

**Region of Waterloo**  
**Engineering and Environmental Services**  
**Water and Wastewater Services**

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**To:** Regional Council  
**Meeting Date:** December 3, 2024  
**Report Title:** Petersburg Communal System Assumption Charges By-Law

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**1. Recommendation**

That The Regional Municipality of Waterloo enact a By-law to Impose a Charge Upon Owners of Land Who Derive or Will or May Derive a Benefit from the Water System Located in the Community of Petersburg in the Township of Wilmot, attached as Appendix A, pursuant to Report EES-WAS-24-010, dated December 3, 2024.

**2. Purpose / Issue:**

In May 2024 the Region assumed operation of the Petersburg Water Supply System (formerly Knipfel Communal System) by order of the Ministry of Environment, Conservation and Parks. Upgrades to the former private water supply system were required to meet compliance of a municipal water supply system including process piping, pressure tanks, instrumentation, and electrical components. This by-law recovers the costs of those upgrades from the benefitting properties connected to the Petersburg Water Supply System.

**3. Strategic Plan:**

This report on the Petersburg Private Water System aligns with the corporate strategic pillar of climate aligned growth.

**4. Report Highlights:**

- Completed capital works to upgrade the Water Supply Well for Petersburg are \$358,370. This has resulted in a cost per household of \$5,788 for 62 homes.
- The attached by-law outlines the mechanism for cost recovery for the water supply system upgrades from the benefitting properties in the Petersburg Water Supply System service area.
- The cost recovery can be paid in one lump sum within 180 days of the issuance of the Region's invoice, or the owner can request a deferred payment plan which will be administered over 10 years through the Township of Wilmot tax roll at a prime plus one percent interest rate.

## 5. Background:

In January 2024 the Ministry of Environment Conservation and Parks (MECP) issued a notice of intent directing the Region and Township of Wilmot take over the operation of the Petersburg Water Supply and Distribution systems, respectively, on May 13, 2024. Upgrades to the water supply system (Region) were required to meet compliance of a municipal water supply system including process piping, pressure tanks, instrumentation and electrical components. Upgrades to the Water Supply System were completed in August 2024, and all final costs have been determined. The upgrade costs were funded through the capital budget and were not debt funded.

The Municipal Act and Safe Drinking Water Act allow for a municipality to recover the costs associated with capital upgrades from the benefitting properties. The attached by-law outlines the mechanism for the Region to recover costs and payment options available to the benefitting properties. Repayment options include a lump sum payment, or a deferred payment plan where the cost would be applied to the property tax roll over 10 years at prime plus one percent interest rate.

A future Environmental Assessment (EA) study will be undertaken by the Region to determine long term water supply strategy for the community. It is anticipated that the EA study will consider status quo, additional servicing off the existing supply system, expansion of the existing supply system, or connection to the Integrated Urban System, as well as other possible servicing strategies that could be identified through the process. Should the EA study determine the existing or proposed water supply system can support the servicing of any additional properties in the community, the number of benefitting properties may change in the future, and adjustments would be made to the cost per homeowner.

## 6. Communication and Engagement with Area Municipalities and the Public

**Area Municipalities:** The Township of Wilmot and Region have been working collaboratively with the MECP on this assumption and will continue to work together through the transition to municipal operation of the respective supply and distribution systems. Coordination of the payment options, including the deferred payment onto the tax roll, are ongoing.

The Township of Wilmot will be proceeding in the future with a separate cost recovery by-law for their costs incurred on the distribution system including water meters, water consumption, and future capital distribution system upgrades.

**Public:** The Region and the Township have co-hosted two Public Information Centres (PICs) on March 26, 2024, and October 10, 2024. Both PICs were well attended by affected members of the community. The project is posted on the Region and Wilmot

Engage websites, with presentation materials, Question and Answer documents, and Frequently Asked Questions. Overall, the community members responded well to the Region's Water Supply System costs, as the actual costs came in lower than estimated in March 2024.

## **7. Financial Implications:**

The total cost of the Petersburg Water Supply Upgrades is \$358,870. The number of benefitting properties is 62, which results in a rounded cost per property of \$5,788.

Homeowners have the option of a lump sum payment within 180 days of the enactment of the by-law, or a deferred payment plan where the cost would be applied to the property tax roll over 10 years at prime plus one percent interest rate.

Pending the results of the EA study, additional benefitting properties may reduce the cost per household outlined in the by-law. The by-law has wording that allows for the potential of additional benefitting properties, and an adjust cost per benefitting property.

## **8. Conclusion / Next Steps:**

In coordination with the Township, the Region will confirm the payment options for the benefitting properties and either collect the funds via a lump sum payment or arrange to have the costs applied to the tax roll, as appropriate.

## **9. Attachments:**

Appendix A: By-law to Impose a Charge Upon Owners of Land Who Derive or Will or May Derive a Benefit from the Water System Located in the Community of Petersburg in the Township of Wilmot.

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