

City of Windsor Stormwater Fee Implementation

Frequently Asked Questions (FAQs)

1. What is stormwater?

Stormwater is the water that flows into our sewers, creeks and lakes after it rains or from melting snow. In natural areas, stormwater can soak into the ground where it lands or be absorbed by vegetation. In urban areas, stormwater runs off hard surfaces (such as rooftops, parking areas, backyard patios, and roads), carrying pollution (such as debris, chemicals) into streams and rivers. Stormwater runoff from urban areas is greater in amount (since water cannot get into the natural ground that is covered with houses, roads, parking lots etc.), and flows off the land much more rapidly, increasing the potential to cause flooding and erosion along the way. Pollutants carried in stormwater enters the natural environment and has negative effects on water quality and the natural environment. Stormwater must be managed to reduce the risk of flooding and erosion, and to minimize harm to the environment.

2. What does it mean to me?

Individuals often do not think much about stormwater until they are directly affected either through disruptions caused by a severe storm event or due to property damage from flooding. But stormwater runoff can impact the community in several ways:

- Flooding from storm events can damage public as well as personal property, impact business operations and even hinder our day-to-day activities.
- Runoff can pick up and transport harmful pollutants such as oil, grease, trash and fertilizers to our water ways.
- Rapid drainage from developed land can cause severe erosion of stream banks and scouring of creeks, further degrading water quality and impacting valuable habitats.

The City's Engineering, Public Works and Pollution Control departments look after the stormwater management system that collects, transports, controls and in some cases treats stormwater runoff.

3. What is the City's role in managing stormwater?

The City of Windsor is responsible for managing stormwater within the municipality. This includes planning, designing, constructing, operating and maintaining stormwater assets within municipal roadways, public easements and other City lands. The stormwater management program is crucial in protecting public safety and health and works to reduce flood risk, control erosion and maintain water quality in local natural waterways. Stormwater, both quality and quantity, are managed by the City's stormwater program. This includes operating and maintaining storm sewers, ditches, inlets, stormwater management facilities (ponds), bridges, culverts, infiltration facilities, oil grit separators, engineered and natural channels, and storm sewer outfalls to streams and watercourses. The City's stormwater assets, as of 2020 (used for the Study), include:

- More than 1025 km of storm sewer and combined sewer pipes
- Approximately 15,300 manholes
- More than 22,615 catch basins
- 29 stormwater ponds (wet and dry)
- 39 pumping stations

- Approximately 124 km of municipal drains
- Approximately 254 km of roadside ditches

The estimated replacement cost value of the existing stormwater system is approximately \$1.93 Billion in 2020 dollars.

The City has a responsibility to effectively manage this infrastructure and protect the environment. To meet this responsibility, the City:

- Undertakes flood protection projects
- Maintains, repairs and restores existing infrastructure
- Provides emergency response to flooding, spills and clean-up
- Carries out street sweeping
- Enforces by-laws to protect the environment and prevent interference with the operation of the stormwater management system

The City has been adapting its policies and practices in order to meet provincial and federal regulatory requirements. The relevant stormwater rules and regulations include Provincially the Ontario Water Resources Act, Drainage Act, Environmental Protection Act, Emergency Management Act, Water Opportunities Act, Sustainable Water and Sewage Systems Act, Provincial Water Quality Objectives, and Federally the Canadian Environmental Protection Act and Fisheries Act.

4. What are the current costs to local property owners? How does the City fund its stormwater program, including studies?

The annual stormwater operating budget and capital improvement budget have previously been funded through sewer surcharge. The sewer surcharge is a user rate that reflects the costs of water entering the sewer system from a property, based on the user's water consumption. The City's 2020 sewer surcharge budget (used for the study), which funded operating and capital costs for both sanitary and stormwater systems, was approximately \$76.8 million (2022 - \$84.3 million). Through the Stormwater Financing Study, the City defined the separate costs of stormwater and sanitary related works, as previously the City had not tracked these costs independently.

5. What was the Stormwater Financing Study?

The Stormwater Financing Study was completed in December 2020 and assessed the City's current program for stormwater management, identified gaps in the program, prioritized the various proposed program elements and level of service, and investigated the methods for funding the proposed program. The goal of the Study was to develop a program that is more sustainable and equitable.

