



Finance Department

INTER-OFFICE MEMORANDUM
Office of the Commissioner

TO: Chair and Members of the Development Charges Advisory Committee
FROM: Mark Scinocca, Commissioner, Finance and Regional Treasurer
DATE: October 28, 2016
RE: **Supplementary Information Package following October 20, 2016 DCAC Meeting #2**

Further to the discussions at the October 20, 2016 DCAC Meeting, and subsequent email question, attached please find the following information:

1. Residential average day water demand – actuals for 2015
2. The costs of decommissioning the Milton Wastewater Treatment Plant
3. Increase in the trip generation rate for Non-residential.
4. BTE calculation for resurfacing and reconstruction of existing lanes.
5. The BTE for off road active transportation
6. Employment and Residential Growth Shortfalls - to be addressed in **DCAC Meeting #3**

A handwritten signature in black ink, appearing to read "Mark Scinocca", is written over a horizontal line.

Mark Scinocca
Commissioner, Finance and Regional Treasurer

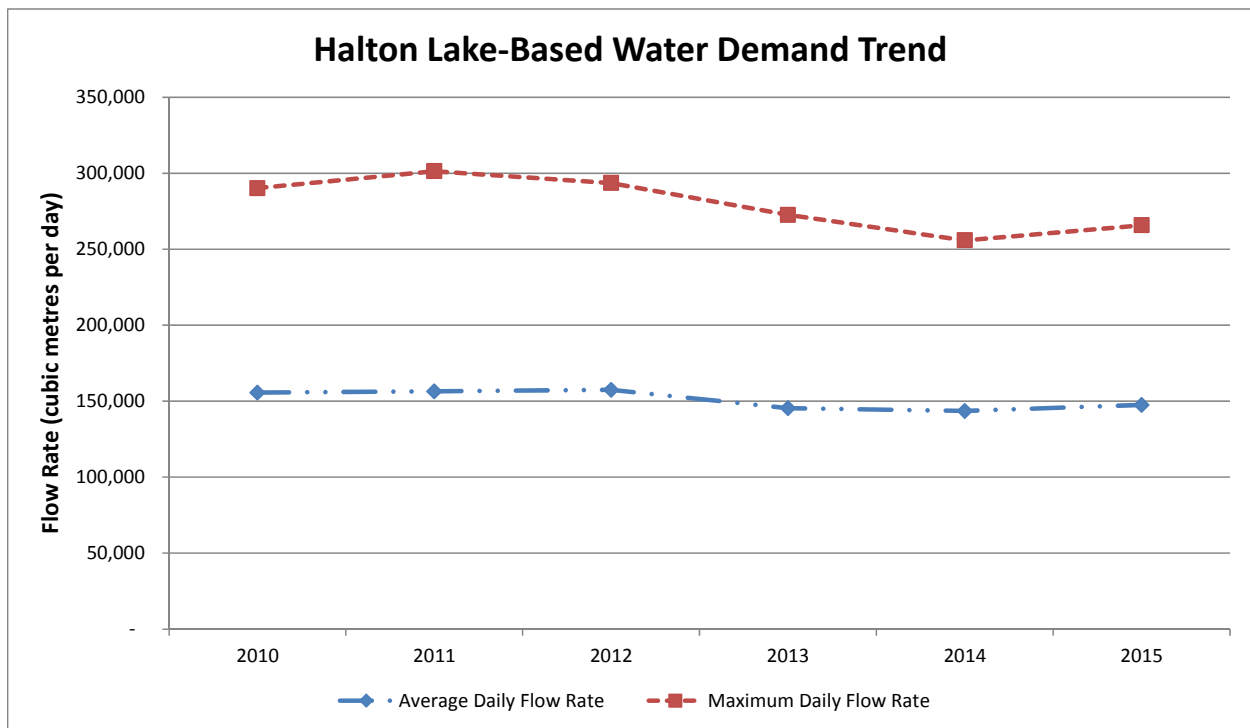
1. Residential Average Day Water Demand

TABLE 1: Historical Trend in Average and Maximum Day Water Demand for Lake-Based Integrated Distribution System

	Treated Water Demand (m3 per day)					
	2010	2011	2012	2013	2014	2015
Average Daily Flow Rate	155,629	156,416	157,449	145,362	143,568	147,516
Maximum Daily Flow Rate	290,133	301,320	293,541	272,608	255,830	265,734

Notes:

Excludes areas serviced with water from City of Hamilton distribution system.



