

THE CORPORATION OF THE TOWNSHIP OF SOUTH STORMONT

BY-LAW NO. 2026-023

BEING a by-law to for establishing a water and wastewater capacity allocation policy for new connections to municipal services in the Township.

WHEREAS the *Municipal Act, 2001*, c. 25, s. 5 (1) provides that the powers of a municipal corporation are to be exercised by its council;

AND WHEREAS the *Municipal Act, 2001*, c. 25, s. 5 (3) provides that the powers of every council are to be exercised by by-law;

AND WHEREAS the *Municipal Act, 2001*, c. 25, s.11 provides that a municipality may pass by-laws respecting matters within the sphere of public utilities;

AND WHEREAS the *Municipal Act, 2001*, c. 25, s. 326 (1) authorizes the council of a local municipality, in authorizing the installation of special services, to pass a by-law to identify a special service and determine which of the costs are related to that special service;

AND WHEREAS the *Municipal Act, 2001*, c. 25, s. 326 (4) authorizes the council of a local municipality, in authorizing the installation of special services, to levy a special local municipal levy upon owners or occupants of land who derive or will or may derive a benefit, to pay all or such portion of the capital costs as the by-law may specify;

AND WHEREAS the *Municipal Act, 2001*, c. 25, s. 391, authorizes Council to pass a by-law imposing fees or charges for services or activities provided and for costs payable by it for services or activities provided and for use of its property;

AND WHEREAS the *Municipal Act, 2001*, c. 25, s. 398 states that the Treasurer of a local municipality may add fees and charges imposed by the municipality to the tax roll for the property in the local municipality and collect them in the same manner as municipal taxes and, in the case of fees and charges for the supply of a public utility, the property to which the public utility was supplied and, in all other cases, any property for which all of the owners are responsible for paying the fees and charges.

NOW THEREFORE Council of the Corporation of the Township of South Stormont enacts as follows:

1. That the Township of South Stormont follow the Capacity Allocation Policy as set out in Schedule "A" attached hereto and forming part of this by-law are hereby adopted and shall be in effect as noted in the Schedule.
2. All vacant lands, severances, subdivisions within the settlement areas of South Stormont where municipal servicing with water and wastewater are provided shall comply with this by-law in order to allow for municipal servicing.
3. Any other by-laws inconsistent with this by-law are hereby repealed.

READ AND PASSED in open Council, signed and sealed this 22nd day of April, 2026.


D/ Mayor _____


D/ Clerk _____

Schedule "A"

Water and Wastewater Capacity Allocation Policy

Definitions

1. Capacity Allocation: defined as the temporary reservation or holding of water and/or wastewater capacity for developments in progress prior to connection.
2. Equivalent Residential Unit (ERU): defined as a three (3) bedroom single detached residence with an average occupancy of 3 persons per equivalent residential unit or 1.35 m³/d/ERU.
3. Infill Lot/Development: defined as a development of less than or equal to ten (10) equivalent residential units.
4. Standard Development: defined as a stand-alone development, subdivision phased development consisting of residential, multi-residential, mixed use, commercial, industrial, or institutional development requiring approval under the Planning Act consisting of greater than ten (10) equivalent residential units or equivalent flow.
5. Phased Development: defined as a Standard Development that is subdivided into smaller phases.
6. Uncommitted Reserve Capacity: defined as the hydraulic capacity of either the water or wastewater system as defined by Ministry of the Environment Conservation and Parks procedure D-5-1 available for development requirements.
7. Reserve Allocation: Allocation of water/wastewater capacity that is reserved for a period of time based on achieving the milestone(s) indicated in the policy.
8. Committed Allocation: Allocation of water/wastewater capacity that is committed to a development based on execution and registration of the development specific requirement under the Planning Act as defined in the policy.

Policy Statement

The communal water and wastewater systems within the Township of South Stormont have finite capacity. The committed allocated capacity for these must be made in a transparent and logical manner that promotes community growth and efficient use of the finite capacity of the system.

The allocation of service connections are not inherent in the draft approval of a plan of subdivision or in the granting of conditional consent to sever a property or the approval of a site plan. Accordingly, the conditions of draft approval or conditional approval of a consent will contain a clause to that effect that the Municipality is not obligated to allocate service connections within the terms of the draft approval or conditional consent. The allocation will be required as part of the clearance of the subdivision or consent conditions.

Intent

The intent of this policy is to define the process for allocation of water and wastewater service connections for development in the community and to ensure that the committed capacity translates into connected users in a timely and efficient manner.

