

INFORMATION ITEMS

Week Ending January 15, 2016

REPORTS

1. Indexing of Development Charges

CORRESPONDENCE

1. GRCA Current, January 2016
2. Ontario Energy Board Notice to Customers of Union Gas Limited
3. Union Gas Limited – Request for Greenhouse Gas Emissions Impact Deferral Account

BOARDS & COMMITTEES

1. None

ITEMS AVAILABLE IN THE CLERK'S OFFICE

1. None

INFORMATION REPORT



TO City Council

SERVICE AREA Corporate Services, Finance

DATE January 15, 2016

SUBJECT Indexing of Development Charges

REPORT NUMBER CS-2016-09

EXECUTIVE SUMMARY

SUMMARY OF REPORT

To advise of the development charge rate increase.

KEY FINDINGS

Development charge rates will increase by 1.8% effective March 2, 2016.

FINANCIAL IMPLICATIONS

The development charges are adjusted annually to keep the current year rate in-line with the rate of inflation in accordance with the Statistics Canada Quarterly, *Non-residential Building Construction Price Index*.

BACKGROUND

The City's Development Charge By-law Number (2014) – 19692, which came into effect on March 2, 2014, provides for the annual indexing of development charges. The charges shall be adjusted annually, without amendment to the By-law, commencing on the first anniversary date of the By-law coming into effect and each anniversary date thereafter, in accordance with the prescribed index. The Regulation to the *Development Charges Act* prescribes the Statistics Canada Quarterly, *Non-residential Building Construction Price Index* as the index for this purpose. The use of this index and process is identical to what has been previously used.

REPORT

The non-residential building construction price index for our area of Ontario has increased by 1.8% from the third quarter of 2014 to the third quarter of 2015. The development charge rates will, therefore, be adjusted upward by this percentage effective March 2, 2016. The new development charge rates effective from March 2, 2016, to March 1, 2017, are outlined in the attachment to this report. Education development charges are not indexed.

INFORMATION REPORT



CORPORATE STRATEGIC PLAN

Innovation in Local Government

2.3 Ensure accountability, transparency and engagement.

DEPARTMENTAL CONSULTATION

Departments (such as Planning, Urban Design and Building Services, and Business Development and Enterprise) affected by the change in development charge rates are being advised of the increase.

COMMUNICATIONS

The new development charge rates effective March 2, 2016, are being faxed to Guelph homebuilders and developers.

ATTACHMENTS

Attachment #1: Development Charge Rates Effective March 2, 2016, to March 1, 2017

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Development Charge Rates Effective March 2, 2016 to March 1, 2017

(Rates are adjusted annually for inflation.)

Non-residential Charges

Non-residential DCs are imposed according to the amount of gross floor area being developed. The full amount of the non-residential DCs is payable at the applicable rate at the time of building permit issuance.

| Service | per square metre |
|-----------------------------|-------------------------|
| Water Services | 40.40 |
| Wastewater Services | 29.73 |
| Stormwater Services | 0.56 |
| Roads and Related Services | 16.01 |
| Fire Protection Services | 1.33 |
| Library Services | 0.22 |
| Transit | 2.67 |
| Administration (Studies) | 1.66 |
| Indoor Recreation Services | 1.22 |
| Outdoor Recreation Services | 1.56 |
| Municipal Parking | 3.55 |
| Police Services | 1.89 |
| Ambulance | 0.11 |
| Provincial Offences Act | 0.00 |
| Health Services | 0.11 |
| | <u>101.02</u> |
| TOTAL | |

Note: Please contact Building Services at 519-837-5615 ext. 2531 or e-mail building@guelph.ca to find out the dates that Building Services will start collecting the new rates for permits to be issued from March 2, 2016.



Development Charge Rates Effective March 2, 2016, to March 1, 2017 (Rates are adjusted annually for inflation.)

