AGENDA
L’ORDRE DU JOUR

Meeting ID/Identifiant de la réunion: 2019-008
Chair/Président: Pierre Leroux, Mayor/maire
Prepared By/Préparé par: Joanne Camiré Laflamme, Clerk/greffière

1. ROLL CALL
   APPEL

2. ADOPTION OF THE AGENDA
   ADOPTION DE L’ORDRE DU JOUR
   Motion to approve the agenda as presented.
   Motion d’adopter l’ordre du jour tel que présenté.

3. DISCLOSURE OF PECUNIARY INTEREST
   DÉCLARATION D’INTÉRÊT PÉCUNIAIRE

4. REPORTS FROM DEPARTMENTS AND COUNCIL COMMITTEES
   RAPPORTS DES DÉPARTEMENTS ET COMITÉS DU CONSEIL
   a. Conversion Fee Presentation in reference to the Capital Charges By-law - IS 2019
      Présentation du frais de conversion en référence au règlement sur les frais d’immobilisation - IS 2019

5. QUESTION PERIOD ON MEETING OF THE DAY
   PÉRIODE DES QUESTIONS SUR LA RÉUNION DU JOUR

6. RESOLUTIONS
   RÉSOLUTIONS
Motion that Council receives the conversion fee presentation dated March 7, 2019; and
That Council provides a direction to staff how to proceed.

Motion que le conseil reçoit la présentation du frais de conversion datée du 7 mars 2019; et
Que le conseil donne une direction au personnel comment procéder.

7. NEXT MEETING
PROCHAINE RÉUNION

The next regular public meeting of Council will be held on Monday, March 18, 2019

La prochaine réunion publique ordinaire du conseil aura lieu le lundi 18 mars 2019

8. CONFIRMING BY-LAW
RÈGLEMENT DE CONFIRMATION

Confirming By-law in attachment
Règlement de confirmation en pièce-jointe

That By-law 2019-041, being a By-law to confirm the proceedings of the Council of The Corporation of the Township of Russell at its Special Council Meeting held on March 7, 2019 be read a first, second and third time and passed.

Que le règlement 2019-041 étant un règlement pour confirmer les procédures du conseil lors de sa séance extraordinaire du 7 mars 2019 soit déposé et réputé lu en première, deuxième et troisième lectures et adopté.

9. ADJOURNMENT
AJOURNEMENT
GOOD EVENING

• TONIGHT'S PRESENTATION IS BEING PROVIDED TO COUNCIL TO ADDRESS QUESTIONS THAT WERE RAISED AT THE TWO PREVIOUS PRESENTATIONS TO MEMBERS OF COUNCIL AND THE PUBLIC.

• THE ADMINISTRATION HAS RESEARCHED ALL CORRESPONDENCE AND MUNICIPAL BYLAWS AS FAR BACK AS 1974 SO COUNCIL HAS A FULL UNDERSTANDING OF THE HISTORY OF THE WATER AND WASTEWATER SYSTEMS INCLUDING THE PREVIOUS AND CURRENT FINANCING THAT HAS BEEN COMPLETED.
BYLAWS & MUNICIPAL ACT

• SECTIONS 11(2) AND 391 OF THE MUNICIPAL ACT, 2001, C. 25 AND AMENDMENTS THERETO, AUTHORIZES THE TOWNSHIP TO PASS BY-LAWS IMPOSING FEES OR CHARGES ON ANY CLASS OF PERSONS FOR SERVICES OR ACTIVITIES PROVIDED OR DONE BY OR ON BEHALF OF AND FOR CAPITAL COSTS PAYABLE BY THE TOWNSHIP WATER AND SEWAGE SERVICES;

• COUNCIL DEEMS IT EXPEDIENT AND APPROPRIATE TO SO IMPOSE UPON BENEFITTING OWNERS CHARGES FOR THE CONNECTION OF CURRENTLY EXISTING PRIVATELY SERVICED PROPERTIES TO THE SYSTEMS, REPRESENTING A PORTION OF THE CAPITAL COST OF THE SYSTEMS (AND NECESSARY IMPROVEMENTS THERETO); AND

• SECTIONS 9, 10 AND 11 OF THE MUNICIPAL ACT, 2001, AS AMENDED (THE ACT) AND THE REGULATIONS THERETO AUTHORIZE THE TOWNSHIP OF RUSSELL (THE TOWNSHIP) TO IMPOSE, BY BY-LAW, FEES OR CHARGES FOR THE USE OF A SEWAGE SYSTEM AND THE SUPPLY OF WATER.

