on average hard surface area by property type

Proposed Residential Water Rate Structure (Based on 2015 Budget)

- Monthly service charge: $9.00
- Monthly consumption charge:
    - 0 – 6 cubic metres $0.734/cubic metre
    - > 6 cubic metres $1.469/cubic metre

Proposed Residential Wastewater Structure (Based on 2015 Budget)

- Monthly service charge: $8.00
- Monthly consumption charge:
    - 0 – 6 cubic metres $0.649/cubic metre
    - > 6 cubic metres $1.297/cubic metre

Appendix II: Stakeholder Consultations

The City organized a series of consultations with stakeholder groups who have a special interest in water, wastewater and/or stormwater services – the business community, the Industrial/Commercial/Institutional sector, and groups concerned with environmental issues. At each of these meetings City staff provided a presentation on the issue and the options, and then the groups had an opportunity to ask questions and provide comments.

a) Industrial/Commercial/Institutional (ICI) sector

Meetings were held on March 22 and 24. The following were the main issues raised:

- Suggestion to offer more competitive rates. We are limiting the city's opportunities for intensification as the rates have increased significantly.
- Sewer evaporation credit is not available in Ottawa
- Need to consider credits/incentive programs
- ICI customers would like to know the new changes as early as possible so they can accurately budget for the following year.
- Customers with large number of water accounts (e.g. school boards) would be strongly affected by fixed charge.
- Flat rate for stormwater was considered to be unfair because different ICI customers have a different impact on the stormwater infrastructure depending on size and operations. Options 2 and 3 were seen to be fairer.
- Concern that apartment buildings will see a high impact by the change because they most likely have big meters and the rates are the same as ICI. It was clarified that only 42 accounts within the City have the largest meters 200 mm & 250 mm. As well, the fixed rate is only charged once for the building and not every unit. Therefore, the cost is 'spread out' amongst the units.
- Questions were raised about what steps the City has taken to reduce costs and reuse treated wastewater.

b) Business Improvement Areas

A meeting was held with the Ottawa Council of Business Improvement Areas on February 18. The following were the main issues raised:

- Store owners who experience vacancies for a long period of time will be affected by the fixed service charge. Hydro prices are increasing and, combined with a potential water bill increase, small businesses may not be able to survive. There

was a concern that it is unfair to ask people to pay a fixed service charge if they do not use the service.

- The assessment option for stormwater is unfair because of high property prices in some areas. Also, the old established neighbourhoods have more concrete and asphalt and it might be more challenging to make changes to the impervious area.
- There was an inquiry as to whether the City had considered increasing the development charges in order to fund the stormwater operations. It was explained that the development charges are only for new construction projects and the legislation allows for use of these revenues only against very specific projects.
- There was a suggestion to consider alternative ways to fund the revenue gap, such as selling water to other jurisdictions.

c) Environmental Groups

Individual meetings were held in February with Ecology Ottawa, Greenspace Alliance, Ottawa Riverkeeper and other conservation advocates. The following were the main issues raised:

- Residents should have the opportunity to decrease impervious surface and receive incentives.
- Current rate structure is unfair and options are intended to address this issue.
- Water rate structure with fixed component is a good balance.
    - Suggestion that household consumption below 6 cu meters be made free to protect people on low income (but response that consumption level is not a good proxy for household income).
    - Consider price elasticity.
    - Fire supply charge should be moved from water bill to tax bill as intent is to protect property from fire.
- For stormwater, hard surface option makes sense as larger impervious surfaces create more stormwater runoff. Should be made more specific to individual properties to act as incentive to create/maintain permeable surfaces.
    - Waterloo cited as good example, with incentive (rebate) program.
    - Watershed should be addressed.
    - Amount charged should be related to amount of infrastructure (e.g. urban residents should pay more because they are served by higher level of infrastructure).
    - Distance of the resident or business from the treatment plant should be a

consideration.

- Consider building smaller community systems.

Appendix III: Public Meetings

The City held eight consultation sessions over the period from March 21 – April 7, 2016. The sessions were advertised in local media, on the City's website and via Councillors and the Rural Affairs Office. Seven of the meetings were held in the evenings, and one on a Saturday afternoon, and locations were chosen in facilities across the City in an attempt to provide maximum opportunity for residents to participate. The meetings were facilitated by external consultants, with facilitation and note-taking support for small groups (when used) provided by City staff. All background and meeting materials were provided in both official languages, and residents attending the consultations were able to participate fully in either language.

