



Governance and Priorities Committee Report

For the Meeting of July 24, 2014

To: Governance and Priorities Committee
From: Dwayne Kalynchuk,
Director, Engineering & Public Works
Subject: Stormwater Utility Implementation

Date: July 16, 2014

Executive Summary

The purpose of this report is to present Council with the final Stormwater Utility Program and bylaw for adoption.

In March 2011, Council endorsed the creation of a Stormwater Utility in order to provide a new funding model for the stormwater system and to promote sustainable stormwater practices. Since that time staff have developed and finalized the model for the City of Victoria after much research and input from property owners during our engagement phase last year.

The Stormwater Utility changes the way that the stormwater system is financed, from one based on property values to one based on property attributes. As all properties contribute stormwater to the system, they will also contribute financially to the utility. Fees will be based on the following factors: impermeable area, frontage for street cleaning, classification of property and the impact it has, and whether or not it is part of the Stormwater Codes of Practice program. In tandem with this new approach to assessing and billing, a Rainwater Management Incentive Program has been developed. The goal of this program is to encourage property owners who are replacing worn infrastructure or upgrading features on their property to choose a more sustainable option in order to make a positive impact on the stormwater system and the environment. Incentives will be based on the effectiveness of the measure, how large an impermeable area it treats, how it improves the stormwater quality and/or how it reduces the flow to the stormwater system. They will take the form of credits – an ongoing reduction in the Stormwater Utility fee, and rebates (for applicable properties) – a one-time upfront payment to help reduce installation costs.

Overall, the funding for the stormwater is shifting from taxes to a utility, and redistribution occurs in the first year – some properties will pay more and some will pay less compared to what they have paid in the past. Permissive tax exempt properties will be given a three year phase in period to help them adjust and to potentially take advantage of the incentive program. Changes to the Rainwater Management Incentive Program application and approval process are also being recommended to make it simpler to access, enabling property owners to reduce their annual stormwater fees.

The attached Sewer Utilities Bylaw has been renamed the Sanitary Sewer and Stormwater Utility Bylaw, and includes changes to the existing sanitary sewer sections of the bylaw to bring it up to current practices, as well as including new sections that deal with the new Stormwater Utility.

As the Stormwater Utility is implemented, there will be a comprehensive communication and education program to inform property owners about the changes along with the opportunities available to them to reduce their costs through rebates and ongoing credits. Focus will be placed on educating property owners about the City's stormwater infrastructure, why it is important, the challenges involved in maintaining and funding it, and how property owners impact it and what rainwater management is and how property owners can participate in the Rainwater Management Incentive Program.

This Stormwater Utility program is being recommended for implementation over a two year time frame starting with the Rainwater Management Incentive Program in March 2015 and utility fee billing in September 2016, which will give property owners ample time to prepare for it, and look at opportunities to undertake projects that will allow them to take advantage of the incentives. It will provide staff more time to deal with the anticipated large volume of applications for the incentive program from projects that property owners have installed in years past. It will also allow more time to complete the development of standards and specifications and educate property owners, designers, and the contractors could be involved in the implementation.

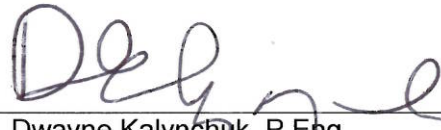
Recommendation:

1. That Council adopt the Stormwater Utility and model as outlined in this report.
2. That Council adopt the revised Sanitary Sewer and Stormwater Utilities Bylaw (Appendix A).
3. That Council instructs staff to amend the City of Victoria Reserve Fund Policy to establish a Stormwater Utility Reserve Fund. The purpose of this reserve is to provide funding for stormwater equipment and infrastructure.
4. That Council amend the 2014-2018 Financial Plan Bylaw for the 2015 year, to reduce the property value taxes line item by \$5,481,982 and add a stormwater utility fee line item in the same amount.

Respectfully submitted



Ed Robertson,
Assistant Director – Public Works



Dwayne Kalynchuk, P.Eng.
Director of Engineering and Public Works

Report accepted and recommended by the City Manager:



Date: July 17, 2014

Purpose

The purpose of this report is to:

- Present Council with the final Stormwater Utility Program,
- Recommend the revised Sanitary Sewer and Stormwater Utilities Bylaw for adoption,
- Inform Council how the implementation of the Stormwater Utility will take place; this includes the communications plan to educate and inform property owners of the changes and how they can participate in the Rainwater Management Incentive program starting in 2015.