• SECTION 391 OF THE ACT PROVIDES THAT CHARGES IMPOSED FOR CAPITAL COSTS RELATED TO SEWER AND WATER SERVICES MAY BE IMPOSED ON OWNERS OF LAND NOT RECEIVING AN IMMEDIATE BENEFIT FROM THE SERVICES BUT WHO WILL RECEIVE A BENEFIT AT SOME LATER POINT IN TIME.
DC CHARGES

• CURRENTLY GROWTH IS PAYING 100% FOR THE EXPANSION OF THE WATER AND WASTEWATER SYSTEMS. THE TOWNSHIP DOES INVEST IN INFRASTRUCTURE THAT WILL BENEFIT FUTURE GROWTH BUT IS REPAID UNDER THE DC CHARGE BYLAW.

• IT IS NOW UNDERSTOOD THAT A PORTION OF THE CAPITAL COSTS WILL NO LONGER BE 100% GROWTH AND IN THE FUTURE WILL BE PROPORTIONAL BETWEEN GROWTH AND EITHER THE NON-SERVICED AREAS OR RATE INCREASES.

• IF THE TOWNSHIP DOES NOT CHARGE UN-SERVICED RESIDENTS IT CAN EXPECT A CHALLENGE FROM THE DEVELOPERS AT THE NEXT DC REVIEW PRIOR TO APPROVAL.
DEFINITIONS

• **GROWTH**: NEW CONSTRUCTION OR A REDEVELOPMENT REQUIRING A BUILDING PERMIT.

• **UNSERVICED RESIDENTIAL**: NON PAYMENT OF FEES AND NO SERVICES IN THE STREET ADJACENT TO THE PROPERTY.

• **EXISTING NON CONNECTED**: THE PIPES ARE LOCATED AT THE PROPERTY LINE THE OWNER HAS NOT CONNECTED, PAID A SHARE OF THE CONSTRUCTION COST AND IS CURRENTLY PAYING THE FLAT FEES TO HAVE THE ABILITY TO CONNECT AND SECURE THE CAPACITY.

• **EXISTING RATE PAYERS**

• **MUNICIPAL CONNECTION**: CONSTRUCTION OF SERVICES ON THE STREET AND THE CONNECTION TO THE RESIDENTIAL PROPERTY LINE.

• **RESIDENTIAL CONNECTION**: IS THE CONNECTION FROM THE PROPERTY LINE TO THE BUILDING
CONTAMINATION

• THE PROVINCE DOES REVIEW REQUESTS FOR FUNDING ON A CASE BY CASE BASIS AND THE FUNDING RECEIVED IS USUALLY BASED ON THE SIGNIFICANCE OF THE THREAT TO THE ENVIRONMENT.

• THE TOWNSHIP CAN FILE AN APPLICATION AND AWAIT ITS RESPONSE.

• THE TOWNSHIP COULD ALSO LOOK TO THE FEDERATION OF CANADIAN MUNICIPALITIES (FCM) FOR ASSISTANCE BUT WOULD REQUIRE A FACT BASED STUDY AND A CONTAMINATION ISSUE TO APPLY FOR FUNDING.
EXPLANATION PRIVATE CONVERSION(PC) PROCESS OPTION 1

CONVERSION DUE TO CONSTRUCTION FOR GROWTH THAT EXTENDS SERVICES THROUGH OR ADJACENT TO A NON SERVICED AREA.

• THIS PROCESS BEGINS WITH A REPORT TO COUNCIL TO DISCUSS THE LOCATION, CONSTRUCTION AND FINANCING OF THE PROJECT. IT INCLUDES THE BENEFIT TO EXISTING RESIDENTS FROM A CAPITAL COST PERSPECTIVE.

• IF COUNCIL DECIDES TO PROCEED, AN AGREEMENT IS APPROVED IN PLACE WITH THE DEVELOPER AND A PRESENTATION IS PROVIDED TO THE RESIDENTS IN THE AFFECTED AREA TO EXPLAIN THE CIRCUMSTANCES.

• LATERALS FOR WATER AND OR SEWER ARE COMPLETED TO THE PROPERTY LINE AND THE OWNER HAS THE RIGHT TO CONNECT.

• THE OWNER IS REQUIRED TO PAY FOR A PORTION OF THE CAPITAL COST AND THE FLAT FEES UNTIL THEY WOULD CONNECT TO THE SYSTEM. ONCE THE BUILDING IS CONNECTED THEN ALL CHARGES ARE APPLIED.

• THE CONNECTION FROM THE PROPERTY LINE TO THE BUILDING AND THE COST IS THE RESPONSIBILITY OF OWNER.

• THE CAPITAL COST AND INSTALLATION ARE APPROVED BY COUNCIL WITHOUT OWNERS CONSENT UNDER SECTION 391 OF THE MUNICIPAL ACT.
• THE REASON FOR FOLLOWING OPTION 1 IS THE CONSTRUCTION IS IMPORTANT TO COMPLETE THE WORKS FOR THE NEW GROWTH.

