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# HALDIMAND COUNTY

## Memorandum FIN-M03-2023 Municipal Drain Billing

For Consideration by Council in Committee on October 31, 2023

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**To:** Mayor Bentley 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 Agriculture, Food and Rural Affairs (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 6, 2023 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 be due March 29, 2024.

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 table below show a breakdown of outstanding drain maintenance 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>
Babiy	8,241.54	(2,540.95)	5,700.59	2021
Barry	11,466.98	(3,203.83)	8,263.15	2021
Sugar Creek Main	35,561.36	(10,216.86)	25,344.50	2021
Siddal	14,696.74	(1,544.96)	13,151.78	2021
Holtrop	5,047.29	(1,316.52)	3,730.77	2021
Allen	3,609.23	(1,090.17)	2,519.06	2021
Moulton Station	2,059.41	-	2,059.41	2021
Fred Buckner	8,751.36	(1,812.94)	6,938.42	2021
Buckner	16,184.45	(2,830.12)	13,354.33	2021
Broad Creek	11,995.46	(3,525.10)	8,470.36	2021
Stonehaven	9,778.11	-	9,778.11	2022
Boyt	2,665.71	-	2,665.71	2022
MacKeigan	15,783.07	(3,209.97)	12,573.10	2017
Harvey	4,151.81	(962.31)	3,189.50	2021
Jarvis 1	19,047.41	(1,653.25)	17,394.16	2021
<b>Total</b>	<b>\$169,039.93</b>	<b>\$(33,906.98)</b>	<b>\$135,132.95</b>	

1. Year in which the last maintenance 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.

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 as the billing of drains was put on hold due to the pandemic. Last year was the first year of billing since the pandemic, where a significant portion of the backlog was cleared. There are still a few 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.

**REFERENCES:**

1. [Policy No. 2015-06 - Municipal Drain Billing](#)
2. [Report PW-ES-08-2016](#)

**ATTACHMENTS:**

1. None.