



## Governance and Priorities Committee Report

### For the Meeting of January 22, 2015

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**To:** Governance and Priorities Committee **Date:** January 07, 2015  
**From:** Dwayne Kalynchuk, Director of Engineering & Public Works  
**Subject:** Stormwater Utility Rebate Program

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#### Executive Summary

The purpose of this report is to present Council with the proposed Stormwater Utility Rebate Program for adoption.

In July, 2014, Council adopted the Stormwater Utility and the final model including a credit program, as well as the Sanitary Sewer and Stormwater Utilities Bylaw. Staff advised that the rebate program would be finalized and brought forward for adoption, as it is not part of the bylaw. It is anticipated that the rebate program will educate property owners about the importance of rainwater management, and encourage residential property owners to install sustainable rainwater management features when doing landscaping or other exterior improvement work to their property.

The proposed rebate program provides a tangible up-front financial reward for Tier A residential properties (4 units or less) who undertake a rainwater management project on their property. Due to the smaller properties in this tier, ongoing credits would have been quite small and were not expected to induce much participation. This program does not apply to other property types or businesses as the Community Charter prohibits the City from providing rebates to those properties that are owned by a business; those properties can apply to the full ongoing credit program.

Once a property owner has a rainwater management project approved and completed, an automatic 10% ongoing credit will be applied to future stormwater billing (except for rain barrels) in addition to the one time rebate. The rebate program will run from April 2015 to December 15, 2017, and is proposed to be limited to \$75,000 per year for a total program total of \$225,000 over the three years. Upon completion of this program, staff will evaluate its performance, present the findings to Council, and adapt the program as necessary.

#### Recommendation:

That Council adopt the proposed Rainwater Management Rebate Program as outlined in this report, for the period of April 2015 to December 15, 2017.

Respectfully submitted,

A blue ink signature of Ed Robertson.

Ed Robertson  
Assistant Director  
Public Works

A blue ink signature of Dwayne Kalynchuk.

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

A blue ink signature of Susanne Thompson.

Susanne Thompson  
Director  
Finance

Report accepted and recommended by the City Manager:

Date:

A blue ink signature of the City Manager.  
January 13, 2015

## **Purpose**

The purpose of this report is to present Council with the proposed Stormwater Utility Rebate Program for adoption.

## **Background**

In July, 2014, Council adopted the Stormwater Utility and the final model, as well as the Sanitary Sewer and Stormwater Utilities Bylaw including a credit program. Part of that report outlined the Rainwater Management Incentive Program which is made up of ongoing credits available for all property types and one-time rebates for single family residential properties. The credit portion of the incentive program was adopted, as it was part of the bylaw, however the rebate portion was not part of the bylaw and had yet to be finalized. This report will complete the details of the proposed rebate program and explain how it will function. It is not included in the bylaw as it does not affect ongoing utility rates, rather is a one-time payment for work undertaken.

## **Issues & Analysis**

The interdepartmental team that is working to develop the Stormwater Utility has concluded its work on the Rainwater Management Rebate Program; it has been developed for Tier A residential properties (4 units or less). Properties of this type will have relatively small Stormwater Utility bills where the result of a credit would be minor. The goal is to provide one-time, upfront assistance to help offset the cost of installing rainwater management facilities to go along with the 10% ongoing credit that was approved in the bylaw; it would provide a tangible reward at the time of investment for the homeowner. Tier B (Condominiums and Apartments), Tier C (Civic/Institutional) and Tier D (Commercial/Industrial) properties were not included as their utility billing is higher and therefore a resulting credit will be more significant. In addition, businesses in any tier cannot be offered a rebate under the Community Charter (prohibition against providing assistance to a business).

The City recognizes that property owners are more likely to undertake a rainwater management project when a property is being redeveloped or when they are undertaking a significant improvement project. Consequently, the proposed rebate program includes a special provision for developers of Tier A residential properties that would see the rebate and credit passed on to the new homeowner of the developed property. Other communities have typically seen between 1% to 3% of property owners undertake rainwater management. The proposed program is designed to achieve this level of participation or higher.

The key components of the rebate program are as follows:

### Timeframe

The Rainwater Management Rebate Program is proposed to commence in April 2015, right after the stormwater property assessment notices are sent to property owners. It is proposed to end on December 15, 2017. Staff will evaluate the effectiveness of the program at that time, and make recommendations to Council on any changes for a future rebate program. Application to the program must be made by July 2017, with final documentation submitted and construction completed before the program end date.