Residential Charges

Residential DCs are imposed according to the number and type of dwelling units proposed. A portion (for water, wastewater, stormwater, roads and related hard services) of the residential DCs is payable upon entering into a subdivision agreement (if any), while the balance is payable at the applicable rate at the time of building permit issuance.

| Service | Single Detached or Semi- detached Dwelling Unit | Apartment Unit (2 or More Bedrooms) | Garden Suite or Apartment Unit (Bachelor or 1 Bedroom) | Multiple Unit |
|---|--|--|---|----------------------|
| Water Services | 8,912 | 5,364 | 3,740 | 6,711 |
| Wastewater Services | 6,555 | 3,945 | 2,752 | 4,937 |
| Stormwater Services | 125 | 75 | 53 | 94 |
| Highway & Related Services | 3,524 | 2,121 | 1,479 | 2,655 |
| Hard Services Sub-total | 19,116 | 11,505 | 8,024 | 14,397 |
| Fire Protection Services | 293 | 177 | 123 | 221 |
| Library Services | 558 | 336 | 234 | 420 |
| Transit | 522 | 315 | 219 | 393 |
| Administration (Studies) | 329 | 197 | 137 | 247 |
| Indoor Recreation Services | 2,641 | 1,589 | 1,109 | 1,990 |
| Outdoor Recreation Services | 3,452 | 2,078 | 1,449 | 2,600 |
| Municipal Parking | 709 | 427 | 298 | 535 |
| Police Services | 412 | 248 | 173 | 310 |
| Ambulance Services | 30 | 17 | 12 | 22 |
| Provincial Offences Act | 9 | 5 | 4 | 7 |
| Health Services | 66 | 41 | 27 | 50 |
| Soft Services Sub-total | 9,021 | 5,430 | 3,785 | 6,795 |
| Total City of Guelph Charges | 28,137 | 16,935 | 11,809 | 21,192 |
| Upper Grand District School Board | 1,567 | 1,567 | 1,567 | 1,567 |
| Wellington Catholic District School Board | 317 | 317 | 317 | 317 |
| Education Development Charges | 1,884 | 1,884 | 1,884 | 1,884 |
| GRAND TOTAL | 30,021 | 18,819 | 13,693 | 23,076 |

Note: Please contact Building Services at 519-837-5615 ext. 2531 or e-mail building@guelph.ca to find out the date that Building Services will start collecting the new rates for permits to be issued

GRCA General Membership

| | |
|---|---|
| Chair | Jane Mitchell |
| Vice-Chair | Vic Prendergast |
| Townships of Amaranth, East Garafraxa, Melancthon and Southgate and Town of Grand Valley | Guy Gardhouse |
| Townships of Mapleton and Wellington North | Pat Salter |
| Township of Centre Wellington | Kelly Linton |
| Town of Erin, Townships of Guelph/Eramosa and Puslinch | Chris White |
| City of Guelph | Bob Bell, Mike Salisbury |
| Region of Waterloo | Les Armstrong, Elizabeth Clarke, Sue Foxton, Helen Jowett, Geoff Lorentz, Jane Mitchell, Joe Nowak, Wayne Roth, Sandy Shantz, Warren Stauch |
| Municipality of North Perth and Township of Perth East | George Wicke |
| Halton Region | Cindy Lunau |
| City of Hamilton | George Stajanovic |
| Oxford County | Bruce Banbury |
| County of Brant | Brian Coleman, Shirley Simons |
| City of Brantford | Dave Neumann, Vic Prendergast |
| Haldimand and Norfolk Counties | Bernie Corbett, Fred Morison |

New municipal agreements

The GRCA's planning department is renewing and updating agreements with municipalities that date back to the 1990s.

During that time, the province delegated responsibility for commenting on Planning Act applications to municipalities. Many smaller municipalities didn't have the resources to comment and conservation authorities helped them fulfill this role. However, a lot has changed over the past 20 years and the new agreements will reflect revised responsibilities and other changes that have taken place.