The dates, locations and attendance at the sessions is noted in the table below:

Date	**Location**	**Attendance**
March 21	Shenkman Arts Centre, Orleans	45
March 29	West Carleton Community Complex	127[6]
March 30	Ottawa City Hall – Jean Pigott Place and Council Chambers	17
March 31	Navan Memorial Centre	80
April 2	Metcalfe	167
April 4	Kanata Recreation Complex	64
April 5	Alfred Taylor Recreation	152

[6] An additional 50-60 people were turned away from this session due to lack of space.

Date	Location	Attendance
	Centre, North Gower	
April 7	Nepean Sportsplex	77
TOTAL	**-**	**729**

The sessions followed a similar format that included:

- Welcome from local Councillor;
- Overview / Background on the issue and the options under consideration (presented by Dixon Weir, General Manager, Environmental Services and Isabelle Jasmin, Deputy City Treasurer, Corporate Finance);
- Question and answer session in “town hall” format;
- In some meetings (Shenkman, Kanata, City Hall) there was an opportunity to have small group discussions where participants sat in groups of approximately eight persons to discuss the pros and cons of the different options. The small group discussions were facilitated by volunteer City staff and notetakers.
- The format of the meetings was adapted to follow the interests of the participants. At the start of each meeting, participants were asked to indicate (by holding their hands up) whether they currently receive a water bill or not. For the rural meetings the discussion focused entirely on stormwater as that was the interest of the group (and they were not impacted by the water/wastewater discussions).

Notes were taken to summarize the large and small group discussions. Participants were also asked to complete a form to indicate their opinions about the options. The results are shown below:

Options	Don’t Like it	Maybe with some conditions	It’s OK
Flat Rate **(same for all**	144	26	23

Options	Don't Like it	Maybe with some conditions	It's OK
owners)			
Assessment Based (property assessment value used to allocate the charge)	167	11	7
Hard Surface (average hard surface area by property type)	146	27	12

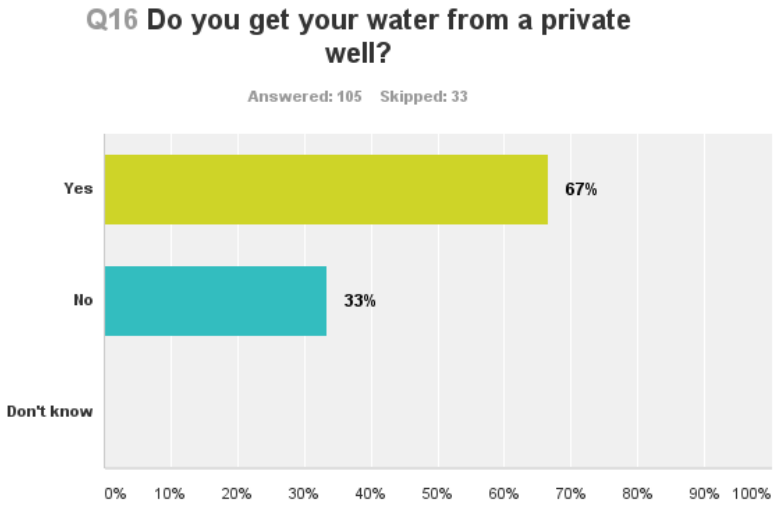
Appendix IV: Survey of Residents

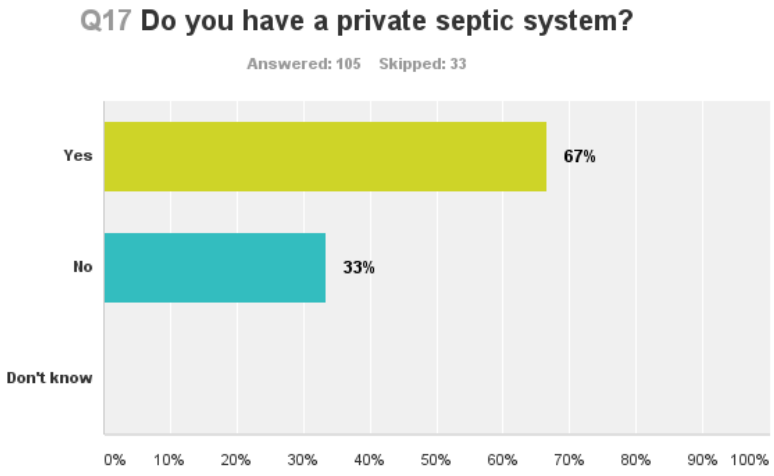
The survey was developed and linked from the Ottawa.ca website. Two separate versions (English and French) were posted so respondents could complete the survey in the official language of their choice. The survey was open from March 21 to April 10 and received a total of 137 responses in English and 1 in French.