### Who May Apply

The Program is available to Tier A, residential property owners (4 units or less) who occupy the property as their principal residence; residential strata properties in this Tier are included in the program. It does not include rental properties as this is considered a business. All other properties and rental properties would apply to the ongoing credit program only. Provincial legislation prohibits the City from providing rebates to those properties that are owned by a business.

Developers or contractors of a Tier A property may apply for a rebate, under the following conditions:

- If it is going to be their principal residence, they must provide a sworn statement to that effect;
- If it is not going to be their prime residence, they may apply on behalf of the future purchaser of that property, as long as the future purchaser will occupy the property as a principal residence. They must have the required approvals, and must submit all documentation as required for the program.

The rebate will be issued to the future property purchaser once the City is supplied with that information, and has received proof of the purchaser's residency at the property.

Where there is any question of the applicability of the rebate program, the Director of Engineering & Public Works will make the final determination as stipulated in the bylaw.

#### Rebate Budget

The proposed rebate program will be limited to issue a maximum of \$75,000 in rebates per year of this program to a total of \$225,000 over the three years. This amount is based on information from other municipalities regarding the uptake of their programs, and a review of the number of applicable properties in the City of Victoria. If applications are received in excess of this amount, they will be considered in the following year. Even though billing and ongoing credits for the Stormwater Utility will not commence until 2016, rebates will be issued to applicants when construction is complete and final documentation is submitted and accepted.

#### Rebate Structure

Rebates for systems that clean and infiltrate runoff will be based on roof and surface catchment treated, except for Permeable Pavement with no underdrain, which will be based solely on the area of that pavement. Systems that capture and store water for reuse or slow release will be based on the volume of the storage.

The application for a rebate will automatically trigger the ongoing credit program; if a rebate application is approved, the 10% ongoing credit that was included in the Sanitary Sewer and Stormwater Utilities Bylaw will be automatically activated. This does not include rain barrels, which are only eligible for the rebate due to their level of effectiveness and impact.

Rebates are not retroactive for previously installed Rainwater Management features; they only apply to newly installed features, as they are an incentive to undertake new works.

#### Program Operation

The Stormwater Utility rebate program will be administered by the Stormwater Utility Engineering section. Operational costs for the program have been budgeted as part of the annual budget. Information about the program and how to apply will be included with the Stormwater Utility property assessment notices that will be mailed out in March 2015. The process of application will include undertaking a site assessment, designing the rainwater management facility, obtaining approval and any necessary permits from the City of Victoria, undertaking the work with some inspections, and submission of the final costs and receipts for verification. There will be the ability for property owners to do the work themselves or to hire professionals in this field.

Roof / Surface Catchment					
BMP	Min. size	\$/L	\$/m <sup>2</sup>	Min Rebate	Max Rebate
Rain barrel (minimum 2 x 175L size)	350L	\$0.10	n/a	\$35	\$100
Cistern	1200L	\$0.15	n/a	\$225	\$600
Rain Garden, Bioswale, Infiltration chamber <sup>1</sup>	25m <sup>2</sup>	n/a	\$15	\$375	\$1,000
Permeable Pavement - no underdrain <sup>3</sup>	10m <sup>2</sup>	n/a	\$20	\$200	\$750
Permeable Pavement - with underdrain and infiltration trench <sup>1</sup>	25m <sup>2</sup>	n/a	\$30	\$750	\$1,500

#### Footnotes

<sup>1</sup> Minimum size of roof and/or surface catchment areas treated

<sup>3</sup> Minimum size is area of Permeable Pavement

**Conclusions**

The Rainwater Management Rebate Program should provide an incentive to Tier A, residential property owners to undertake the installation of a rainwater management feature on their property. It will help to defray the upfront costs of design assistance, materials and installation. Some property owners may decide to undertake the work themselves using the City of Victoria standards or they may choose to work with stormwater management professionals.

The small ongoing credit will reward them for helping to improve the quality of rainwater leaving their property, or reducing the amount that leaves their property. Although the individual impact of each lot may seem small, over time, this will make a difference to the surrounding environment. This program will be monitored over its life to evaluate its effectiveness. As it is limited in total budget amount and timeframe, the costs will be effectively managed. The uptake and impact will influence the future iterations of this program and will help to educate property owners about the importance of rainwater and how their own properties can have a positive impact on this precious resource.

**Recommendations**

That Council adopt the Rainwater Management Rebate Program as outlined in this report, for the period of April 2015 to December 15, 2017.