

SECTION:	Finance	APPROVED BY:	County Council
NUMBER:	6.05	SIGNATURE:	Original signed by: Ben Addley, CAO
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REFERENCE POLICY:	6.14, 6.18, 6.19, 6.23	REVISED:	January 22, 2025

Extension of Municipal Water and Wastewater Services Policy

POLICY

1.0 Purpose

- 1.1 To provide direction on how the costs of extending water and wastewater services to previously unserved or privately serviced areas are recovered from land developers and the consumers of such services.
- 1.2 To specify the roles and responsibilities of individuals, departments and divisions throughout the process.

DEFINITIONS

2.0 Definitions

“Banked Property” shall mean a property that does not have an existing structure, in which case collection of billed fees would be deferred (banked) until development or connection is installed.

“Benefitting Properties” shall mean separately assessed properties receiving a service(s) or opportunity for service(s) as a direct result of the project.

“Council” shall mean the Council of the County of Oxford. Herein also referred to as County Council.

“County of Oxford” herein is also referred to as the County, or Oxford County.

“Developed Area” shall mean an area where residential and commercial buildings already exist and were previously serviced with private wells and septic systems or one private service in combination with municipal services.

“Developer” means the Owner, sub-divider or party specifically named in a Development Agreement or in a Subdivision Agreement.

“Personal Property” shall mean a property owned by an individual or corporation and not by the County of Oxford.

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PROCEDURES

3.0 Legislative Authority

- 3.1 Sections 9, 11 and 391 of the Municipal Act, 2001, S.O. 2001 c. 25, provide that the County of Oxford, as an upper-tier municipality, may pass by-laws imposing charges for capital costs related to water and wastewater services upon the owners of lands to which such services are provided.

4.0 Principles and Objectives

- 4.1 The County is responsible for municipally owned water and wastewater services within its boundaries. Municipal services are constructed for various reasons. New development is proposed providing lots that require municipal services because services do not exist, previously developed lots require some form of municipal services or direction is provided by another governing body to provide services.
- 4.2 New development is continuous and a process to plan and manage municipal services is important. In Oxford County, development may occur in many ways including, but not limited to, consent approvals under the Planning Act for five or fewer lots, or by subdivision approvals for larger than five lots. Regardless of the approval process, services must be planned and financing for the associated costs of such services must be determined.
- 4.3 Services may also be extended to a previously developed area, as permitted under the County's Official Plan. When this occurs, the financial impact on property owners will be addressed in a by-law to assess costs to Benefitting Properties.

5.0 Responsibilities

5.1 General Responsibilities for All Departments

- 5.1.1 Communicate with Corporate Services on all water and wastewater service extension projects.
- 5.1.2 Ensure all department led public consultation steps are adhered to.

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5.2 Council

- 5.2.1 Ensure, through administration as set out in Section 5.3, that procedures are in place to provide for the application of this Policy.
- 5.2.2 Approve through by-law, the cost allocation resulting from service extension projects to Benefitting Properties, and debenture options in accordance with the terms of this Policy.

5.3 Corporate Services

- 5.3.1 Responsible for administration and compliance monitoring of this Policy.
- 5.3.2 Establish procedures for use as guidelines in compliance with this Policy.
- 5.3.3 Maintain an application for deferral form and facilitate the deferral process with property owners in compliance with this Policy.

6.0 Methods of Connection

6.1 Extending Services to a New Development

- 6.1.1 A Developer may be directly responsible to complete the extension of water and wastewater services as applicable to their development based on the provisions in Local Services Policy 6.23. Associated costs and / or securities will be identified in the related subdivision or development agreement.
- 6.1.2 The County, or an area municipality or developer on behalf of the County, may lead a project to extend water and wastewater services as applicable to a new development area. The project should be defined in the County's Development Charge Background Study and would include a benefit to existing estimate that is allocated on project completion to Benefitting Properties through the process defined in this Policy.