The Study underwent various phases of consultation and public engagement to inform the Study process and findings. This included:

- Establishing a Project Executive Committee
- Establishing a City Project Working Committee comprised of members of City staff
- Creating an external Stormwater Advisory Group comprised of stakeholders from residential, institutional groups, as well as the conservation authority
- Conducting an online public information centre which included an audio/visual presentation hosted on the City's website along with electronic comment forms.

The Study concluded with recommendations to implement a new Stormwater Funding Model and Rate Structure.

6. How does the recommended Funding Model and Rate Structure work?

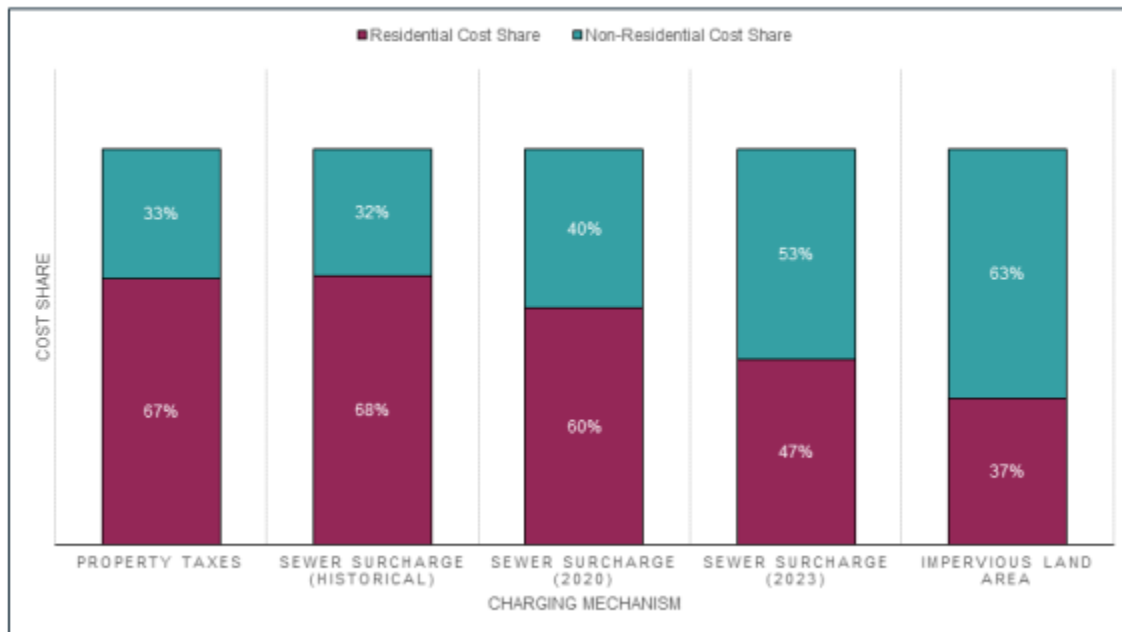
Under the preferred funding model, residential properties will be grouped into tiers (e.g., based on development density) and charged a flat rate. Non-residential properties will be charged based on the actual amount of impervious area. The proposed funding model and rate structure will provide an equitable and sustainable funding source for the future stormwater program.

Recently, the City’s sewer surcharge model allocates 60 percent of the cost of stormwater and wastewater services to residential customers and 40 percent to non-residential customers. With a shift to the proposed rate structure, the cost allocation for stormwater services would be approximately 37 percent to residential customers and 63 percent to non-residential customers. This is aligned with the share of impervious areas associated with non-residential properties.

The City’s historic approach of funding stormwater services through the sewer surcharge rates does not fairly distribute costs between these two high-level property classifications and, as a result, residential properties are effectively subsidizing non-residential properties.

The figure below, from the Study, provides a comparison of how stormwater costs are shared between residential and non-residential properties under the City’s current historic cost recovery model (i.e. sewer surcharge rates) versus a proposed user fee model that considers actual impervious area of properties.