• THE WORKS ARE COMPLETED INCLUDING THE LATERAL PIPES TO THE PROPERTY LINE SO THE ROAD WORK CAN BE FINISHED AND PAVEMENT COMPLETED IN ONE PROJECT.

• THE GROWTH IS REQUIRED SO THE REVENUE FROM THE BUILDING PERMITS CAN BE USED FOR FUTURE MUNICIPAL CAPITAL PROJECTS AND MOST IMPORTANTLY OFFSET TAX INCREASES IN THE ANNUAL BUDGET.

• OFFSET THE INCREASE IN WATER AND WASTEWATER RATES.

• IN 2019 TAXATION REVENUES FROM GROWTH IS SET TO INCREASE THE TOTAL TAX REQUISITION BY APPROXIMATELY 3.2%.
EXPLANATION PC PROCESS OPTION 2

CONVERSION BY REQUESTING THE TOWNSHIP FOR SERVICES.

• THIS PROCESS INVOLVES THE RESIDENTS OF AN AREA TO REQUEST INFORMATION AND CAPITAL COSTS TO PROCEED TO CONVERT FROM PRIVATE SERVICES TO MUNICIPAL SERVICES.

• THE INFRASTRUCTURE DEPARTMENT HAS COMPLETED A PROCEDURE DOCUMENT (SEE ATTACHED) THAT PROVIDES THE STEPS THAT ARE TAKEN TO PROVIDE RESIDENTS WITH THE INFORMATION TO MAKE A DECISION AND PROCEED TO COUNCIL APPROVAL.

• CURRENTLY THERE IS NO PERCENTAGE OF RESIDENTS REQUIRED. IF THERE IS SIGNIFICANT RESPONSE BY SIGNATURE AT THE PUBLIC PRESENTATION TO PROCEED, THE DEPARTMENT THEN Follows THE NEXT STEPS FOR APPROVAL.

• SECTION 391 OF THE MUNICIPAL ACT WAS INTRODUCED AS AN ALTERNATIVE TO THE COMPLICATED PROCESS OF LOCAL IMPROVEMENT, ITS TIMING AND LEGAL REQUIREMENTS TO RESOLVE CONFLICTING SCENARIOS.
GRANT APPLICATIONS

• THE TOWNSHIP CURRENTLY RECEIVES FUNDING FROM THE FEDERAL GAS TAX AND OCIF. THESE AMOUNTS ARE FORMULA BASED AND THE REVENUES ARE USED TO OFFSET THE CAPITAL COSTS REQUIRED TO UPGRADE MUNICIPAL INFRASTRUCTURE, TO REDUCE TAX INCREASES AND OR WATER AND WASTEWATER RATES.

• OCIF AND THE CWWF HAVE A SECOND APPLICATION PROCESS THAT IS CURRENTLY USED TO UPGRADE INFRASTRUCTURE THAT NEEDS IMMEDIATE REPAIR THAT COULD RESULT IN A SERIOUS DANGER TO THE PUBLIC OR THE ENVIRONMENT. THE APPLICATION USES A POINT SYSTEM TO SCORE THE SIGNIFICANCE OF THE IMPACT AND IS A VERY COMPETITIVE PROCESS. THIS WAS THE CASE WITH THE FUNDING THAT WAS RECEIVED TO TWIN THE DISTRIBUTION WATERMAIN THROUGH THE EXISTING COMMERCIAL PARK TO SERVICE THE VILLAGE OF EMBRUN.
• THERE WERE TWO INTAKES OR APPLICATIONS FILED WITH THE PROVINCE OF ONTARIO WITH THE SECOND APPLICATION BEING SUCCESSFUL.

• EACH APPLICATION WAS BASED ON THE BENEFITTING USERS (RESIDENTS ON THE WATER SYSTEM AT THAT TIME).

• SECTION B1 STATES THAT IN A RECOMMENDATION THE MUNICIPALITY MUST EXERCISE AND IMPLEMENT DUE DILIGENCE BY ENSURING SUFFICIENT RESERVE CAPACITY IS AVAILABLE TO ENABLE THE SERVICING OF PRIVATE WELLS (354) AS REQUIRED.

• THERE ARE 4 CLASSIFICATIONS WHEN DISCUSSING CHARGES FOR WATER AND WASTEWATER SERVICES.

• THE ADMINISTRATION HAS CONSIDERED THE UNSERVICED AREAS AS EXISTING UNSERVICED AT THIS TIME.
COMRIF FINANCING (OTTAWA WATER)

- FROM THE FINANCIAL SECTION OF THE COMRIF APPLICATION AND APPROVAL IN 2008 THE FUNDING THAT WAS RECEIVED WAS USED TO FINANCE THE CONSTRUCTION OF THE WATERMAIN FROM THE CITY OF OTTAWA TO RUSSELL TOWNSHIPS RESERVOIR.