This Policy shall apply to the following types of projects within the Urban Service Area:

- a. Subdivision Draft Plan Approval
- b. Condominium Draft Plan Approval
- c. Site Plan Approval
- d. Consents

Developments in Process

Upon enacting the by-law associated with this policy, any existing committed or in process developments regardless of size will have twelve (12) months to secure building permits for construction.

After the twelve (12) months have elapsed, if no permits have been secured, any developments regardless of size must apply under the new policy to receive services connections.

The Township shall notify all vacant landowners of the new policy upon enactment.

Small Developments and Infill Lots

The allocation policy does not apply to small developments equal to or less than ten (10) equivalent residential units, individual in-fill lots or privately serviced lots fronting on municipal services due to their limited impact on the overall system capacity.

The services connections for these developments will no longer be held as allocated or committed. Developers of these types of properties shall receive their service(s) connections commitment upon approval of their site plan or building permit.

In a situation where there is no capacity allocation available at the time of approval or permitting, then the development may not proceed/connect to the sanitary or water system until capacity is available.

Uncommitted Reserve Capacity

The Township completes an annual update for the uncommitted reserve capacity in the system. This uncommitted reserve capacity shall be developed going forward within the context of this policy and the defined reserve and committed capacities shall be delineated and made available to the development community for their review via a report to Council presented by April 30th of each year updated to December 31st of the previous year.

Municipal Reserve Allocation

The Township may, at its discretion, retain uncommitted capacity for public infrastructure needs independent from this policy. Examples of this are municipal offices, recreational facilities, emergency services, publicly supported affordable or supportive housing, retirement housing and long term care homes, etc.

This capacity shall be identified and reported as part of the uncommitted reserve capacity assessment and shall not be subject to rescinding or dormancy unless otherwise directed by Council.

Reserve Allocation

The primary objective of this policy is to define the conditions for the commitment and rescinding of water/wastewater allocation of capacity based on a combination of prioritization and timing.

1. Prioritization of Allocation

To support the intent of the policy efficient development must be consistent with the Township's Official Plan and Zoning By-Law and fiscal responsibility.

The following list are the priorities:

1. Within existing settlement areas as defined in the Official Plan
2. Areas with full water and wastewater servicing
3. No external extension of services outside of development lands without Council consent
4. Council's Strategic Priorities

In the event multiple submissions are received within an allocation quarter, then the above priorities will be used to confirm which will be eligible for reserve service connection allocations first.

If within an allocation quarter the requested service connections for equivalent residential units exceeds available uncommitted allocation, then developers shall be notified a minimum of two (2) weeks prior to the Council Meeting and provided an opportunity to revise their planned phasing as appropriate.

2. Timing of Allocation

The first milestone for reservation of services connections shall be draft plan approval. Once draft plan approval is received AND there is adequate uncommitted reserve capacity available at the time of the approval, the Township will reserve the capacity for a period of thirty-six (36) months or extended timeframe as approved by Council at its sole discretion.

The addition of new reserved service connection allocations shall be completed quarterly and presented to Council. All formal requests deemed complete as determined by the Township for reserved capacity allocation within each quarterly period shall be considered as equal (allocation quarter) regardless of the date submitted during the quarter.

3. Rescinding of Reserved Services Connection Allocation

If thirty-six (36) months following the Council Meeting reporting the reservation of services connections allocation if registration of the subdivision or site plan agreement has not been completed, then the reserve services connections allocation shall be rescinded and a formal request to reinstate the reserved services connections allocation must be made prior to the next Allocation Quarter Reporting to Council.

The Developer will be notified once the reserved service connection allocated is rescinded. No advance notice shall be required for rescinding the reserved service connection allocation.

Final Committed Allocation

Uncommitted Reserve Capacity will be finally committed to a development once the following milestone is achieved:

1. For lots under a Plan of Subdivision/Condominium, upon execution and registration of the subdivision/condominium agreement. For clarity purposes, a maximum of **25** units or flow rate of 33.75 m³/d may be registered per phase or Council may grant additional lots exceeding the maximum **25** units or flow rate of 33.75 m³/d at its sole discretion. Once a Service Connection Agreement is executed for the phase, the proponent will have (36) months to complete the phase prior to proceeding with registering a subsequent phase.

2. Council will reconsider the maximum services connections allotment once water and wastewater infrastructure upgrades have been completed.
3. For consents, upon registration of the Certificate of Official.
4. Site Plan Approval and site plan agreement registration.
5. For zoning and official plan amendments, once the By-Law is passed and in effect.

Final committed services connections allocation will be included in the quarterly allocation Council report.

Dormant Committed Allocation

In order to ensure that the committed allocation is efficiently transitioned into fully connected users, the following staged approach shall be used to address dormant projects.