The following is a summary of survey responses:

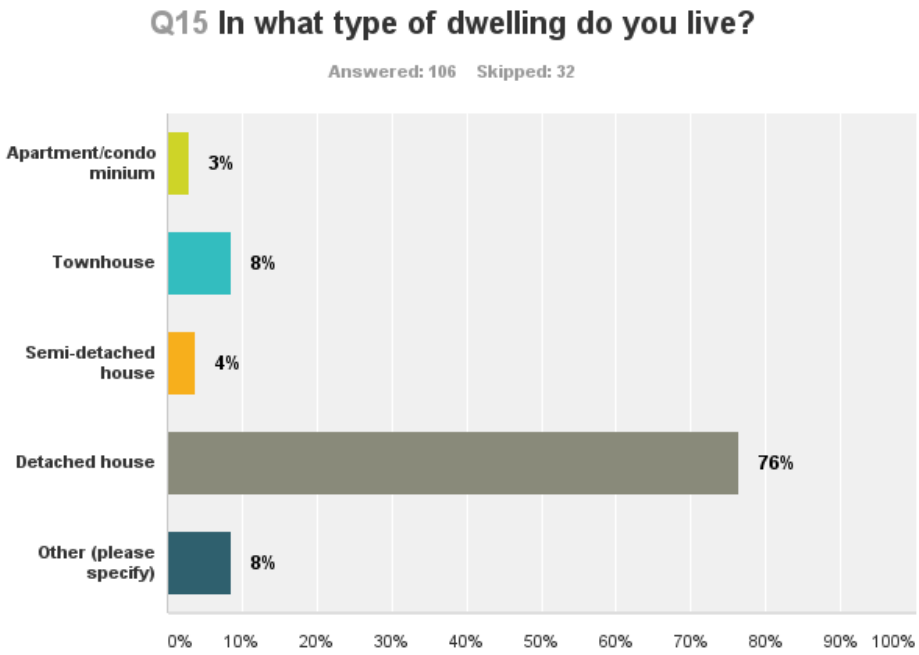
a) Who responded?

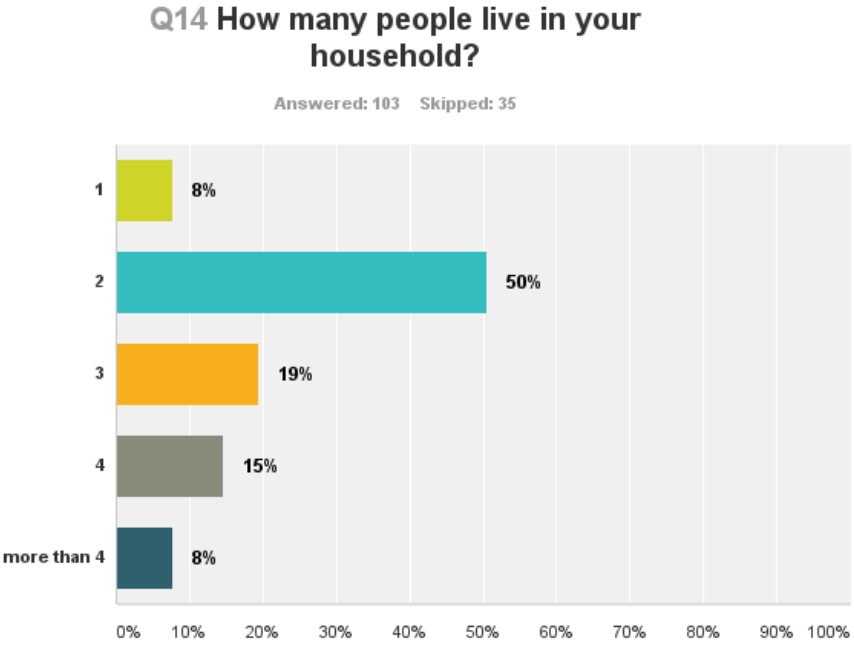
Respondents were overwhelmingly people who obtained their water from private wells and maintained private septic systems (67% each).





