

HALDIMAND COUNTY

Memorandum FIN-M04-2024 Municipal Drain Billing

For Consideration by Council in Committee on October 29, 2024



To: Mayor Bentley and Members of Council

From: Erika Tardif, Senior Financial Analyst

RECOMMENDATIONS:

THAT Memorandum FIN-M04-2024 Municipal Drain Billing be received.

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 4, 2024 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 tax bills, to be paid in four equal installments over the year. The first payment required by the property owner will be due March 31, 2025.

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 shows 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

Drain Name	Gross Costs \$	OMAFRA Grant \$	Net Assessment \$	Year Work Completed ¹
Lindsay	7,408.13	(1,134.20)	6,273.93	2021
Horseshoe Bay	25,480.65	(816.69)	24,663.96	2022
James Main	19,619.32	(5,472.77)	14,146.55	2022
Waines	15,816.05	(4,530.58)	11,285.47	2022
Boulton	10,285.27	(2,526.83)	7,758.44	2022
North Hutchinson N.	13,882.56	(4,627.52)	9,255.04	2022
County Rd 3	199.41	-	199.41	2022
Total	\$92,691.39	\$(19,108.59)	\$73,582.80	

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. Since the pandemic, 2022 was the first year of billing, 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.

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 in one year, over four equal installments.

REFERENCES:

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

ATTACHMENTS:

1. Drain Maintenance Billing Draft By-Law
2. Drain Maintenance Billing By-Law Schedules