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# HALDIMAND COUNTY

## Memorandum FIN-M06-2022 Municipal Drain Billing

For Consideration by Council in Committee on November 1, 2022

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**To:** Mayor Hewitt and Members of Council

**From:** Erika Tardif, Senior Financial Analyst

Haldimand County has a Council approved Municipal Drains Construction & Maintenance Billing Policy that establishes parameters and guidelines to be followed for the billing of construction and maintenance work completed on Municipal Drains.

Based on Section 61 of the *Drainage Act*, R.S.O. 1990 (as amended), and communication from Ontario Ministry of Farming and Agriculture (OMAFRA), every year a levying by-law must be passed by Council to authorize the billing of the actual costs of maintaining or constructing specific drains. Separate by-laws are required for maintenance and for construction. The necessary by-laws will be presented to Council for enactment at the November 7, 2022 Council meeting.

Staff will then complete the billing process for the drains identified below. Typically, related municipal drain billings are brought forward on an annual basis, each Fall/Winter, with assessments added to the following year's interim tax billing, to be paid in four equal installments over the year. The first payment required by the property owner will not be due until March 31, 2023.

OMAFRA provides a grant, under the Agricultural Drainage Infrastructure Program, of up to one-third of the cost of maintenance for qualifying lands (i.e. lands in the farmland or managed forest assessment categories). A municipality applies for the grant on behalf of the landowner, with the qualifying landowner responsible for the remaining costs.

The tables below show a breakdown of outstanding drain maintenance and construction costs to be billed to property owners based on grants approved by OMAFRA.

**Table 1: Drain Maintenance to be Billed**

<b>Drain Name</b>	<b>Gross Costs \$</b>	<b>OMAFRA Grant \$</b>	<b>Net Assessment \$</b>	<b>Year Work Completed<sup>1</sup></b>
McNichol Maintenance	58,017.91	9,737.82	48,280.09	2015
Sweets Corners Maintenance	641.09	0.00	641.09	2018
Ordnance Reserve Maintenance	794.63	37.82	756.81	2019
Black Creek Maintenance	9,972.48	2,061.08	7,911.40	2020
Sixth Concession Maintenance	407.14	0.00	407.14	2020
Maple Creek Dunn Branch Maintenance	19,900.55	0.00	19,900.55	2018
Bravin Maintenance	71,017.86	16,904.06	54,113.80	2020
Deamude Maintenance	1,613.91	278.94	1,334.97	2020
West Kelly Maintenance	67,076.93	16,944.42	50,132.51	2019
Byers Maintenance	84.35	0.00	84.35	2019
Boulton Maintenance	25,299.32	4,517.81	20,781.51	2020
Ellsworth Maintenance	352.92	0.00	352.92	2019
Furry Maintenance	50,981.58	11,295.91	39,685.67	2019
Crow Road Maintenance	1,566.09	256.89	1,309.20	2019
East Kelly Maintenance	2,766.72	522.43	2,244.29	2019
Chalmers Dickout Maintenance	15,869.48	2,249.41	13,620.07	2019
H.E. Dickout Maintenance	42,446.55	7,820.82	34,625.73	2019
Bouck & Moyer Maintenance	58,268.71	13,101.05	45,167.66	2019
Brown Maintenance	7,334.05	1,480.26	5,853.79	2020
Boorsma Maintenance	19,181.36	5,895.77	13,285.59	2019
Charles Angle Maintenance	3,214.80	146.58	3,068.22	2020
Dent Maintenance	26,907.44	6,188.84	20,718.60	2020
Hartnett Branch #1 Maintenance	1,891.06	594.11	1,296.95	2020
Hartnett Branch #2 Maintenance	1,027.56	302.72	724.84	2020
Hartnett Main Maintenance	8,874.51	2,567.18	6,307.33	2020
Chick Main Maintenance	7,091.93	2,285.39	4,806.54	2020
North Hutchinson N. Maintenance	18,387.81	3,549.00	14,838.81	2020
North Hutchinson S Maintenance	13,783.14	2,263.76	11,519.38	2020
South Hutchinson Maintenance	17,358.57	3,848.83	13,509.74	2020
Little Marsh Maintenance	10,003.01	1,574.26	8,428.75	2015
Vaughan Maintenance	3,866.10	0.00	3,866.10	2020
<b>Total</b>	<b>\$565,999.56</b>	<b>\$116,425.16</b>	<b>\$449,574.40</b>	

1. Year in which the last maintenance was completed. Some drains also include work from previous years which are not yet billed.

**Table 2: Drain Construction to be Billed**

<b>Drain Name</b>	<b>Gross Costs \$</b>	<b>OMAFRA Grant \$</b>	<b>Net Assessment \$</b>	<b>Year Work Completed<sup>1</sup></b>
Little Marsh Reconstruction (10)	161,524.95	35,209.04	126,315.91	2019
Seneca Greens Construction	8,790.00	0.00	8,790.00	2015
<b>Total</b>	<b>\$170,314.95</b>	<b>\$35,209.04</b>	<b>\$135,105.91</b>	

1. Year in which the last work was completed. Some drains also include work from previous years which are not yet billed.

Many of the County’s Municipal Drains also benefit County owned land (primarily roadways/ditches). The County’s apportioned share of maintenance costs is funded through the Drain Fund account that is contributed to annually through the Tax Supported Operating Budget.

OMAFRA also provides a grant under the Agricultural Drainage Infrastructure Program for the cost of construction for qualifying lands (similar to maintenance grants as denoted above). The Municipality applies for the grant on behalf of the landowners and the qualifying landowner is responsible for the remaining costs.

Under the Municipal Drains Construction & Maintenance Billing Policy, the normal billing timeline is two years after construction or maintenance work (as the case may be) is complete. There has been a backlog of billing for the recovery of maintenance and construction of Municipal Drains. The billing of drains was put on hold due to the pandemic and no drains have been billed since the 2020 tax year. Staff have been continuing to clear a significant amount of the backlog, however, there are still drains that are eligible under the policy to be billed but are not being billed at this time due to issues with assessment schedules, delay in receipt of grant funds from the Province, or are scheduled to be billed the next cycle with current maintenance costs. Staff are continuing to review any outstanding receivables to bill in a timely manner.

Through PW-ES-08-2016, Council approved process enhancements to the notification process related to Municipal Drains and the subsequent related billing. Notification letters will be sent to all property owners that have assessments being added to their property. Some property owners may not have received a notice due to staffing and resource limitations at the time of maintenance or construction.

As per the Municipal Drains Construction & Maintenance Billing Policy, property owners assessed an amount of \$500 or greater may choose to have the amount owing paid over time, including interest at an annual rate set by OMAFRA (based on the rate set for the Province’s tile drainage loan program, currently 6%), for a period of 5 years with annual payments being levied on the property owner’s tax account. The property owner must notify the County, within 30 days of receiving notification of the initial billing, as to which option they prefer. If notification is not received by the County, the property will default to full billing of the amount owing to be paid over four equal installments due in the coming year.