Respondents predominantly lived in detached houses (76%), and half of the respondents lived in two person households.





b) Stormwater

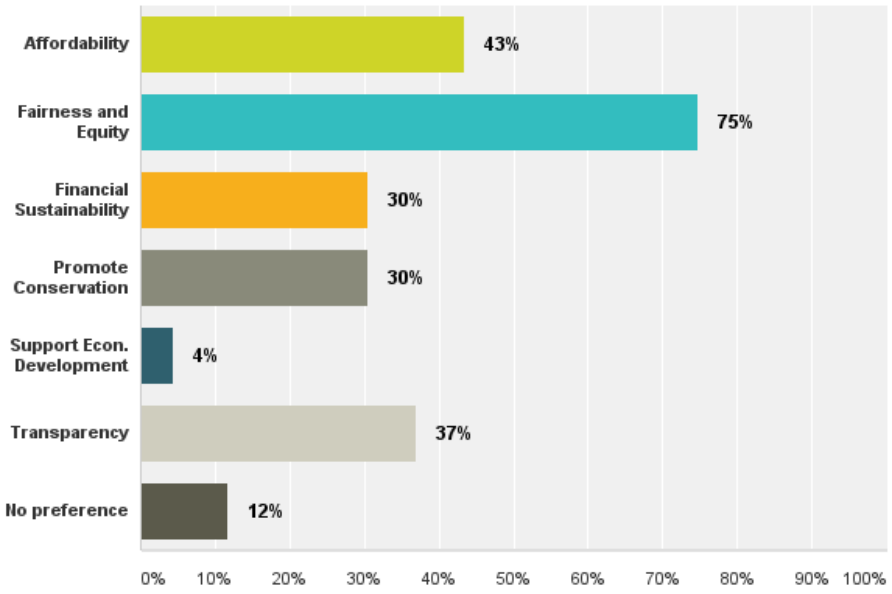
The City of Ottawa identified six principles to be used in guiding the process of developing options for new rates for stormwater, water and wastewater. These principles are:

- Affordability: ensure level of consumption to meet basic needs is affordable.
- Fairness and Equity: Pay for a service in accordance with the benefit received.
- Financial Sustainability: Recover full cost of operating services and maintaining the infrastructure in a state of good repair through a stable rate structure.
- Promote Conservation: Encourage water conservation and help to manage water demand.
- Support Economic Development: Is comparable to other rates in the province.
- Transparency: Follow industry best practices, be easy to understand and simple for the City to maintain.

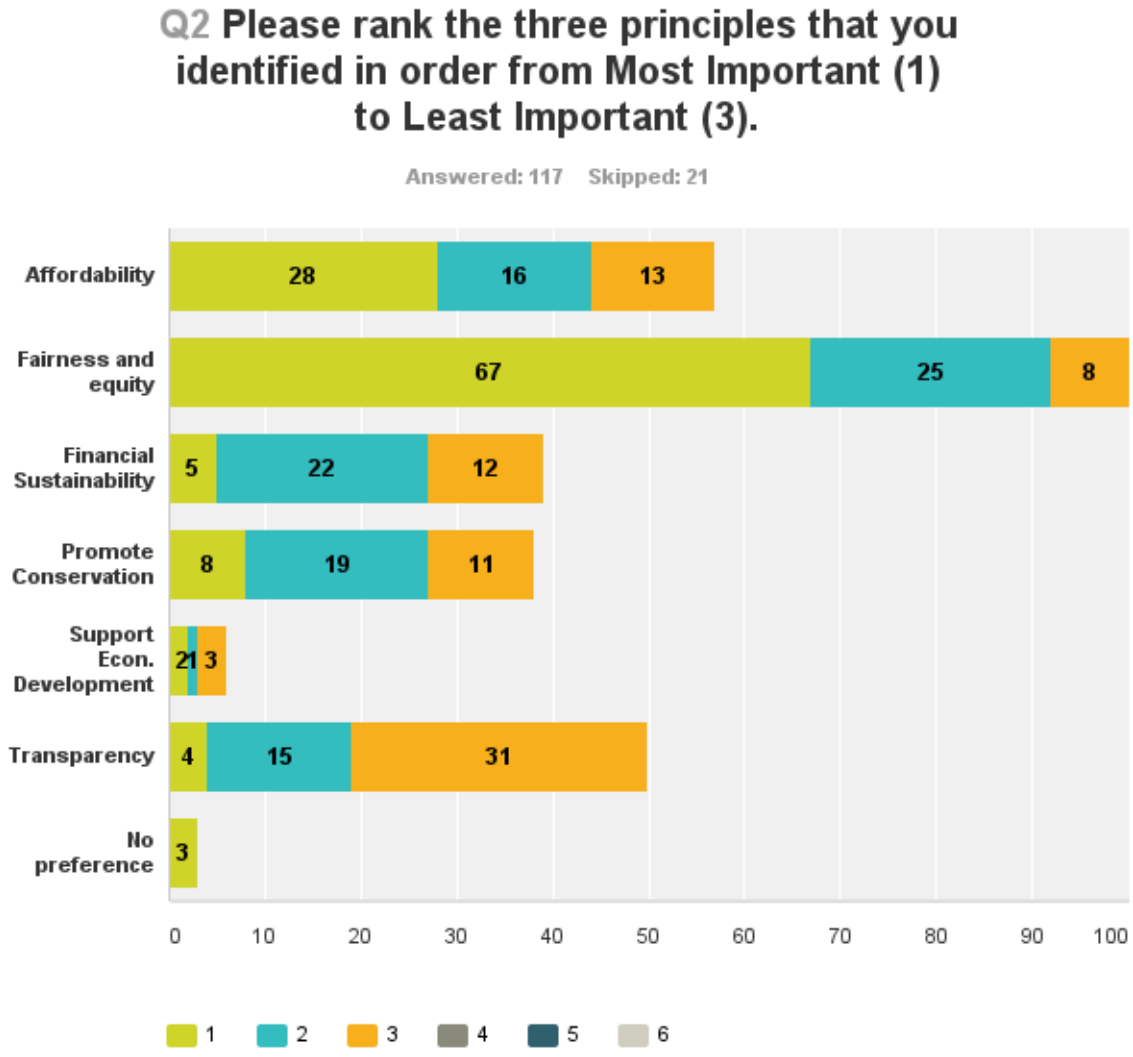
Respondents were asked to identify the three principles that they felt were most important for establishing a rate for stormwater. In the combined scores, Fairness and Equity received the most votes (75%), followed by Affordability (43%) and Transparency (37%):

