



June 27, 2023

**Chair and Members
General Issues Committee
City of Hamilton**

RE: June 28 General Issues Committee: Item 7.2 Stormwater Funding Review

The Hamilton Industrial Environmental Association (HIEA) is a non-profit association representing 14 industrial and manufacturing companies in the City of Hamilton. HIEA's mandate is to improve the local environment through partnerships with government, educational institutions, individual residents, and environmental groups. We also collaborate with our stakeholders to help understand environmental issues and to develop and implement sustainable programs and policies. HIEA members believe their organizations are not only a key contributor to both Hamilton and Ontario's economy, but also an essential part of the fabric of the community.

HIEA member companies provide employment for over 7,300 direct industrial and manufacturing positions as well as an estimated 56,000 indirect jobs in Hamilton and surrounding municipalities. Since its inception in 1998, HIEA and its membership has invested over \$1.1 billion in environmental capital projects, contributed more than \$720 million in municipal property taxes, and donated over \$1 million in community and educational activities in Hamilton.

HIEA and its members had an opportunity in May to meet with the City of Hamilton and AECOM to review a draft of the Stormwater Funding Review presentation, discuss the proposed recommendations and next steps. It was a productive meeting, and through our discussion a number of policy and operational issues were brought up in the application of the stormwater funding model and rate model to the industrial and commercial sectors.

For the sake of transparency HIEA and its members want the General Issues Committee to be aware of these policy and operational issues, and to express our commitment to working with the City of Hamilton to address these issues within the context of the stormwater funding model.

The issues are as follows:

- The development and analysis of the stormwater funding model and stormwater rate structure as currently presented has focused primarily on residential application. The

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industrial/commercial sector makes up over 50% of forecasted revenues. The model needs to fully evaluate the proposed financial impact on the industrial/commercial sector. The design of stormwater rate structure may need to be adjusted for industrial/commercial application.

- Several HIEA members have private sewage works and stormwater infrastructure on site. These sewage works are independent from the City of Hamilton infrastructure, and some discharge directly into the natural environment. The model does not account for this, but rather assumes all stormwater is handled by the City's stormwater infrastructure.
- Due to the recommended design of the stormwater rate structure, companies with large impermeable surfaces and relatively small city water usage are going to see dramatic increases in their assessed stormwater fees. Prior to implementation of the new rate structure the City needs to ensure that these companies are aware of the changes, understand the impact of the changes and what resources are available to review their fees.
- The City of Hamilton where possible needs to maintain a similar distribution of stormwater revenues between the industrial/commercial sector and the residential sector, subject to expansion or contraction of either sector over time.

In closing, I would like to reiterate that HIEA and its members are appreciative for the opportunity to meet with the City of Hamilton and AECOM to discuss the stormwater funding model. We also commit to working with the City of Hamilton to design, refine and implement the new stormwater funding model and rate model.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Geoffrey Knapper', is written over a white background.

Geoffrey Knapper, General Manager
Hamilton Industrial Environmental Association