

A Service-Corporation Model for Communal Water and Wastewater: Lessons from Frontenac County

Ontario Onsite Wastewater Association (OOWA) Annual Convention

in partnership with Clearford Waterworks

March 10, 2026

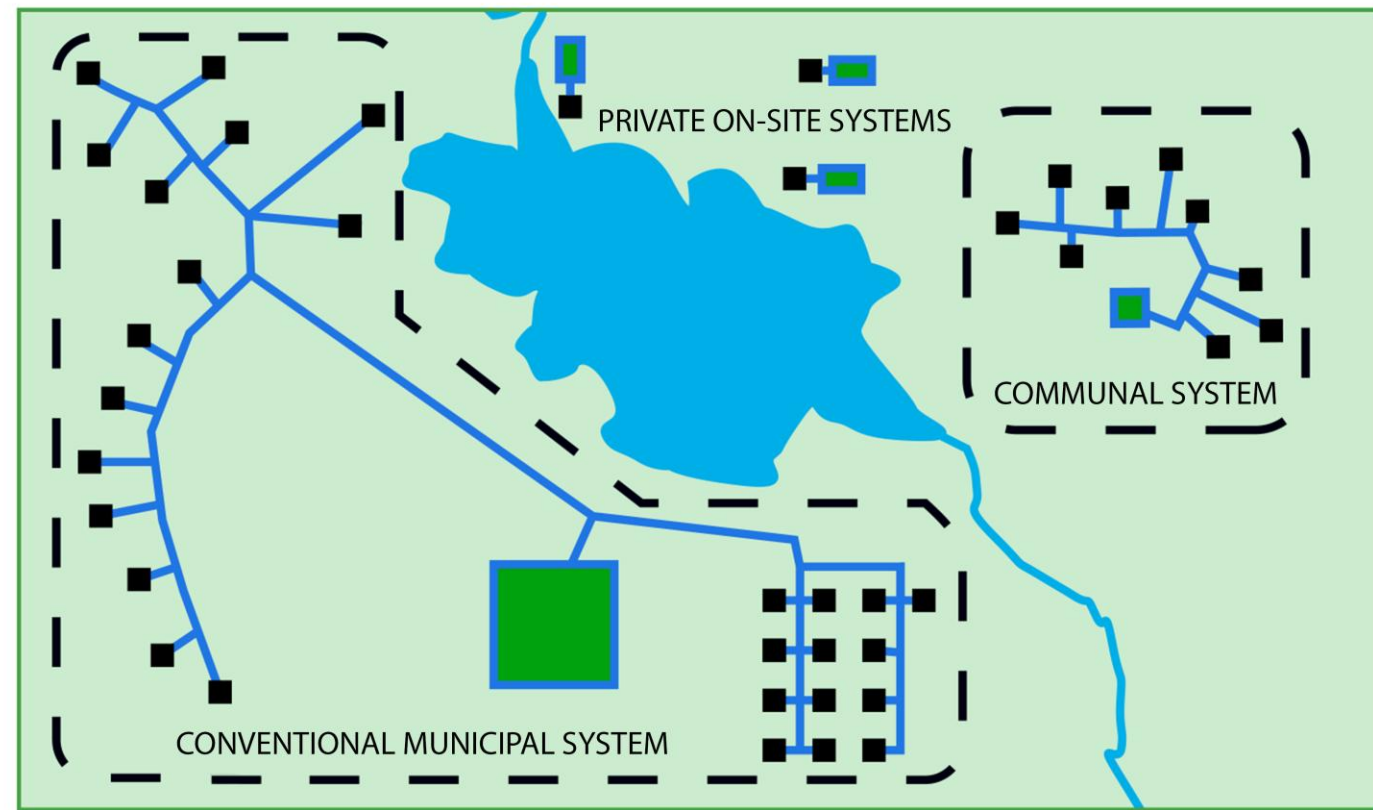
CLEARFORD



Frontenac Municipal Services (FMS)



- Established in November 2023 as a publicly owned municipal service corporation
- Serves the County of Frontenac and four lower-tier municipalities
- Created to plan, deliver, and operate communal water and wastewater systems
- Board-governed utility structure with Technical Support Committee
- Licensed operator partnership model



Why FMS Exists – The Rural Servicing Gap



How do we **build** and **maintain** vibrant, sustainable communities?