Q1 In 2015, Ottawa City Council approved a list of six key principles to guide the development of a new rate structure.Of the following six principles (presented in alphabetical order), please indicate the three (3) that are the most important to you in considering a rate for stormwater services:

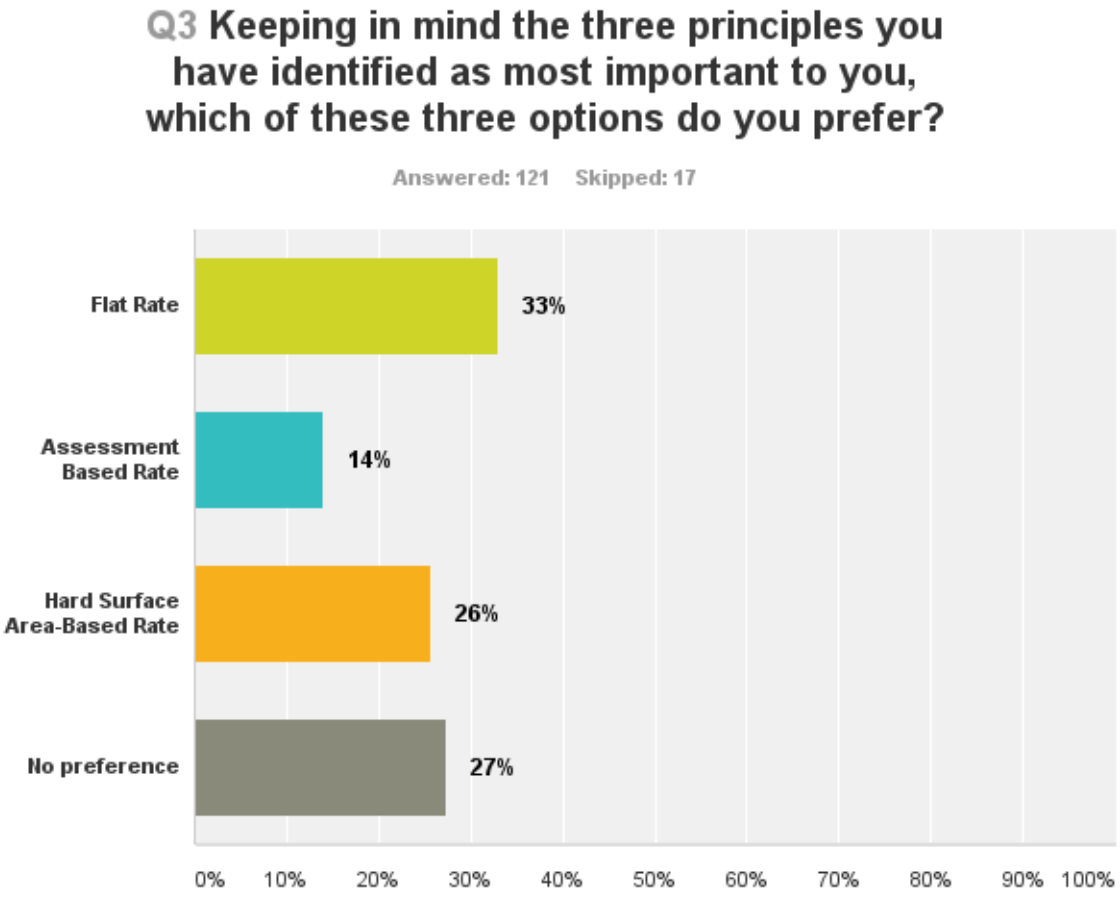
Answered: 138 Skipped: 0



Respondents were further asked to rank the three principles that they had identified as most important. The chart below shows the number of respondents ranking each principle as their first choice (green), second choice (blue) and third choice (orange). Fairness and equity was seen by far as the most important principle, followed by affordability and transparency.