The agreements are going to be different for each municipality and will clarify the roles. For example, within Wellington County there are six conservation authorities and all are working together with the county to co-ordinate Planning Act issues and set out how planning is undertaken.

The GRCA provides comments to municipalities throughout the watershed for Planning Act applications they are considering. The agreements provide an opportunity to coordinate between Planning Act and Conservation Authority Act requirements when they overlap.

2015 was a Grand year for extreme temperatures

The past year had the highest high and the lowest low in average temperatures, as the graph below shows.

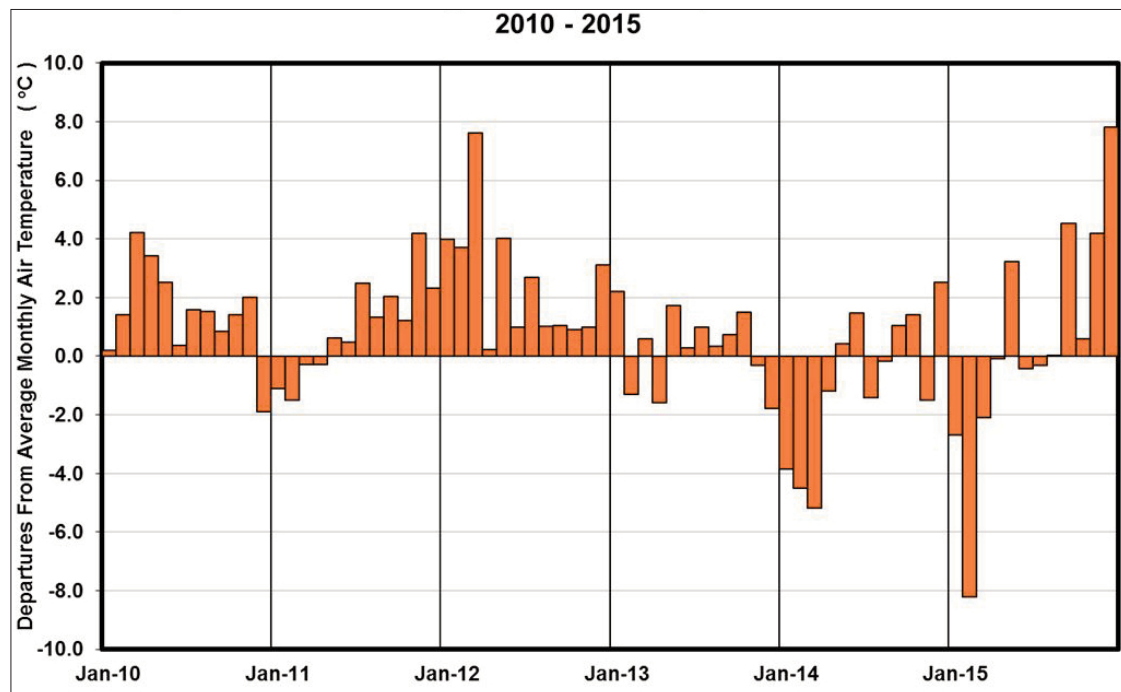
The first three months brought some of the coldest temperatures on record across the watershed, with an average temperature of -14.8 C at the Shand Dam weather station in February.

May was warm, while the summer was cool. However, the fall brought an upward swing with very warm weather that also broke some records.

Across the watershed the precipitation was below average during the year, but there was a big difference between north and south. The northern part tended to be close to the long-term average, but the summer was very dry south of Brantford.

Reservoir levels were at or above the upper level at the end of December.

The level of Lake Erie was well above the long-term average in December and is expected to remain high, which increases the potential for flooding along the Lake Erie shoreline.



Shade's Mills is now open year-round

Starting Jan. 4 2016, Shade's Mills Park in Cambridge has a new automatic access gate that allows the park to open year-round.

People will be able to drive up to the gate, open it and drive in. Visitors can open the gate by swiping their Grand River Parks membership pass or paying at the gate.