“The lack of municipal services in our villages challenges future community viability.”

- Rural villages lack municipal water and sewer servicing
- Private on-site systems require large lots, limiting density and housing diversity
- Full conventional municipal systems are financially unrealistic at village scale



Why Communal Works



- Public utility = public ownership, management, and accountability
- Licensed operator oversight and continuous monitoring
- Fewer failures; longer asset life
- Measurable performance and early intervention
- Supports compact density and diverse housing types within existing settlements



Removing Barriers to Housing

- Environmental protection and housing growth are not mutually exclusive
- MECP's parallel EA + Source Protection processes are time-consuming and costly
- Approval pathway does not scale to project size
- Communal systems are treated as one-off projects rather than standardized utility assets



Regulatory & Policy Context



- Active engagement with MECP and MMAH on communal servicing frameworks
- Growing openness to scalable, risk-based approval pathways
- EA modernization and MPAP refinement discussions underway
- Increasing recognition of communal servicing as a rural housing tool

FMS supports risk-based pre-approval of proven communal technologies by MECP





Development Opportunities

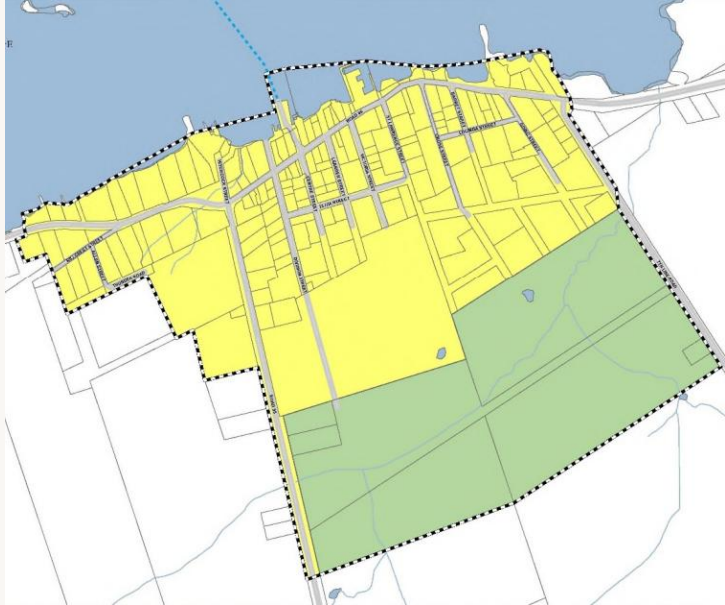
Verona



Sharbot Lake



Wolfe Island





Verona Housing Project

- \$3.2M HEWSF funding secured
- 80-unit village infill
- Compact, mixed-housing within existing settlement
- Full Municipal Class EA + Source Protection pathway required
- Estimated EA approval time: ~4 years
- Regulatory studies and approval costs to date: \$650,000+