- AS DEFINED IN THE COMRIF AGREEMENT, NO FUNDING WAS APPROVED OR ALLOCATED TO ANY PART OF THE RESIDENTIAL DISTRIBUTION SYSTEM IN EMBRUN, RUSSELL OR MARIONVILLE.


- THE NEXT SLIDE SHOWS THE AMOUNTS THAT HAVE BEEN PAID TO DATE BY GROWTH AND THE EXISTING USERS.
DEVELOPMENT PRE-PAYMENTS

- IN 2009, LOCAL DEVELOPERS IN RUSSELL PRE-PAID A FEE FOR UNITS OF WASTEWATER CAPACITY TO SECURE FINANCING AND ENSURE THEIR INVESTMENTS IN INFRASTRUCTURE COULD PROCEED IN RESIDENTIAL DEVELOPMENT.

- COUNCIL BEING DILIGENT APPROVED THE PRE-PAYMENTS IN THE AMOUNT OF $3,116 PER UNIT.

- SINCE THERE WAS A RECOMMENDATION IN THE COMRIF APPLICATION TO ENSURE UNITS OF WATER CAPACITY, SHOULD COUNCIL HAVE OFFERED THE RESIDENTS ON PRIVATE SYSTEMS THE SAME FEE($3,116) TO SECURE THE WASTEWATER CAPACITY?

- SHOULD COUNCIL HAVE CHARGED THE FLAT FEE FOR WATER AND WASTEWATER CAPACITY FROM 2010 TO DATE AS IT HAS BEEN CHARGED TO ALL EXISTING RESIDENTS TO SECURE WATER AND WASTEWATER CAPACITY?

- COUNCIL WOULD MOST LIKELY HAVE FACED THE SAME REACTION AS THEY ARE RECEIVING NOW?
RATE INCREASE OTTAWA WATER

• SINCE IT WAS EXPLAINED TO COUNCIL IN 2005 THAT THE OTTAWA WATER PROJECT WOULD HAVE A SIGNIFICANT INCREASE IN RATES, COUNCIL APPROVED 3 RATE INCREASES PRIOR TO THE COMPLETION OF THE PROJECT. THAT CREATED A RESERVE TO OFFSET THE CAPITAL COST THAT WOULD BE REQUIRED TO BE PAID BY THE EXISTING RATE PAYERS.

• THIS INCREASE OF $139.50 WAS PAID BY ALL RATE PAYERS PRIOR TO 2010 FOR THE OTTAWA WATER PROJECT.
RATE INCREASES TO CREATE RESERVES

EXTRA AMOUNT FOR INCREASE IN WATER OF $36 IN 2006, $92.50 IN 2007, $139.00 IN 2008 AND $139.00 IN 2009

OTTAWA WATER
TOWNSHIP OF RUSSELL UTILITIES

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>EMBRUN</th>
<th>RUSSELL</th>
<th>MARIONVILLE</th>
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<td>2006 UNITS</td>
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<td>$92.50</td>
<td>$129.00</td>
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<td>$16,175.00</td>
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<td>2008 UNITS</td>
<td>$110,860.00</td>
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<tr>
<td>$139.00</td>
<td>$110</td>
<td>$183,341.00</td>
<td>$15,545.00</td>
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<tr>
<td>TOTAL FOR 2006, 2007 &amp; 2008</td>
<td>$183,341.00</td>
<td>$349,805.00</td>
<td>$29,981.00</td>
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<tr>
<td>2009 UNITS</td>
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<td>$139.00</td>
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<td>GRAND TOTAL</td>
<td>$623,851.00</td>
<td>$1,507,069.50</td>
<td>$29,981.00</td>
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## History of Water and Sewer Rates

### Residential Rates

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<th>YEAR</th>
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<th>EMB SEW</th>
<th>RUS WAT</th>
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<th>MAR WAT</th>
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<td>2000</td>
<td>$172.00</td>
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<td>$164.00</td>
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<td>$0.00</td>
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<td>2001</td>
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<td>2004</td>
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<td>$349.00</td>
<td>$249.00</td>
<td>$349.00</td>
<td>$522.00</td>
<td>$376.00</td>
</tr>
</tbody>
</table>

*NB in 2006 $36.00 was added for reserve of Ottawa water*

*NB in 2007 $36.50 was added for reserve of Ottawa water + $36.50 of 2006*

*NB in 2008 $46.50 was added for reserve of Ottawa water + $36.50 of 2006 and $56.50 for 2007*

*NB no change for 2009 so $139.60 for reserve of Ottawa water*
WATER FLAT FEE EXPLANATION