6.2 Extending Services to a Developed Area

- 6.2.1 Where a property owner has requested that an extension of services be completed and is the sole benefitting property, the costs will be in accordance with the

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County's Fees and Charges By-Law No: 4889-2007. The property owner may be requested to complete the connection within the Municipal Right-Of-Way depending on County staff capacity. In such a case appropriate securities are collected in advance of the work being completed.

- 6.2.2 Where a services extension project has multiple Benefitting Properties, costs will be allocated through the process defined in this Policy.

7.0 Public Consultation

7.1 Recognizing the evolving nature of servicing projects and the associated cost estimates, the County will, to the best of its ability, ensure that Benefitting Properties are informed of the intention to service and the potential impacts on Benefitting Properties.

7.2 Direct public consultation shall occur at the following stages:

7.2.1 During the servicing study and prior to construction – Public Information Centre and direct mail notification including project information and overview of the billing process, as applicable.

7.2.2 Following acceptance of the construction tender – Construction Information session and direct mail notification including project information, overview of the billing process, and a high-level estimated cost range.

7.2.3 Annually (as applicable) – direct mail notification required where no other communication points are anticipated as a reminder of the project impacts, timing and high-level estimated cost range if available.

7.2.4 Upon finalization of project costs:

- a) Public Information Centre and direct mail notification – to review the connection and billing process and provide final estimated costs prior to Council approval of the By-Law assigning costs to Benefitting Properties.
- b) Direct mail notification indicating Council approval of the By-Law assigning costs to Benefitting Properties and next steps for making payment or selecting a financing option.

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- c) Direct mail notification providing the debenture schedule based on the Council approved By-Law, if required.

7.2.5 Prior to the mandatory connection deadline – direct mail notification reminder of the mandatory connection deadline and the applicable billing of water and/or wastewater rates.

8.0 Cost Allocation Methodology

- 8.1 Project costs are tracked based on asset type to ensure only applicable costs are included in the cost allocation.
- 8.2 Final project costing shall be determined after substantial completion of the project and finalizing the County's year-end to ensure all cost information has been accounted for.
- 8.3 Development charges are applied to projects in accordance with the Development Charges Background Study.
- 8.4 Costs associated with replacing existing infrastructure are subtracted from the cost allocation.
- 8.5 Specific costs related to looping completed for the benefit of the system are subtracted from the cost allocation.
- 8.6 Costs related to additional provisions required upon connection of the benefitting property (for example costs of grinder pumps) are added to the cost allocation.
- 8.7 Remaining costs are allocated to Benefitting Properties based on an installed equivalent service basis as illustrated in the following table:

Service Size	Equivalent Service
Single detached and Semi Detached	1.0 for each unit
Other Multiples	0.80 for each unit
Apartments	0.50 for each unit
Residential Future Development (Banked)	1.0 for each unit
Non-Residential	Multiplier based on flows relative to a single detached

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Service Size	Equivalent Service
Non-Residential Future Development (Banked)	1.0 for each service installed where future development is not known.

8.8 Allocated fees will be adjusted as applicable based on the provisions established for the Community Servicing Assistance Program under By-Law No. 5345-2012.

9.0 Financing

9.1 Financing options will include:

9.1.1 A lump-sum payment of the assessed amount in full.

9.1.2 A lump-sum payment of 50% of the assessed amount and the remaining 50% of the assessed amount financed by the County which will be subject to annual debt repayment obligations added to the municipal tax bill over a 5-year period.

9.1.3 Full assessed amount financed by the County which will be subject to annual debt repayment obligations added to the municipal tax bill over a 10-year period.

9.2 County issued long term financing has a set term and cancellation, or prepayment of the annual debt obligation, cannot occur during the term of the financing by neither the current or any future property owner.

9.3 The interest rate related to the County long term financing provided will be based upon actual rates negotiated at the time of debt issuance by the County, except when the long-term financing occurs by way of internal borrowing of County funds, in which case the interest rate will be set in accordance with County of Oxford Debt Management Policy 6.19.

9.4 Benefitting Property owners will be encouraged to seek a third-party source of financing as they may offer more favourable interest rates and flexible long-term payment options.