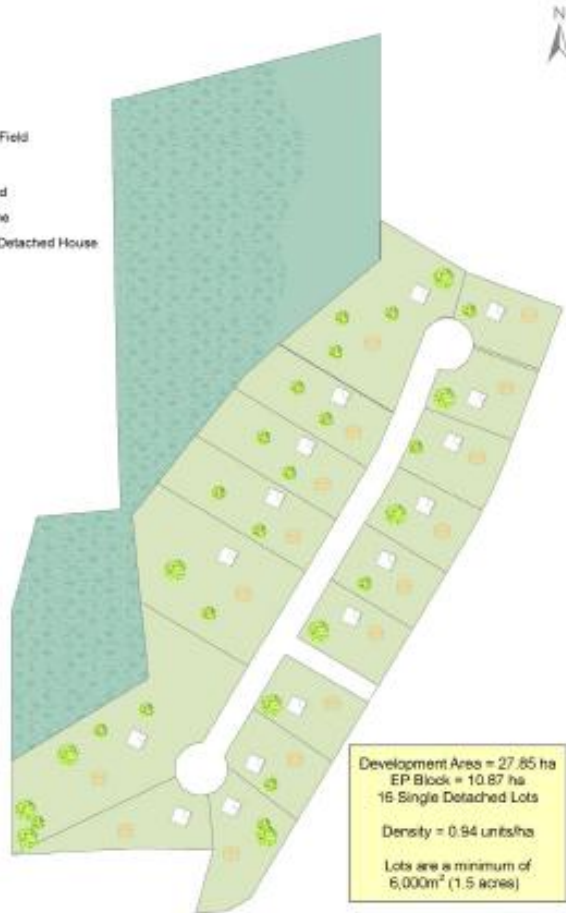
POTENTIAL FOR DEVELOPMENT ON COMMUNAL SERVICES

The figures below illustrate an actual 28-hectare residential development in the County with private on-site services, compared to the development potential which could be enabled through the implementation of communal services, representing nearly four times the density.

INDIVIDUAL SERVICING

Legend

-  House
-  Septic Field
-  Tree
-  Wetland
-  EP Zone
-  Single-Detached House
-  Road



COMMUNAL SERVICING

Legend

-  Townhouse
-  House
-  Building
-  Tree
-  Wetland
-  Treatment System
-  Communal Septic Field
-  EP Zone
-  Commercial
-  Apartment Complex
-  Single-Detached House
-  Townhouse
-  Road



Municipal Responsibility Agreements

- MRAs are required when privately owned communal systems seek Environmental Compliance Approval from the MECP, ensuring that a municipality accepts backstop responsibility if the private owner fails to properly operate or maintain the system.
- Because an MSC is a wholly owned municipal entity, it is considered a public, municipal owner. Systems owned or operated by an MSC are therefore treated as municipal systems under MECP policy.
- As they already provide the municipal accountability and oversight that an MRA is intended to secure, **MSCs are exempt from the need for MRAs.**



Achievements To Date



- Finalized FMS Shareholders' Agreement with County and four Townships
- Drafted utility-wide water and sewer by-laws
- Established licensed operator partnership

- Secured \$3.2M HEWSF funding for Verona
- Developed standardized risk matrix and servicing guidelines
- Implementing operational and financial framework for long-term sustainability



Technical Approach



- Pre-Selection of Systems
 - Clearford operates 400+ systems across Ontario, significant historic data
 - Recommend 3 to 4 technologies with proven track record of performance
 - Recommend 3 to 4 technologies with stable, well characterized O&M costs
- Tailor Recommendations
 - Size of development opportunity (< 5 units, 5 - 30 units, 30+ units)
 - Expected receiver
 - O&M costs
- Provide a suite of “Development Ready” options w regular reviews
- Reduce time required to determine servicing options



Technical Approach

- Develop recommended Design & Installation Guidelines
- Develop acceptance/assumption criteria
 - “Proving Out” period
 - Inspections and ‘Hold Points’
- Develop Risk Identification & Management guidelines
- Collaborate w Regulators to develop ‘Expedited Path’/Standardized Approvals



Administrative Approach



- Provide ‘peer review’ for development proposals
 - Do they align with Guidelines and Risk Management?
- Develop standardized by-laws
 - Water use, sewer use, user rates
- Develop operating and financial plans
 - Discrete systems, MSC portfolio of systems
- Reduce time required to assess individual systems by using the developed tools



The Frontenac Model

- Municipally owned service corporation structure
 - Licensed operator integrated from earliest planning stage
 - Standardized servicing, risk, and lifecycle financial frameworks
 - Developer constructs; utility owns and operates
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- Designed to be scalable and replicable for rural communities
 - Open to knowledge-sharing and partnership with municipalities and utilities





Thank You.

Questions? Comments?