Background

In March 2011, Council endorsed the creation of a Stormwater Utility in order to promote sustainable stormwater practices and provide a new funding model for the stormwater system. Since that time staff developed various funding models and a database of all properties; in late 2013, staff enacted an engagement program to inform and receive feedback through a comprehensive media campaign and through a series of meetings with stakeholder groups and the public at several open house events.

Staff reported to Council in January 2014 about the engagement process and the key findings. Since that time, staff have been working to incorporate the engagement feedback, while also working on many other program details, in order to finalize the Stormwater Utility program, and how it will operate. Included in the work has been a thorough review of the Sanitary Sewer and Stormwater Utilities Bylaw in order to include the principles of the Stormwater Utility, and to update some of the existing sewer sections to meet current needs. In addition, the Sustainability Planning & Community Development Department has been reviewing the Development Permit and Heritage Alteration Permits and zoning regulations that relate to the Rainwater Management Incentive Program to simplify, streamline and encourage participation.

Issues & Analysis

Since the January 2014 report to GPC, staff have worked through the many issues and opportunities identified and have met regularly with the inter-departmental Stormwater Utility Team in an effort to finalize the Stormwater Utility Program. The focus areas have included:

- Credit program details:
 - Detailed case studies of rainwater Best Management Practices (BMP) including Rain Gardens, Bioswales, Infiltration Chambers, Cisterns, Permeable Pavement and Rain Barrels on specific properties;
 - Making credit options more flexible;
 - Reviewing rebate options;
 - Having 'Do it Yourself' options available to homeowners where applicable;
 - Reviewing credit program application processes to make them simple and streamlined;
 - Reviewing OCP and Zoning processes to assist property owners who want to implement BMP's; and
 - Providing support for those who undertake Rainwater Credit projects.
- Stormwater Utility model details:
 - Phasing options in specific instances;
 - Property data accuracy; and
 - Rate structure.
- Review of Greater Victoria School District #61 (SD #61) schools, properties with no connections, and permissive tax exempt properties.
- Updating of the Sanitary Sewer and Stormwater Utilities Bylaw to ensure it fully describes the program.
- Timeline for implementation.
- Review of electronic billing and payment options, including online credit application.
- Development of communication and educational strategy required for roll-out of the program.

A focus has also been on learning from other cities, most recently Seattle, to help improve our approach on specific issues. The City of Victoria will also be hosting the National Water & Wastewater Benchmarking Initiative - Stormwater Task Force Workshop this fall, where municipalities from across Canada, with invited guests from Portland and Seattle, will meet to advance stormwater management by sharing best practices and working collaboratively on common issues.

Stormwater Utility Program – How it will work

The new Stormwater Utility has been developed to include all properties in the City of Victoria, and will take into account the individual property attributes and services allocated. It shifts funding from one based on property values to one based on property attributes and the impact to the stormwater system and environment.

There are four factors that each Stormwater Utility bill will consist of:

- **Impervious Surfaces Factor** – This makes up 62% of the total factors, and represents the amount of built hard surfaces on a property where rainwater is unable to naturally infiltrate into the ground.
- **Street/sidewalk Cleaning Factor** – This makes up 27% of the total factors, and represents the amount of frontage for each property, and is segmented based on the type of road and therefore the level of service provided. The street and sidewalk areas are one of the largest catchment areas; cleaning these areas regularly helps reduce the amount of pollutants entering the stormwater system and being discharged to the surrounding waterways.
- **Intensity Code Factor** – This makes up 6% of the total factors, and represents the impact of activities of property types on the stormwater system and receiving waterways.
- **Codes of Practice Factor** – This makes up 5% of the total factors, and is the cost of providing the Stormwater Codes of Practice Program that has been ongoing since 2005. This only applies to properties that are required to be part of this program, as defined in the Sanitary Sewer and Stormwater Utilities Bylaw.

The unit rate for each factor is in the Stormwater Fee Calculation Table located in the Sanitary Sewer and Stormwater Utilities Bylaw in Appendix A. It should be noted that each factor is representative, as exact impacts are impractical to measure.