• THE FLAT FEE IS DETERMINED BY DIVIDING THE TOTAL OF THOSE CHARGES BY THE NUMBER OF EQUIVALENT UNITS USING THE SERVICE. (2019 ESTIMATES)

1) DEBT PAYMENTS $168,379 (10.6%)
2) OPERATIONS AND MAINTENANCE $959,275 (60.6%)
3) INFRASTRUCTURE $454,773 (28.7%)

TOTAL $1,582,427
SEWER FLAT FEE EXPLANATION

• The flat fee is determined by dividing the total of those charges divided by the number of equivalent units using the service. (2019 estimates)

1) Debt Payments (all financed from DCS) $0
2) Operations and Maintenance $1,324,419 (89.1%)
3) Infrastructure $161,990 (10.9%)

Total $1,486,409
FLAT RATE PAYMENTS APPLIED ON OTTAWA WATER DEBT BY EXISTING USERS.

- FROM 2006 TO 2009 FLAT RATE INCREASE $139.50
- FLAT RATE CHARGED EXISTING USERS 2010 TO 2017 $896.96
- ESTIMATED FLAT RATE CHARGE 2018 TO 2041 (LOAN MATURATION) $864.00

- TOTAL $1,900.46
2014 CHANGE TO HYDRAULIC CALCULATION

• IN 2014 A REVIEW OF THE HYDRAULIC CAPACITY WAS ASSESSED. THE CALCULATION OF THE SYSTEM CAPACITY WAS BASED ON THE RESERVOIR THAT IS CURRENTLY USED TO SUPPLY WATER TO THE RESIDENTS.

• ON FURTHER REVIEW, IT WAS RECOGNIZED THAT THE CAPACITY WAS ACTUALLY THE AMOUNT OF WATER BEING SUPPLIED FROM THE PUMP STATION AND FEEDERMAIN TO THE MUNICIPALITY FROM OTTAWA. THIS INCREASE IN DESIGN FLOW INCREASED THE NUMBER OF ADDITIONAL WATER UNITS FROM APPROXIMATELY 3,300 TO APPROXIMATELY 7,400.

• THE TOTAL NUMBER OF AVAILABLE UNITS INCREASED WHICH LOWERED THE DC CHARGE FOR WATER FROM $7,980 TO $3,929 IN 2017 (TOTAL CAPITAL COST/# OF UNITS).

• THE REVISED AMOUNT OF UNITS WAS USED IN THE MASTER PLANS, THE GROWTH MANAGEMENT PLANS AND THE APPROVED AND PRE-APPROVED GROWTH TO 2031.
CHANGES TO THE FINANCING OTTAWA DEBT

• THE INCREASE IN HYDRAULIC UNITS OF CAPACITY CHANGED THE PERCENTAGE RATIO OF GROWTH VS EXISTING USERS.

• THIS HAD A SIGNIFICANT CHANGE IN THE LOAN REPAYMENTS FOR THE WATER SYSTEM USERS RESULTING IN THE FLAT FEE, FOR THE OTTAWA WATER DEBT FOR EXISTING USERS, BEING DECREASED FROM $147.00 TO $35.00 PER YEAR.
RUSSELL VILLAGE WATER FUNDING

• ORIGINAL FUNDING (SEE ATTACHED)

• TOTAL CONSTRUCTION COST $7,318,500

• SUBSIDY BY M.O.E 83.9% $6,140,222 + INTERIM FINANCING $147,485

• LONG TERM DEBT TO BE FINANCED $1,325,763

• DEBENTURE 20 YEARS @ 12.5% = $183,082

• THIS FUNDING PAID FOR ALL CONSTRUCTION COSTS IN THE STREET AND CONNECTIONS TO EACH RESIDENCE PROPERTY LINE.

• A CONNECTION FEE OF $828.60 WAS CHARGED AS PART OF THE TOTAL COST.
PAST PETITION BY RUSSELL RESIDENTS

• IT SHOULD BE NOTED THAT A PETITION IN 1986 WAS ACCEPTED BY THE TOWNSHIP FROM PROPERTY OWNERS WHO REFUSED TO PROCEED. SUCH LEFT 2 SCENARIOS:

• 1) THE TOTAL FRONTAGE THAT WAS REPRESENTED BY SEVERAL OWNERS WAS NOT INCLUDED IN THE COST SHARING FORMULA.