Stage One: In the event that after twelve (12) months of the final committed services connections allocation, the development servicing has not commenced, then the Township will apply the minimum billing for both water and wastewater as defined in the most current water and wastewater rates by-law and the minimum rates will apply to each unit proposed for the development until such time as the individual lots are serviced and the new owner/ratepayer transfers the water/sewer bill into their name.

Stage Two: In the event that after twenty-four (24) months of the final committed services connections allocation, servicing of the development is not completed in a minimum of one phase of construction OR if payment of the water/sewer bills for the minimum rate for all units is passed due by more than one month, whichever is shorter. Then the developer shall be notified in writing, and the committed services connections allocation shall be revoked and any future allocation will have to restart with a formal request for a subsequent services connections allocation report to Township Council. In this situation, if the allocation is reinstated, any outstanding amounts owing must be paid within five (5) business days, and minimum billing shall commence immediately upon reinstatement.

If a development proceeds through Stage Two and there are no uncommitted services connections reserve capacity available, at the time of their subsequent request, then the development may not proceed/connect to the sanitary or water system until capacity is available.

Transfer of Allocation

Allocation of services connections for water and wastewater services shall be associated with a specific development. Developers may not transfer, sell, or otherwise convey services connections allocated from one development to another.

If a development is cancelled or delayed, a Developer may choose to decline the services connections allocation prior to the application of the minimum charges and that allocation will be returned to

the uncommitted reserve capacity available for all development in the serviced areas. Developers may not direct declined allocation to another development. Recovered uncommitted reserve capacity shall be applied equitably based on the requirements of this policy.

Procedure

The following procedure outlines the process by which an allocation will be considered quarterly by Council for any development in a given year:

1. Requests for services connections allocation will be considered by Council at various intervals during any calendar year. Applications for services connections allocation will be accepted between January 1st and December 31st of any given year. Council will consider competing requests for allocation, in accordance with this Policy at an open meeting of Council.
2. A proponent shall file a request, in writing, for consideration by Council in accordance with the corresponding development application.

The supporting documentation will indicate:

- the status of the project or project phase in terms of planning and public works approvals;
 - the number and type of units to be serviced in the project or project phase; and
 - will be supported by design flow calculations, prepared by a professional engineer, for projected water and wastewater flows; and
 - The application will not be considered complete until the applicable application fee has been paid.
3. Each request shall be evaluated by staff against the criteria outlined in this Policy, the details of which will be presented to Council in a report for consideration.
 4. Council will consider all requests received throughout the calendar year, at the same time (quarterly), on their respective merits.
 5. Following Council's approval of a request, the proponent(s) must execute a Services connections Agreement acknowledging that the Services Connections allocated will expire if the plan has not been registered or the consent to sever is not finalized within 12 months. If the subdivision, condominium or site plan has not been registered or the consent is not finalized within 12 months of the approval, Council may grant an extension to a Services Connection Agreement at its sole discretion. The proponent(s) shall be required to file a subsequent request for reconsideration.
 6. Following the execution of the Services Connections Agreement, the project or project phase will be deemed to have received a "provisional" service capacity allocation.
 7. Final capacity allocation will be granted by the Director of Development Services and Director of Infrastructure Services at such time as the conditions established for reserving capacity allocation have been met and confirmed upon:
 - i. execution and registration of a subdivision, condominium or site plan control agreement; or,
 - ii. approval of a service connection application in the event of a consent or Committee of Adjustment permission approval involving an infill or intensification project.

Development Prioritization Criteria - Competing Applications

If there are competing applications for servicing capacity, Council will assess the relative merits of a request for services connections by considering the following criteria, which are set out in order of priority:

1. The ability for the project to be serviced immediately with minimal or no Municipal investment in infrastructure.
2. Priority will be given to institutional, commercial and industrial (ICI) including Township initiated projects over residential projects, as a means of diversifying the tax base.
3. Priority will be given to ICI projects which provide significant new employment opportunities over those ICI projects which provide fewer direct jobs or only construction and spin-off jobs.
4. Priority will be given to projects which are farther advanced through the development approval process, in terms of planning and public works approvals
5. The priority among residential projects will be given to:
 - a. Attainable housing projects which contribute towards a diversification or a variety of unit types, tenures, lot sizes, etc.
 - b. Residential intensification and infilling projects.
6. The consideration of other possible factors such as:
 - i. prior investment in public infrastructure improvements;
 - ii. the provision of serviced employment lands;
 - iii. the provision of a minor or major collector road or the completion of existing local streets; and
 - iv. any other public benefits as determined by Council.