All properties in the City have been placed in one of four tiers, using BC Assessment property classification codes:

Property Data Summary					
Tier	Type	# of Chargeable Properties	%	Total Chargeable Area (m²)	Total Chargeable Non-permeable Area (m²)
Tier A	Single Family Residential (up to 4 units)	10385	76	6,208,633	1,525,727
Tier B	Condos and Apartments (5 units and larger)	1428	10	2,948,914	1,482,710
Tier C	Civic/Institutional	287	4	2,075,710	417,267
Tier D	Commercial/Industrial	1453	10	3,112,772	2,066,520
TOTAL		13,553	100	14,346,030	5,492,224

Properties with Special Circumstances

There are a number of properties that are deemed to have no connection for their stormwater discharge; these properties either have a direct discharge to the ocean or have no main fronting their property and most have approved rock pits. Properties with no connection will not be charged for the Impervious Surfaces Factor as they do not contribute flows to the system, however, they will be charged for the

other factors where they apply.

Properties that are currently tax exempt will be subject to the new Stormwater Utility, as this fee is property based and reflects the burden that each property places on the system and the services provided. However, permissive tax exempt properties will be given a three year phase-in window to allow them to deal with the new fee and look for ways of reducing their costs through the Rainwater Management Incentive Program.

For properties that the City owns and leases to others, the Stormwater Utility Fee will be assessed and billed as the other City utilities are, and will not require an amendment of the lease agreements.

Staff have diligently reviewed the way in which SD #61 will be billed. The schools sit on properties that are a patchwork of SD #61 owned properties, City owned properties and properties that are held in trust. As SD #61 maintains all of these properties (with the exception of two playgrounds), they are treated as be leased and are included in the program accordingly.

In order to deal with the complex situation for SD #61 schools, staff recommend to only charge for the Impervious Surfaces factor based on buildings and auto related areas such as parking lots and driveways; other impervious areas such as ball courts, playgrounds etc., that are also for the common use of the community, and available without permit or approval after school hours are not included. Further, SD #61 will only be assessed on one Intensity Code Factor fee per school, rather than one per property (most schools are located on many individual legal lots), and the Codes of Practice Factor will only apply to parking lots as defined in the bylaw. The Frontage Factor will apply as it does for all properties. SD #61 will also be included in the group of three year phase-in properties, and has the ability to take advantage of a unique educational section of the Rainwater Management Incentive Program.

Impact of the Fee Structure

In 2015, 100% of the funding for the Stormwater Utility will come in the form of a transfer from Property Taxes, and there will be no change in the impact on property owners. In 2016, the new utility model will come into effect and funding from the transfer from Property Taxes will be reduced to approximately 20% to cover City roads and right of ways, with the remaining 80% coming from the new Stormwater Utility fees that property owners will pay as the new model is introduced. This ratio will continue in future years, although a review should be undertaken to determine whether having a split funded utility should be continued or if it should migrate to full funding coming from Stormwater Utility fees as is the case in most cities.

For each property, the portion of 2014 property taxes allocated to stormwater was calculated (showing what property owners pay under the existing system), and compared to the new Stormwater Utility fee (the amount that will be included on the new stormwater utility bill) plus the stormwater charge (20%) that will remain on property taxes. These values are estimates based on 2014 budget and property tax information, as future budgets and property tax information will not be approved until the spring of 2016. The following information helps illustrate how changing from the property value based system to the property characteristic and services system will impact a range of property types based on 2014 budget figures; the approximate average change per property class is:

- Tier A – Single Family Residential properties
 - *Average fee is \$147 annually (including property tax portion)*
 - 42% are expected to realize a reduction – average \$36
 - 11% are expected to increase less than \$10
 - 14% are expected to increase between \$10 and \$25
 - 15% are expected to increase between \$25 and \$50
 - 9% are expected to increase between \$50 and \$75
 - 3% are expected to increase between \$75 and \$100
 - 5% are expected to increase between \$100 and \$200
 - 1% are expected to increase more than \$200

- Tier B – Condominiums and Apartments
 - 23% are expected to realize a reduction
 - 22% are expected to increase less than \$100
 - 21% are expected to increase between \$100 and \$200
 - 24% are expected to increase between \$200 and \$500
 - 10% are expected to increase greater than \$500
- Tier C – Civic/Institutional Properties
 - 3% are expected to realize a reduction
 - 63% are expected to increase less than \$500
 - 9% are expected to increase between \$500 and \$1000
 - 25% are expected to increase more than \$1000
- Tier D – Commercial/Industrial properties
 - 31% are expected to realize a reduction
 - 46% are expected to increase less than \$500
 - 10% are expected to increase between \$500 and \$1000
 - 13% are expected to increase more than \$1000

The average fee and average reduction is only shown for Tier A, as the other tiers' characteristics are too varied to provide clear averages.