• 2) THIS PENALIZED THE OWNERS WHO PROCEEDED BY INCREASING THEIR SHARE OF THE COST DUE TO LESS FRONTAGE. (SEE ATTACHED)
## Village of Russell Water Works Bylaw 48-87

### Estimated Total Cost

- Estimated total cost: $7,318,500
  - Less subsidy by M.O.E (83.9%): ($6,140,222)
  - Interim financing: $147,485
  - Net long term debt to Municipality: $1,325,763
  - Debenture cost 20 years @ 12.5%: $183,082

### Water Works Annual Charge (20 year period)

- Frontage fees 16,275.018 meters @ $9.913/m/yr. = $161,331
- Connection fees 525 x $41.43/yr. = $21,750.75

**Total**

<table>
<thead>
<tr>
<th>Approved frontage</th>
<th>16,275</th>
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<tr>
<td>Petition frontage</td>
<td>6,138</td>
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<td><strong>Total</strong></td>
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## COST OF PETITION TO RUSSELL RESIDENTS WHO CONNECTED

### Connection charges with petition residents removed

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<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Frontage fees ($)</td>
<td>$161,331</td>
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<tr>
<td>Frontage of connecting residents (m)</td>
<td>16,275</td>
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<tr>
<td>Total per meter</td>
<td>$9.91</td>
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**Example for resident who had 100ft (30.48m) of frontage**

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<th>Description</th>
<th>Amount</th>
</tr>
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<td>Frontage</td>
<td>$302.14</td>
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<td>Connection</td>
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<tr>
<td>Total</td>
<td>$343.57</td>
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<tr>
<td>Total 20 years</td>
<td>$6,871.46</td>
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### Connection charges if petition residents would have paid

<table>
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<tr>
<th>Description</th>
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<td>Frontage fees ($)</td>
<td>$161,331</td>
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<tr>
<td>Frontage of connecting residents (m)</td>
<td>22,413</td>
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<tr>
<td>Total per meter</td>
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**Example for resident who had 100ft (30.48m) of frontage**

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<td>Connection</td>
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<tr>
<td>Total</td>
<td>$260.83</td>
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<tr>
<td>Total 20 years</td>
<td>$5,216.57</td>
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Total penalty of petition cost Russell residents whom proceeded $1,655
RUSSELL SEWAGE

- IT SHOULD BE ALSO NOTED THAT FROM 1974 TO 1976, THE RUSSELL VILLAGE RECEIVED AN OPPORTUNITY TO INSTALL SEWAGE SERVICES.

- THIS WAS MADE AVAILABLE TO ALL RESIDENTS IN THE VILLAGE OF RUSSELL.

- UPON REVIEW OF BYLAWS DATING FROM 1974 TO 1978, SOME STREETS, WHICH ARE STILL UNSERVICED TODAY, DID NOT WISH TO PROCEED WITH MUNICIPAL SEWER BASED ON FRONTAGE.

- BYLAW 53-1978 (40 YEAR DEBENTURE) SHOWS THE FRONTAGE COST DECREASE FROM $.69 TO $.30 PER FOOT OF FRONTAGE.

- RESIDENTIAL HOME CHARGE BASED ON 100 FT. OF FRONTAGE

  - SEWAGE RATE $53.71 PER YEAR
  - FRONTAGE $15 PER YEAR (X 40 YEARS = $600)
  - CONNECTION FEE $29.41 PER YEAR (X 40 YEARS = $1176.40)
  - ADMINISTRATION FEE $15.75 PER YEAR

- IN 2001 THE TOWNSHIP ASSUMED OPERATION OF THE RUSSELL SEWAGE SYSTEM AND REFINANCED THE LOAN. SOME RESIDENTS PAID OUT THEIR REMAINING LOAN PAYMENTS WHILE THE BALANCE WAS REFINANCED.
RECOMMENDED OPTION

• THE COST TO NON SERVICED RESIDENTS COULD BE PAID OVER LONG TERM DEBT ON THEIR WATER AND WASTEWATER BILL UNDER A SPECIAL CHARGE.

• FINANCING $8,900 OVER 20 YEARS IS SHOWN ON THE NEXT TABLE.

• THE ADMINISTRATION STILL RECOMMENDS THIS AMOUNT DUE TO THE FOLLOWING REASONS:
  • THE ADMINISTRATION CONSIDERS THESE UNITS AS EXISTING UNSERVICED. THEY CANNOT BE CHARGED UNDER THE DC BYLAW.
  • PREVIOUS PRESENTATION IDENTIFIED A SHORTFALL OF REVENUE. WITHOUT A CHARGE TO THE UNSERVICED AREAS WILL AFFECT RATE INCREASES IN THE FUTURE.
  • THE AMOUNT COULD BE FINANCED FOR A 20 YEAR PERIOD AS SHOWN ON THE NEXT SLIDE.
## Amortizing Debenture Schedule