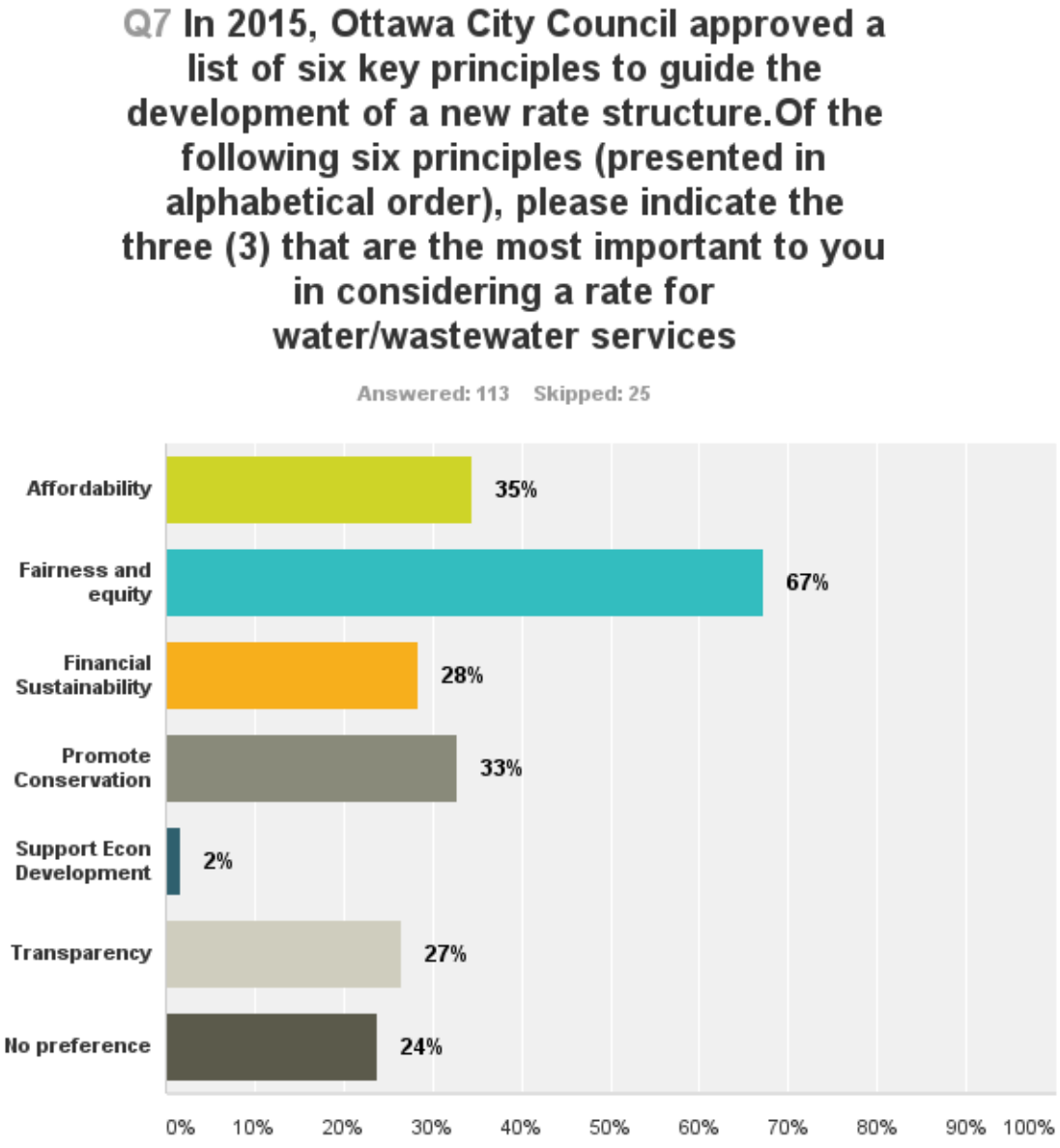


Respondents were asked to choose the stormwater option that they preferred, keeping in mind the principles that were most important to them. Flat Rate was the most popular choice (33%), followed by No preference (27%), Hard Surface (26%) and Assessment-based (14%). It must be noted that in the comments that followed, 19 of the respondents made it clear that they did not feel any of the options were acceptable (so many of the "No Preference" comments should really be understood to mean "None of the above", but that was not offered as a choice).