Overall, the funding for the stormwater is simply shifting from taxes to a utility; the budget is the same as it would have been under the old property tax system. The changes in charges as noted above are due to the shift in charging for stormwater services based primarily upon property characteristics and services provided instead of being based on assessed property value, and tax exempt properties now paying a fee for stormwater services. Properties in Tier C show the largest average rate increases due to the high proportion of tax exempt properties; these include non-profits as well as other government properties, schools, and other statutorily exempt properties. Tier D, commercial and industrial properties, will see the largest decrease, with some of this shifting to the Tier A, single-family residential tier. Tier B properties, and some Tier D properties will split the costs between all units on their property.

Rainwater Management Incentive Program

Part of the move to the Stormwater Utility includes rewards to encourage sustainable management of the rain that falls on each property; moving from a problem to be directed off site as quickly as possible, to a resource that can be reused onsite or cleaned and slowed to mimic the natural water cycle. The result is reduced flows to the stormwater system and improved water quality.

Since reporting to GPC in January 2014, staff engaged Kerr Wood Leidal Associates Ltd. (KWL) to undertake a detailed case study of 20 representative properties encompassing all four property tiers. Work included site inspections, reviewing which rainwater management strategies would be a good fit on the specific sites, performing a Water Balance Analysis, developing cost estimates and unit costs, examining secondary benefits, reviewing permitting and approval processes, reviewing insurance and other impacts, compiling design, installation and maintenance considerations, and providing a series of discussion points for the City to consider

These case studies provided objective insight into the practicality of providing rewards for rainwater management, including the effectiveness, cost and other concerns and benefits relating to specific rainwater management strategies that could be encouraged. Based on this, and input from the engagement sessions, staff revised the proposed Rainwater Management Credit Program in the following ways:

- Introducing a rebate option for single family properties, to assist with up-front costs associated with installing rainwater management methods.
- Refining the credit program to encourage strategies that are effective in managing rainwater sustainably, while also reducing costs and simplifying the steps needed to achieve the maximum credit. In the original proposed credit program, property owners had to implement more than one

method to get the full credit. It is now understood that some methods, sized correctly, such as rain gardens or permeable paving could manage up to 90% of the rain and runoff on a property.

- Both the credits and rebates collectively will be referred to as Rainwater Management Incentives.

Credits

The rainwater management credits will enable property owners to reduce their annual stormwater utility bill on an on-going basis, if they manage rainwater sustainably with an approved method. All credit applications must be renewed after five years. The credit program varies between property types.

- Single family properties (Tier A) can apply for a 10% reduction off their annual utility bill by employing one or more rainwater management strategies, with the exception of Rain Barrels, as their ongoing impact is very minimal.
- Multi-Unit Residential, Civic/ Institutional, Commercial and Industrial properties (Tier B, C, & D) can apply for a credit ranging from 2.5% to 40% depending on the effectiveness of the rainwater management facility and the areas being directed to it. Generally these properties will have larger stormwater utility bills, so the amount received through an annual reduction off their utility bills through the credit program, will be of higher value. Additional credit amounts of up to 10% are available for property owners who educate employees and the public on the rainwater management strategy that they have implemented on their property. Schools can receive up to 10% for including rainwater management materials in their curriculum and teaching it to students.

Rebates

The rebate program will offer single family properties (Tier A) one-time, upfront assistance with the cost of installing rainwater management facilities, including Rain Barrels. Single family properties will have relatively smaller utility bills, so the value of the credits would also be small. Rebates will provide more of a tangible reward at the time when the investment from the homeowner is needed. Rebates will be on a sliding scale based on the amount of area being managed by the stormwater management facility and its effectiveness. This is only available if owned by a private person (not a business). If a business is in this tier, the larger credit program would apply instead.

Only the credit portion of the incentives program is being brought forward for adoption at this time. Further details about the rebate portion will be brought forward this winter for approval. Rebates are not described in the Bylaw as they do not affect fees, but will be made available as part of an annual program. Provincial legislation prohibits the City from providing rebates to those properties that are businesses.

This is a summary of the credits available for all properties and the draft rebates that are being developed for single family properties.