Residential vs. Non-Residential Cost Share under Different Charging Mechanisms



7. What are the impacts to local property owners?

The planned funding model and rate structure will provide a more equitable and sustainable funding source for the future stormwater program than the current practice of paying for stormwater costs using sewer surcharges related to water usage. This means long-term positive impacts of an effective stormwater management program, which includes a reduction in flood risk, improved water quality and environment, and reduced stream and creek erosion.

8. Will there be changes to my monthly utility fee?

Yes, there will be changes to monthly fees, however how the changes will be represented on your bill will depend on the type of property owner you are. The average single detached house could generally pay less for stormwater and wastewater services in the first year of the program. This is consistent as seen in other municipalities with dedicated stormwater funding models. The impacts on non-residential properties could be widely varied, depending on how much impervious surface cover is on the property and how much water consumption occurs on the property. For example, a commercial parking lot or parking structure that does not use any water is currently not paying anything towards stormwater services. Under the proposed rate structure, this type of property would be subject to a stormwater bill in direct proportion to the amount of paved areas on the property. Therefore, this type of property would potentially feel the largest impact. On the other hand, there are examples of large non-residential properties in the City that consume a lot of water and therefore are already paying a fair share towards stormwater services through the sewer surcharge. In some cases, the net impact of shifting to the proposed rate structure could be negligible, or even favourable for the property owner.

9. What phase is the Project currently in and when will it be complete?

The Project is currently in the Implementation Phase of the stormwater funding model and rate structure. The Stormwater Financing Study was completed in December 2020. The detailed Implementation Plan for the Study was completed in November 2021, and the plan was approved by City Council in December 2021. The City is currently working to implement a successful adoption and billing of the new stormwater rate by establishing the detailed funding model and rate structure. This will include defining residential tiers for the purposes of assigning the stormwater rate; exploring a potential credit and incentives program; and providing further public engagement opportunities. The Project is expected to be completed by late 2023, and the first billing to occur in 2024.

10. What are other Municipalities doing?

Across Southern Ontario, Municipalities are undertaking similar stormwater financing studies in order to reevaluate their stormwater management systems, define their future needs, and determine how they will be financed. Some examples of Municipalities who have implemented designated stormwater rates include London, Middlesex Centre, Kitchener, Hamilton and Mississauga. The Study compared potential stormwater rates for the City of Windsor against other Municipalities in order to determine the preferred financing alternative.

11. Under the model that the City is considering, how might the stormwater charge change year over year? What will the estimated rate be after 5 years?

Through the Stormwater Financing Study, it was recommended that the City increase the funding of stormwater services by approximately 44%. In addition, the City will need to budget for billing

administrative charges, program support from other departments, and any additional infrastructure costs that result from new developments. It was recommended that this increase in funding be phased in over a minimum five-year period, which may result in year-over-year increases of 10-15% or less in the first five years. Once a sustainable level of funding is achieved, year-over-year increases would be lower and reflect inflation

12. Will the City consider offering incentives to property owners that reduce stormwater runoff?

A credit program is one of several financial incentives that the City is considering. A credit or incentive program may include incentives for increasing natural land cover, controlling runoff and promoting of infiltration and/or reuse of runoff on private lands. Two municipalities that offer credit programs are Kitchener and Mississauga; their programs include potential partial credits for onsite runoff control of peak flows and volumes. The charges estimated in the Study did not take into account potential credits or incentives. Credits or incentives will be further explored as part of the Implementation Phase.

13. How will the City calculate impervious area and what are the estimated rates for the impervious area of properties?

An impervious area for each property will be calculated based on a review of information maintained through the City's geographic information system (GIS). Estimated rates are currently being developed, however, the actual measurement of impervious areas is underway. As such, the preliminary estimated rates will need to be further refined.

14. How can I provide my input to the Project?

A Public Information Centre will be held in Spring 2023 which will include a presentation of the Project findings and recommendations, including the stormwater funding model and rate structure, any stormwater fee exemptions, and a potential credit and incentives program. Residents and property owners will have the opportunity to ask questions to the City and Project Team, and provide feedback on the project. Additional engagement opportunities will be available online, including through social media and the City's website.