<table>
<thead>
<tr>
<th>Organization Name</th>
<th>Township of Russell</th>
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<tbody>
<tr>
<td>Principal Amount</td>
<td>$5,261.00</td>
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<tr>
<td>Annual Interest Rate</td>
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<td>Loan Term (Year)</td>
<td>30</td>
</tr>
<tr>
<td>Debenture Date (mm/dd/yyyy)</td>
<td>04/01/2020</td>
</tr>
<tr>
<td>Maturity Date (mm/dd/yyyy)</td>
<td>04/01/2029</td>
</tr>
<tr>
<td>Payment Frequency</td>
<td>Annual</td>
</tr>
<tr>
<td>Loan Type</td>
<td>Amortizing</td>
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</table>

<table>
<thead>
<tr>
<th>Payment Date</th>
<th>Total Payment</th>
<th>Principal Amount</th>
<th>Interest Amount</th>
<th>Principal Balance</th>
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<tbody>
<tr>
<td>04/01/2020</td>
<td>$277.66</td>
<td>$218.51</td>
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$12,953.10  $8,961.06  $3,992.10
ALTERNATIVE OPTIONS FOR PAYMENT
RUSSELL CONVERSION

• SEWAGE
• RUSSELL LAGOON TOTAL COST AFTER SUBSIDY($3,028,472) / # OF UNITS GROWTH(2,903 + PRIVATE(401) = 3,304 (CURRENTLY 100% FINANCED BY DC)
  • $3,028,472 / 3,304 = $917 UNIT COST
• RUSSELL PUMP 1 TOTAL COST AFTER SUBSIDY($1,641,500 / # OF UNITS OF GROWTH(2,903) & PRIVATE(401) = 3,304 $1,641,500 / 3,304 = $497 (CURRENTLY 100% FINANCED DC)
• TOTAL COST RUSSELL SEWAGE = $1,414

• WATER
• OTTAWA WATER RATE INCREASE $139
• OTTAWA WATER FLAT FEE TO 2010 TO 2017 $897
• FLAT FEE 2017-18 $70
• TOTAL COST RUSSELL WATER 2018 = $1,106 PER UNIT (PAID BY EXISTING TO DATE)
• TOTAL COST RUSSELL BOTH SERVICES = $2,520

• FUTURE CAPITAL COSTS UPGRADES TO INFRASTRUCTURE WILL BE SUBJECT TO FUTURE INCREASES IF NOT CONNECTED AT TIME OF UPGRADE
ALTERNATIVE OPTIONS FOR PAYMENT
EMBRUN CONVERSION

• SEWAGE
  - EMBRUN LAGOON TOTAL COST($4,903,843) / # OF UNITS GROWTH(4,426) + PRIVATE(208)
    = 4,634 ($4,903,843/4,634= $1,058) (CURRENTLY 100% FINANCED BY DC)
  - TOTAL COST EMBRUN SEWAGE = $1,058 PER UNIT

• WATER
  - OTTAWA WATER RATE INCREASE $139
  - OTTAWA WATER FLAT FEE TO 2010 TO DATE $897
  - FLAT FEE 2017-18 $70
  - TOTAL COST EMBRUN WATER = $1,106(PAID BY EXISTING TO DATE)
  - TOTAL COST EMBRUN BOTH SERVICES 2018 = $2,164 PER UNIT

• FUTURE CAPITAL COSTS UPGRADES TO INFRASTRUCTURE WILL BE SUBJECT TO FUTURE INCREASES IF NOT CONNECTED AT TIME OF UPGRADE
CAPITAL COST RESIDENTIAL

• EXISTING USERS HAVE PAID 100% OF THE CAPITAL COSTS FOR UPGRADING OR REPLACEMENT THAT WERE NOT GROWTH RELATED. BELOW ARE 3 EXAMPLES

• EMBRUN, RUSSELL, MARIONVILLE NEW WATER LINE $789,200 100%

• NEW FORCEMAIN RUSSELL SEWAGE $565,000 100%

• OTTAWA WATER SYSTEM RESIDENTIAL SHARE $4,000,000 100%

• THESE PROJECTS REQUIRED INCREASES IN RATES TO PAY THE LOAN PAYMENTS
CONCLUSION

• COUNCIL HAS BEEN PROVIDED SUFFICIENT INFORMATION TO CHARGE UNSERVICED AREAS THE CAPITAL CONVERSION CHARGE UNDER EXISTING ACTS OF THE MUNICIPALITY.

• IF THE CONVERSION FEE OF $8,961 IS NOT LEVIED THEN THERE WILL BE A SHORTFALL IN REVENUE FROM GROWTH.

• THERE WILL BE A REDUCTION OF THE NUMBER OF UNITS AVAILABLE TO GROWTH WHICH WILL REQUIRE EXISTING USERS TO BEGIN PAYING FOR FUTURE CAPITAL COSTS EARLIER THAN EXPECTED.