2. The Costs of Decommissioning the Milton WWTP

MILTON WASTEWATER SERVICING STRATEGY

PROJECT DESCRIPTION	Budgeted Expenditure (2017 \$ thousands)							Growth %	Non-Growth %
	2017	2018	2019	2020	2021	2022-2031	Total		
State of Good Repair									
Creek Crossing adjacent to Milton WWTP - new easement and install two forcemain crossings under creek	\$ 400		\$ 1,000			\$ -	\$ 1,400	0%	100%
Fulton Pump Station Modifications	100		575			-	675	0%	100%
Milton WWTP Decommissioning				472	4,253	-	4,725	0%	100%
New Diversion Forcemain				500	4,496	-	4,996	0%	100%
Sub Total	\$ 500	\$ -	\$ 1,575	\$ 972	\$ 8,749	\$ -	\$ 11,796		
Development Related*									
North Pump Station Capacity Upgrade						\$ 22,564	\$ 22,564	49%	51%
Mid-Halton WWTP Phase VI&VII Expansion	1,995		17,957		79,809	-	99,761	63%	37%
Sub Total	\$ 1,995	\$ -	\$ 17,957	\$ -	\$ 79,809	\$ 22,564	\$ 122,325	60%	40%
TOTAL	\$ 2,495	\$ -	\$ 19,532	\$ 972	\$ 88,558	\$ 22,564	\$ 134,121	55%	45%

* The development related cost is provided on page 33 of the 2017 Development Charges Water/Wastewater Technical Report and the Benefit to Existing Calculations are provided in Appendix B.

**3. Increase in the Trip Generation Rate
for Non-Residential**

Reason for the 27% increase

The trip rates are calculated based on the 2011 Transportation Tomorrow Survey (TTS). The 2011 TTS yielded a higher trip rate for Non-Residential compared to the 2006 TTS (used in the 2012 DC). This is based on reported trips by the TTS.

4. BTE calculation for Resurfacing and Reconstruction of existing lanes

Why is Region using the depreciated value of an existing asset as the measure to determine BTE for resurfacing and reconstruction of existing lanes? Why is it not 100% of the resurfacing cost or reconstruction cost? If resurfacing or reconstruction is being done it must be close to being needed.

Resurfacing or reconstruction associated with widening of a roadway is not always conducted at the end of the life cycle of a project, although this would be the ideal case. The need for the roadway improvement is based on demand as calculated through the transportation master plan process.

Previous DCACs requested the methodology for roadway widenings (with and without reconstruction) be defined on a more scientific basis (the previous methodology was based largely on policy). The argument was that non-growth should not pay for paving a perfectly “good” road surface during a simple widening (i.e. no reconstruction of the existing sub-grade). Tangible Capital Assets (TCA), in accordance with the Public Sector Accounting Board’s (PSAB) guideline PS 3150, provides a state of condition depending on the year of construction. The old methodology was not sensitive to the remaining road condition – it was a blanket “fixed” deduction (averaged through the capital program period) for the entire program whether the road was to be widened next year or in 10 years.

5. The BTE for Off Road Active Transportation (AT)

The BTE for Off Road Active Transportation (AT)

The new off-road AT facilities to be implemented by the Region by 2031 fall mainly in the Growth areas, as generally, the existing areas are served by similar facilities. Hence the majority of the costs are allocated to growth. It is recognized that there may be some minor benefit to existing development within the areas of implementation hence a 10% deduction for existing benefit has been made.

This service is being assumed by the Region from the local municipalities. Within the DC Background Studies for Oakville, Milton and Burlington, a similar 10% existing benefit deduction has been made. Halton Hills provided a 5% benefit to existing reduction.