There will still be some restrictions on the hours of entry, but the park will generally be open dawn to dusk. The big advantage of the new gate is that people will be able to arrive at dawn for a run or to go fishing, rather than waiting until 8 a.m. as previously. In addition, the gate means people can experience the park during all seasons — when there are spring flowers, fall colours or the first snowfall.

This type of gate is planned for other parks within the next few years.



The new access gate means that Shade's Mills Park in Cambridge is open year-round. Visitors can use a Park Membership pass to enter without paying, or can pay using cash (bills and coins). Soon, credit cards will also be accepted for payment.

Warm winter expected

The warm December set a trend that is expected to continue through the winter.

The strong El Nino continues to impact temperatures and December was 6.9 C above average at Shand Dam.

Conditions are similar to those during the warm winter of 1997-98 when there was also a strong El Nino effect. However each El Nino episode is different.

The three-month forecast in the Grand River watershed calls for normal precipitation in the north and above normal in the south near Lake Erie where it is needed most.

Precipitation this winter is anticipated to be a mix of rain and snow, and there is a risk of ice storms. The first took place Dec. 28-29, however this didn't result in flooding. By Jan.1 there was snow throughout most of the watershed.

An early, warm spring starting in March is predicted, followed by a normal summer with the possibility of dry conditions.

Tree trimming on 20 hectares at Belwood

Sections of the recreational trails at Belwood Lake Park were closed for most of December so that forestry crews could thin

trees.

Approximately 20 hectares of forest plantations and sections of the walking trails were impacted. A plantation contractor harvested trees in order to improve forest health and biodiversity within the forest.

Scheduled thinning is done periodically to give growing space to the healthiest trees, allow for hardwoods to seed naturally and to improve the general health and condition of the plantation. Thinning during the winter avoids disrupting the spring and summer nesting seasons.

All work was done in accordance with sustainable forest management guidelines in the GRCA's Watershed Forest Plan.

Park membership passes

Grand River Parks membership passes have been very popular since they were introduced in 2014 and sales increased by 40 per cent between 2014 and 2015.

The pass replaced the vehicle season windshield stickers that had been used for many years.

The pass allows people to visit all Grand River Parks for one year from the date of purchase for \$125. This fee did not increase in 2016.

The pass comes with a coupon booklet for

experiences such as tubing at Elora Gorge, canoe rental and day passes to give to friends.

Families also enjoy an increasing number of visitor service programs provided by nature guides. These are also included in the park membership.

This issue of *GRCA Current* was published in January 2016.

It is a summary of the December 2015 business conducted by the Grand River Conservation Authority board and committees as well as other noteworthy happenings and topics of interest.

The Grand River Conservation Authority welcomes distribution, photocopying and forwarding of *GRCA Current*.

Next board meeting:

Jan. 22 at 9:30 a.m.,
GRCA Administration Centre.

Subscribe to GRCA Current:

GRCAcurrent-subscribe@grandriver.ca

View meeting reports:

www.grandriver.ca/MeetingReports

View coming events:

www.grandriver.ca/Calendar

Grand Actions newsletter:

www.grandriver.ca/GrandActions

ONTARIO ENERGY BOARD NOTICE TO CUSTOMERS OF UNION GAS LIMITED

Union Gas Limited applied to establish an account to record the cost impacts of potential government requirements related to greenhouse gas emissions.

Learn more. Have your say.

Union Gas Limited applied to the Ontario Energy Board for approval to establish a Greenhouse Gas Emissions Impact Deferral Account to record the cost impacts of potential provincial and federal regulations related to greenhouse gas emission requirements.

THE ONTARIO ENERGY BOARD WILL HOLD A PUBLIC HEARING

The Ontario Energy Board (OEB) will hold a public hearing to consider Union's request. We will question the company on its request to establish the Greenhouse Gas Emissions Impact Deferral Account. We will also hear arguments from individuals and from groups that represent Union's customers. At the end of this hearing, the OEB will decide whether to establish the requested deferral account.