9.5 Benefitting Properties will be provided with a minimum of 60 days from the date of the billing letter identified in Section 7.2.4 b) to select the preferred financing option.

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9.6 The County will not offer debenture payment options for fees charged in accordance with the County's Fees and Charges By-Law No: 4889-2007 or for the cost of private services on Personal Property.

10.0 Mandatory Connection

10.1A mandatory connection date of October 31st in the year subsequent to the billing year, is established through the billing By-Law.

10.2Mandatory connection requirements will not apply to Banked Properties or vacant properties until they are developed.

11.0 Deferral Options

11.1 Benefitting Property owners may apply for deferral, under one of the circumstances outlined under paragraph 11.5, 11.6 and 11.7 within 30 days of the billing letter identified in Section 7.2.5 b). Should the property owner's request not satisfy the requirements of the selected deferral option the property owner will be required to select the preferred financing option by the deadline identified in the billing letter.

11.2 The deferral period granted will be based on the mandatory connection date identified in the billing by-law and all property owners will be required to sign an agreement acknowledging the deferral amount and the conditions of the deferral.

11.3 All deferrals are subject to confirmation that the private services are in good working order. If a service is deemed not in good working order at any point throughout the deferral period, the property owner will be required to connect to both services (as applicable).

11.4 Deferrals granted under Section 11 are only extended to the current property owner. If the property is sold during the deferral period, the new owner(s) will be required to connect to the municipal services and deferred fees are due upon the closing date.

11.5 Financial Hardship

11.5.1 Property owners that are experiencing or will experience financial hardship as a result of the fees and/ or mandatory connection requirements associated with a

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bill-out may apply for deferral of either the capital billing fees or mandatory connection date or both and provide support for the claim of financial hardship. The application is submitted to the Treasurer to confirm eligibility, in accordance with the Delegation of Powers and Duties Policy 6.14.

11.5.2 The term of the deferral shall not exceed three years and will be determined by the Treasurer.

11.5.3 Deferral of fees associated with the bill-out will be registered as a lien upon the Benefitting Property.

11.5.4 Interest will not accrue on the capital fees during the period of the deferral.

11.5.5 Property owners may request an extension at the end of the term of deferral through the submission of a subsequent application.

11.6 Replacement of private services within 20 years of installation

11.6.1 Property owners may apply for deferral if one of the impacted services was installed within 20 years from the date of the bill-out by-law referenced in section 5.2.2. Property owner is required to submit proof of installation date.

11.6.2 The deferral will be limited to the mandatory connection date only and will not apply to the capital billing fees under this deferral option.

11.6.3 The term of the deferral shall be to a maximum of 20 years from when the service was installed and will be confirmed by the Treasurer.

11.6.4 Extensions of deferrals granted under Section 11.6 will not be offered. This does not prevent the property owner from requesting an extension based on financial hardship as outlined under Section 11.5, through the submission of a subsequent application.

11.7 Properties set-back over 50 metres

11.7.1 Property owners may apply for deferral if the existing building with plumbing that is being connected is set-back over 50 metres from the property line.

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11.7.2 The deferral will be limited to the mandatory connection date only and will not apply to the capital billing fees under this deferral option.

11.7.3 The term of the deferral shall not exceed three years and will be confirmed by the Treasurer.

11.7.4 Extensions of deferrals granted under Section 11.7 will not be offered. This does not prevent the property owner from requesting an extension based on financial hardship as outlined under Section 11.5, through the submission of a subsequent application.

12.0 Retention Policy

12.1 All documents shall be retained in accordance with the County of Oxford's Records Retention By-law 4957-2008 (Policy 6.18 Records Management).

13.0 Review of Policy and Procedures

13.1 This Policy shall be reviewed at least once every five years.

14.0 References and Related Statements of Policy and Procedure

Delegation of Powers and Duties Policy 6.14

Records Management Policy 6.18 (Records Retention By-law 4957-2008)

Debt Management Policy 6.19

Local Services Policy 6.23

Development Charges Background Study (most recently approved)