Credits and Draft Rebates for Single Family Properties

Method	Minimum Size	Minimum Roof Area Treated (m2)	Average Cost for methods – based on case studies (actual costs likely less if only treating a portion of area)	Ongoing Credit	Credit Amount (based on average Single Family SW Utility Bill: \$147)	Draft Minimum Rebate(under development)
Rain Barrel	400L	N/A	\$150	N/A	N/A	\$25
Cistern	1,200 L	25	\$2,000	10%	\$14.70	\$375
Infiltration Chamber	*	25	\$9,000	10%	\$14.70	\$625

Rain Garden	*	25	\$3,000	10%	\$14.70	\$625
Bioswale	*	25	\$3,000	10%	\$14.70	\$625
Permeable Paving – no infiltration trench/piping	10 m2	N/A		10%	\$14.70	\$200
Permeable Paving – infiltration trench/piping	*	25	\$8,000	10%	\$14.70	\$750

* Minimum size will be dictated by the Roof Area Treated

Credit Program for Multi-Unit Residential, Civic/ Institutional, Commercial and Industrial, and Single-family properties (business classification)

Method	Minimum Roof Area Treated (%)	Minimum Driveway Area Treated (%)	Other factors considered	Cost Estimates*	Ongoing Credit	Credit Amount (based on a sample utility bill of \$1,200)
Cistern	25%-90%	N/A	(hand use/ unpermitted, plumbed/used for irrigation, plumbed indoor use)	\$6,000 <u>Avg per unit:</u> Above ground \$1,030/m ³ to Below ground \$1,920/m ³	2.5% - 25%	\$30- \$300
Rain Garden Bioswale Infiltration Chamber	25%-90%	0-90%	N/A	<u>\$20,000</u> <u>Avg per unit:</u> Rain Garden \$215/m ² to Bioswale \$320/m ² Infil. Chamber \$3255/m ³	5% - 40%	\$60-\$480
Permeable Paving	0-90%	25% - 90%	(also considers infiltration pipe or no pipe, etc)	\$35,000 <u>Avg per unit:</u> \$300/m ²	5% - 40%	\$60-\$480
Green Roof	25-90%	N/A	Extensive or intensive	\$60,000 <u>Avg per unit:</u> \$590/m ²	5% - 30%	\$60-\$360
Education	N/A	N/A	Educate Employees/ Public		5% - 10%	\$60-\$120

* Estimates are variable, as property size and amount of impermeable areas vary greatly for these tiers. Average figures will be lower for larger installations.

Other items raised by KWL in the Case Study report include:

- Reduction of flow into the stormwater system is less of a concern than water quality, given the City's proximity to the ocean and number of discharge points. The Rainwater Management Incentive Program and the strategies should focus more on those that provide water quality improvement benefits, and secondarily on those that provide storage, reuse, and rate control for flows to the stormwater system.
- Change the credit program to allow a property owner to reach the maximum credit based on the amount of area being treated, rather than on requiring two or more facilities to reach the maximum credit.
- Allow for a sliding scale for credits to encourage participants to make better use of rainwater management facilities.

- Link credits with the performance.
- Consideration for other rainwater management strategies to be included in the credit program.
- Do-It-Yourself (DIY) options could be made available; however it will require well described parameters for property owners to work within. Green roof installation should not be included in the DIY list of projects.
- Potential secondary benefits of rainwater management facilities:
 - Reduction in potable water and sewer fees where stormwater is stored and reused for irrigation or indoor plumbing.
 - Improvement in water quality.
 - Improved aesthetic and property values. One study has shown that buyers are willing to pay 5.5% more for properties with prominent rainwater management landscaping features than for other similar properties in similar neighbourhoods.
 - Green Roofs provide significant secondary benefits that may exceed the primary stormwater benefit. These include: greater roof longevity, improved thermal insulation of the roof, green space that can improve insect and bird habitat and provide roof-top agriculture, peak flow reduction, and a marginal improvement in water quality.
- Discussion points around City processes, design criteria and the impact of rainwater management facilities on property insurance and flooding concerns.

Much of this information from the KWL report was incorporated into the model and particularly the changes to the Rainwater Management Incentive Program. These changes also addressed much of the feedback collected during engagement, and help to make the program more focused on the outcomes of managing rainwater on a property. Credits are scaled to include smaller rainwater management facilities and greater significance is placed on stormwater quality improvement. However, it must be noted that their installation will not be seen as affordable to many property owners, in spite of the rewards offered; they are not designed to provide a short term payback on the investment, rather they may encourage property owners who have to replace a damaged or worn infrastructure, or who want to change features of their property, to use a “green” or sustainable option with the help of a reward to close the gap in costs. The focus is on encouraging sustainable behaviour incrementally over time.