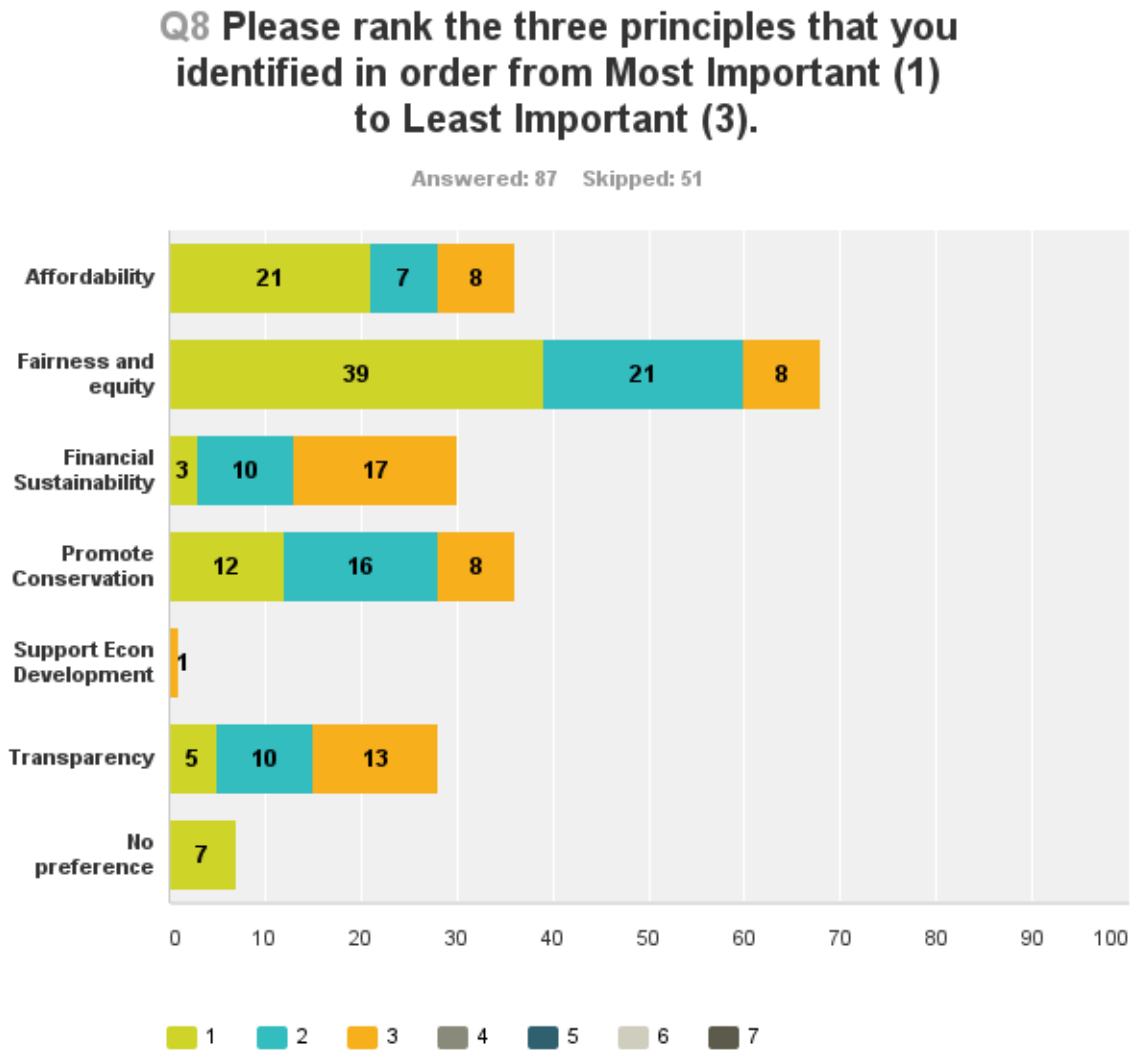


c) Water/wastewater

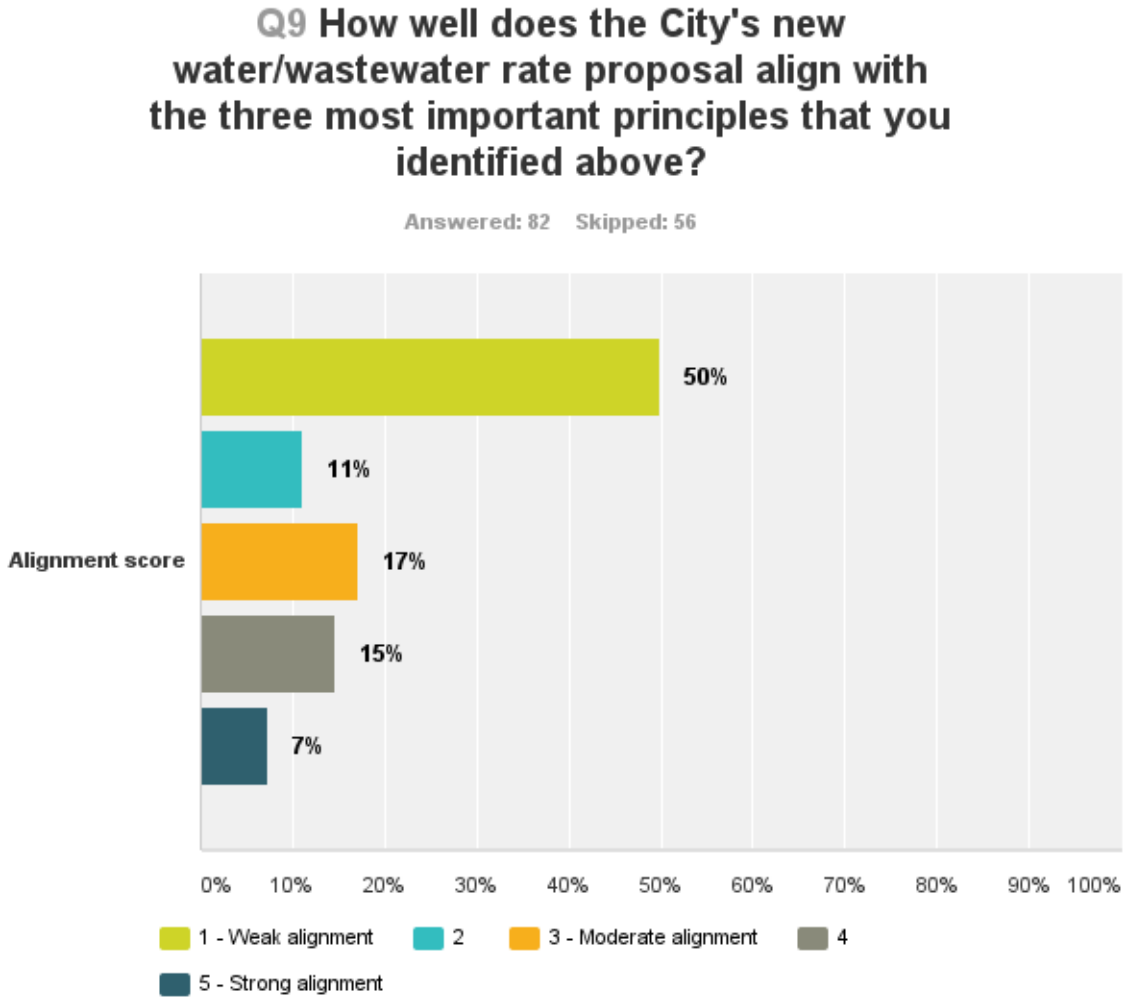
Respondents were asked to identify the principles that were most important to guide the development of a new rate structure for water/wastewater. Fairness and equity received the most votes (67%), followed by Affordability (35%) and Promote Conservation (33%). The main difference from the stormwater findings was the emergence of Promoting Conservation among the top three principles.



When respondents were asked to rank their top three principles, the findings mirrored the previous question. The most important principle for respondents is shown in green, second most important in blue, and third in orange. In the totals of the top three choices Fairness and Equity had the most responses, followed by Affordability and Promoting Conservation.



Respondents were asked to rate how strongly they felt the water/wastewater proposed rate structure aligns with the most important principles that they had identified in the previous question. They rated the proposal on a scale from 1 (Weak alignment) to 5 (strong alignment). Respondents did not feel the proposed rate structure aligned well with the most important principles. The mean (or average) score given by participants was 2.18, and the median score was 1.50 (meaning half of all ratings were above this number, and half were below).



Respondents were asked whether they believed an additional tier should be introduced to the rate structure for high volume users. Over half of the respondents supported this idea (53%); 18% were opposed, and 29% did not know.