• THE TOWNSHIP CAN EXPECT A POSSIBLE CHALLENGE FROM THE DEVELOPMENT COMMUNITY AT THE NEXT DC REVIEW. BY CHARGING A PORTION OF THE CAPITAL COST THIS MAY POSSIBLY OFFSET THE PENALTY DURING THE DC COMPLETION.

• IT IS EQUITABLE AND FAIR-MINDED THAT WHOEVER CONNECTS TO THE WATER OR WASTEWATER SYSTEMS SHOULD PAY A FEE.
CONCLUSION

• TWO SIGNIFICANT PROJECTS ARE READY TO PROCEED AND ARE ON HOLD UNTIL COUNCIL MAKES A DECISION.

• ONE OF THOSE PROJECTS HAS ALREADY BEEN APPROVED BY COUNCIL. A SETBACK COULD BE DETRIMENTAL FROM A DELAY PERSPECTIVE IN 2019.

• RESIDENTS, WHO’S SEPTIC SYSTEMS HAVE FAILED AND ARE ON TEMPORARY HOLDING TANKS APPROVED BY SOUTH NATION CONSERVATION, ARE WAITING TO MOVE FORWARD SO TO RELIEVE THE IMPACTS OF FINANCIAL BURDEN AND THE ENVIRONMENT.

• COUNCIL SHOULD DECIDE WHETHER THE UNSERVICED AREAS ARE CONSIDERED UNSERVICED EXISTING OR THE PROPOSED CAPITAL CHARGE AND PROVIDE THE ADMINISTRATION WITH A DIRECTION.
REVENUE TOTAL OF BOTH OPTIONS

• IF COUNCIL DECIDES THE UNITS ARE GROWTH, THE REVENUE COLLECTED IS ESTIMATED AT

  • ESTIMATED REVENUE 354 WATER UNITS X $4,200 = $1,486,800
  • ESTIMATED REVENUE 609 WASTEWATER UNITS X $4,200 = $2,557,800
  • TOTAL $4,044,600

• IF COUNCIL DECIDES TO CHARGE THE NON SERVICED AREAS AS EXISTING RESIDENTS UNDER THE ABOVE OPTIONS

  • RUSSELL ESTIMATED REVENUE WASTEWATER 401 X $1,414 = $567,014
  • EMBRUN ESTIMATED REVENUE WASTEWATER 208 X $1,058 = $220,064
  • WATER SYSTEM ESTIMATED REVENUE 354 X $1,106 = $391,524
  • TOTAL $1,178,602
BYLAW 2015-39

• BYLAW 2015-39 CURRENTLY ESTABLISHES A FEE STRUCTURE FOR EXISTING RESIDENTS AND THE NON-SERVICED AREAS. (SECTION 1.20)

• IF COUNCIL DECIDES TO INCLUDE THE UNSERVICED AREAS THAT HAVE EXISTING DWELLINGS IN PLACE AS EXISTING UNITS, THEN, THIS BYLAW WOULD REQUIRE SOME ADDITIONAL LANGUAGE TO ESTABLISH THE UNSERVICED AREAS AND IMPOSE THE FEE AS SHOWN ON THE PREVIOUS SLIDES.
CORPORATION OF THE TOWNSHIP OF RUSSELL

By-law # 2019-041

A by-law to confirm the proceedings of the Council of The Corporation of the Township of Russell at its Special Council Meeting held on March 7, 2019.

WHEREAS pursuant to Section 5 of the Municipal Act, 2001, S.O. 2001, c. 25, as amended ("Municipal Act"), the powers of a municipality are to be exercised by its council by by-law; and

WHEREAS it is deemed expedient that the proceedings of the Council of The Corporation of the Township of Russell at this meeting be confirmed and adopted by by-law; now therefore be it

RESOLVED THAT THE COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF RUSSELL HEREBY ENACTS AS FOLLOWS:

1. THAT the actions of the Council of The Corporation of the Township of Russell in respect of any reports from departments and committees and each motion and resolution passed and other actions taken by the Council of The Corporation of the Township of Russell at this meeting are hereby adopted and confirmed as if all such proceedings were expressly embodied in this by-law.

2. THAT the Mayor and Clerk and the appropriate other officials of the Corporation of the Township of Russell are hereby authorized and directed to do all things necessary to give effect to the actions of the Council of The Corporation of the Township of Russell referred to in the preceding section.

3. THAT unless otherwise provided, the Mayor and Clerk are authorized and directed to execute all documents necessary in that behalf and to affix thereto the seal of The Corporation of the Township of Russell.

4. THAT this By-Law shall come into force and take effect upon final reading thereof.

READ A FIRST, SECOND AND THIRD TIME AND FINALLY PASSED THIS 7TH DAY OF MARCH, 2019.

_____________________________ _______________________________
Pierre Leroux Joanne Camiré Laflamme
Mayor Clerk