Streamlining of City Processes

The KWL report identified City approval processes as a potential barrier to the Rainwater Management Incentive Program due to additional time, cost and effort for property owners. For example, under current City regulations and requirements, a Development Permit (DP) or Heritage Alteration Permit (HAP) may be required for some rainwater management practices, while the installation of others may be limited by existing zoning regulations. Nonetheless, zoning regulations, DPs and HAPs serve important purposes in order to avoid poorly designed rainwater management systems that may have negative impacts on adjacent properties or the public realm.

Staff have identified a recommended approach that would achieve the goals of encouraging and streamlining the Rainwater Management Incentive Program approval process. This approach is outlined in an accompanying report

Changes to Existing Sanitary Sewer portion of the Sanitary Sewer and Stormwater Utilities Bylaw

The proposed Sanitary Sewer and Stormwater Utilities Bylaw will replace the existing sewer bylaw which was established in 1982 and has never had a major update. The majority of the sanitary sewer components of the proposed bylaw are simply updating the current bylaw and bringing the bylaw in line with current standards and practices. There are however, a few sections which should be highlighted.

It is proposed that where a building permit with an estimated value exceeding \$100,000 is applied for on a property with existing service connections, the connections must be inspected by the City and if not to current standards, either lined or replaced. By renewing or replacing existing services during major renovation or reconstruction, the City will reduce long term maintenance and reduce inflow and infiltration into the system. At the end of any building or plumbing construction project, an owner will be required to have a qualified plumber inspect the service connection to demonstrate that the pipe is

properly connected to the correct main, no debris was left in the service connection pipe and that the pipe was not damaged.

It is proposed that where an existing service connection is tested for reuse, and is a good candidate for rehabilitation that would bring it up to acceptable standards, that an applicant can pay a fee to have the service connection lined rather than have to excavate and replace the service connection. This is a less expensive option that reduces or eliminates damage to the road and sidewalk, with a technology that the City regularly uses.

An opportunity is provided in the bylaw for qualifying properties to apply for an exemption from the sewer user charge for water used for irrigation. Qualifying properties include community gardens, urban gardens and lawn bowling clubs located on public land (all three are in the City). To qualify, properties must install, at their own expense, a water meter, and possibly a water service, that is used only for irrigation. Many of these properties already have water meters in place that are used exclusively for irrigation and therefore no additional work would be required.

The proposed bylaw also contains a clause permitting overflow service connections such as the one currently provided to Dockside Green. Dockside Green has its own on-site sewage treatment plant. The design allows sewage from Dockside Green to overflow into the City sewage system if their plant is off line. There is a flow monitor on the connection and Dockside is charged a sewer user fee for any usage. While this system has been in place for many years, it was not expressly permitted under the existing bylaw.

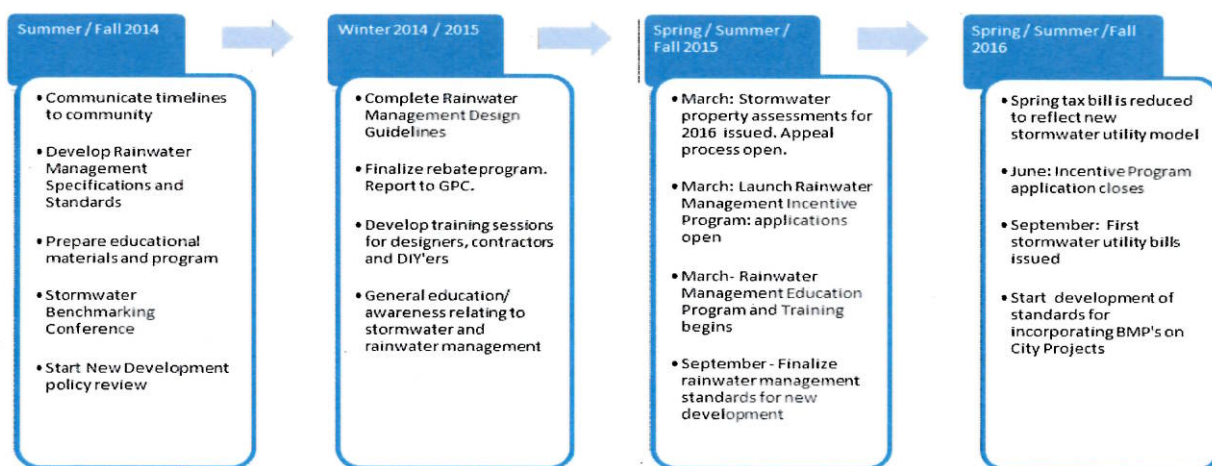
Staff have included the amendments as instructed at the June 26, 2014 GPC meeting regarding refunds for utility customers where an error has taken place in billing.