The OEB is an independent and impartial public agency. We make decisions that serve the public interest. Our goal is to promote a financially viable and efficient energy sector that provides you with reliable energy services at a reasonable cost.

BE INFORMED AND HAVE YOUR SAY

You have the right to information regarding this application and to be involved in the process.

- You can review Union's application on the OEB's website now.
- You can file a letter with your comments, which will be considered during the hearing.
- You can become an active participant (called an intervenor). Apply by **January 25, 2016** or the hearing will go ahead without you and you will not receive any further notice of the proceeding.
- At the end of the process, you can review the OEB's decision and its reasons on our website.

LEARN MORE

Our file number for this case is **EB-2015-0367**. To learn more about this hearing, find instructions on how to file letters or become an intervenor, or to access any document related to this case please enter that file number at the OEB website: www.ontarioenergyboard.ca/notice. You can also phone our Consumer Relations Centre at 1-877-632-2727 with any questions.

ORAL VS. WRITTEN HEARINGS

There are two types of OEB hearings – oral and written. The OEB will determine at a later date whether to proceed by way of a written or oral hearing. If you think an oral hearing is needed, you can write to the OEB to explain why by **January 25, 2016**.

PRIVACY

If you write a letter of comment, your name and the content of your letter will be put on the public record and the OEB website. However, your personal telephone number, home address and email address will be removed. If you are a business, all your information will remain public. If you apply to become an intervenor, all information will be public.

This rate hearing will be held under section 36 of the Ontario Energy Board Act, S.O. 1998 c.15 (Schedule B).



December 17, 2015

Ms. Kirsten Walli
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON
M4P 1E4

Dear Ms. Walli:

Re: Union Gas Limited (“Union”) – Request for Greenhouse Gas Emissions Impact Deferral Account

The purpose of this letter is to request the Board’s approval of an accounting order to establish a deferral account to record the impacts of provincial and federal regulations related to greenhouse gas emission requirements.

In April 2015, the Ontario government announced future implementation of a Cap & Trade Program as part of its strategy to reduce Ontario’s greenhouse gas emissions. The government will table draft regulations early in 2016 that will address the scope of the program, including the sectors affected. Union has been working diligently to understand the implications of Cap & Trade legislation. The forecast costs are clearly outside of Union’s 2014-2018 base upon which rates were derived, and also clearly outside of management’s control. The magnitude of the costs are unknown at this point, however are expected to be material.

Examples of the types of costs for inclusion in the deferral account include:

- Emissions reporting compliance costs
- Billing system changes
- External consultant costs
- Costs associated with participating in OEB Cap & Trade consultations
- Implementation costs, including additional staff costs and the purchase of allowances

Accordingly, Union requests that the Board approve the attached draft accounting order establishing a deferral account to record the impacts of provincial and federal regulations related to greenhouse gas emission requirements. Union is not seeking any determination of the potential disposition of these costs at this time.

It is Union’s intention to seek any recovery of costs in a future deferral disposition proceeding.

If you have any questions concerning this request please contact me at (519) 436-5334.

Yours truly,

[Original Signed by]

Vanessa Innis
Manager, Regulatory Initiatives

cc: Crawford Smith, Torys
Pascale Duguay, Board staff

UNION GAS LIMITED

**Accounting Entries for
Greenhouse Gas Emissions Impact Deferral Account
Deferral Account No. 179-XXX**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit - Account No.179-XXX
 Other Deferred Charges – Greenhouse Gas Emissions Impact Deferral Account

Credit - Account No. 728
 General Expense

To record, as a debit (credit) in Deferral Account No. 179-XXX, the impacts of provincial and federal regulations related to greenhouse gas emission requirements.

Debit - Account No.179-XXX
 Other Deferred Charges – Greenhouse Gas Emissions Impact Deferral Account

Credit - Account No. 323
 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-XXX, interest on the balance in Deferral Account No. 179-XXX. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.