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Report 2024-040

Report Title: Sewage System Agreement Renewal

Committee Name: Economic Development, Tourism and Planning

Committee Meeting Date: March 6, 2024

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Economic Development, Tourism and Strategic Initiatives

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Approved by: Jennifer Moore, CAO

Council Meeting Date: March 20, 2024

Strategic Plan Priorities: Innovate for Service Excellence
 Ignite Economic Opportunity
 Foster a Thriving Community
 Propel Sustainable Growth
 Champion a Vibrant Future

Recommendation

That the Economic Development, Tourism and Land Use Planning Committee, having considered Report 2024-040 ‘Sewage System Agreement Renewal’, recommend that County Council authorize staff to prepare a by-law for a renewed sewage system agreement between the County and local municipalities; and

Further That the Committee recommend that County Council direct staff to send a copy of the renewed sewage service agreement to each local municipality for signature; and

Further That the Committee recommend that upon the local municipalities signing the agreement, County Council enact a by-law to ratify the agreement at the June 19, 2024 County Council meeting.”

Purpose

This report provides an overview of the current service agreement between the County and local municipalities for sewage system inspection services. The report also summarizes recent discussions with local municipal staff to renew the service agreement which is set to expire on June 30, 2024. The report recommends a process to execute a new service agreement for the County to continue to provide sewage system services on behalf of the local municipalities.

Background

In 2014, five local municipalities and the County executed a 10-year service agreement for the County to administer and enforce Part 7 (on-site sewage systems) of the *Ontario Building Code* on behalf of the municipalities. A year later the Municipality of Brighton entered into a similar but separate agreement with the County to perform on-site sewage inspections in Brighton. In accordance with the service agreements, the County oversees on-site sewage system services for all municipalities, other than Trent Hills.

The sewage service agreement between the County and local municipalities (Alnwick/Haldimand, Cramahe, Cobourg, Hamilton, and Port Hope) will expire on June 30, 2024. The agreement between the County and Brighton is set to expire on June 30, 2025.

A new service agreement is required for the County to continue to provide on-site sewage system inspections and sewage services on behalf of the local municipalities.

Consultations

On January 31, 2024, County staff met with the municipal Chief Building Officials (CBO) group to present a draft 10-year agreement to continue on-site sewage services on behalf of the municipalities. County staff presented minor modifications to the agreement that better reflect the daily operations and responsibilities undertaken by County Inspection Services (refer to discussion section below).

It was noted that an agreement between the County and Brighton has an additional year until it is set to expire. In consultation with the County Solicitor, staff will explore options to have all participating municipalities under one agreement.

It was also noted that the County and Trent Hills do not have an agreement for sewage services. Currently, Trent Hills administers sewage system permits and inspections as part of their Building and Development Services Department. County staff noted that County Inspection Services has resources available to assume sewage services on behalf of Trent Hills should the municipality wish to be part of the service agreement with the other municipalities.

At the time of preparing this report, no additional comments or concerns were raised by any of the CBOs regarding service agreement renewal. County staff will continue to work with the local municipalities to include any changes/updates to the agreement that are needed.

Legislative Authority / Risk Considerations

Section 6.2(1) of the *Building Code Act* allows the council of an upper-tier municipality and local municipalities to enter into an agreement for the enforcement of the *Building Code* related to sewage systems.

The County has established a sewage inspection service with qualified and appointed on-site sewage inspectors that enforce the sewage system provisions and inspection requirements of the *Building Code* and the terms of the service agreement.

Discussion / Options

The majority of the provisions and responsibilities in the current service agreement remain applicable and will be carried over to a new agreement. A new sewage system agreement would be for another 10-year term to the year 2034. All dates in the agreement have been adjusted to reference the new term.

There are also three minor modifications to specific provisions in the agreement that clarify the service responsibilities which have evolved since the initial service agreement was prepared.

1. The review of planning applications with proposed on-site sewage systems is now coordinated by the County Planning Service which works closely with County Inspection Services in reviewing sewage system matters related to planning documents . As such, the agreement provision for County Inspection Services to review planning documents and respond directly to local planning authorities is redundant and has been removed.
2. A process for sewage system re-inspections was formalized in 2021 with the approval of the County Sewage System Re-inspection By-law. As such, the provision for issuing 'certificates of re-inspection' is redundant and reference to the new Re-inspection By-law has been added to the agreement.
3. The current agreement includes a provision for payment of costs incurred for termination of the agreement. This provision has been changed from the costs being the sewage system permit fees for the last calendar year to the costs being the average permit fees for the past three years. This adjustment accounts for year-to-year variations in sewage system permit activity.

Financial Impact

In 2023, the operating budget for County Sewage Inspection Services was \$249,500 and includes a contribution to a special reserve exclusively for continued operations of sewage services. There is no impact on the tax levy and no cost to local municipalities for executing the service agreement.

In accordance with long-range budgets for Sewage Inspection Services, it is anticipated that sewage system permit fees will need to increase between 2025 and 2026 for ongoing service operations over the term of the agreement. A review of sewage permit fees and charges will be undertaken following renewal of the agreement. Any subsequent change to sewage permit fees will be subject to County Council approval in accordance with the County Fees and Charges By-law. Reference to the County Fees and Charges By-law has been added to the new service agreement.

Member Municipality Impacts

Upon renewal of the agreement, local municipalities will be assured that sewage system responsibilities under the *Building Code* will be carried-out by County Inspection Services for another 10-year term.

Conclusion / Outcomes

A service agreement between the County and the local municipalities (excluding Trent Hills), to administer and enforce the sewage system requirements of the *Building Code*, is set to expire June 30, 2024. A service agreement with Brighton will expire on June 30, 2025. It is recommended that staff be authorized to update and renew the agreements for a 10-year term to continue to provide sewage system services on behalf of the municipalities. The service agreement will be sent to each municipality to sign to execute the agreement. Once all participating municipalities have signed the agreement, County Council will enact a by-law to ratify the agreement at a future Council meeting.

Attachments

- 1) Draft Service Agreement