Future Stormwater Focus Areas

The next two areas of focus for the Stormwater Utility are to explore the potential for changing the measures related to new development to incorporate rainwater management principles, and to develop rainwater management design guidelines for incorporation into City projects on roads, rights of ways, and on City property and buildings.

Next steps and Timing

Once the recommendations in this report are approved by Council these are the next steps to be undertaken prior to issuance of the first Stormwater Utility bills:



Stormwater Utility Communications and Engagement

The purpose of the upcoming engagement is to educate and inform property owners, as the City of Victoria introduces the Rainwater Management Incentive Program in 2015 and transitions to the stormwater utility model in 2016.

Four phases have been identified.

1. The pre-launch phase will keep momentum going by updating stakeholders on what to expect in 2015 and 2016, while continuing to celebrate civic and private properties that are managing rainwater sustainably. An education program for various sectors in the rainwater management industry will also occur in this phase.
2. In March 2015, all property owners will receive a stormwater property assessment notice, explaining the change in the billing model and giving them detailed estimates for what to expect when their first stormwater utility bill arrives in the fall of 2016. The Rainwater Management Incentive Program will also be introduced and the application process will open. Educational opportunities will be developed to help property owners understand which rainwater management methods could be a good fit for their property. During this phase, property owners will also have an opportunity to appeal their property characteristics that will inform the new billing system.
3. In the spring of 2016, the shift from property tax to stormwater fee will take place. This change will be communicated along with a reminder to watch for the first Stormwater Utility bill in the fall.
4. The final phase will be in the fall of 2016 when the first utility bills are issued. Additional information about the stormwater utility, the importance of the stormwater system and a reminder of the incentive program will be included.

A comprehensive communications and engagement plan is attached as Appendix B.

Conclusions

Developing the Stormwater Utility has been an extensive project involving staff from most departments. It has brought together the best models from other cities across North America, and people from various sectors who have a passion for creating a more sustainable model for dealing with stormwater. This model is a culmination of all of this work. Changes will likely be made in the future to improve it, as it is impossible to completely understand how a model and program will operate until it is underway. This is a significant step in a progressive direction that will reap long term benefits for our environment and future generations. Change is seldom easy nor welcomed by all those it affects, but in this process people have had many opportunities for input, and this feedback has, in a very direct way, helped to develop the program into what it is now – progressive and leading. Upcoming phases to make rainwater management practices mandatory for new development and on City projects will also be important in shaping the City of Victoria for the future.

This Stormwater Utility program is being recommended for implementation over a two year time frame starting with the Rainwater Management Incentive Program in March 2015 and utility fee billing in September 2016, which will give property owners ample time to prepare for it, and look at opportunities to undertake projects that will allow them to take advantage of the incentives. It will provide staff more time to deal with the anticipated large volume of applications for the incentive program from projects that property owners have installed in years past. It will also allow more time to complete the development of standards and specifications and educate property owners, designers, and the contractors could be involved in the implementation.

Recommendations

1. That Council adopt the Stormwater Utility and model as outlined in this report.
2. That Council adopt the revised Sanitary Sewer and Stormwater Utilities Bylaw (Appendix A)

3. That Council instructs staff to amend the City of Victoria Reserve Fund Policy to establish a Stormwater Utility Reserve Fund. The purpose of this reserve is to provide funding for stormwater equipment and infrastructure.
4. That Council amend the 2014-2018 Financial Plan Bylaw for the 2015 year, to reduce the property value taxes line item by \$5,481,982 and add a stormwater utility fee line item in the same amount.

Attachments

Appendix A – Sanitary Sewer and Stormwater Utilities Bylaw

Appendix B – Communications and Engagement Plan