

Staff Report for Decision

DATE OF MEETING December 6, 2021

AUTHORED BY BARBARA D. WARDILL, MANAGER, REVENUE SERVICES

SUBJECT AMENDMENT TO RATES AND CHARGES FOR SANITARY SEWER

OVERVIEW

Purpose of Report

To introduce "Sewer Regulation and Charge Amendment Bylaw 2021 No. 2496.34" for first, second and third readings.

Recommendation

That:

1. "Sewer Regulation and Charge Amendment Bylaw 2021 No. 2496.34" (To set the 2022 rates for sanitary sewer) pass first reading;
2. "Sewer Regulation and Charge Amendment Bylaw 2021 No. 2496.34" pass second reading; and,
3. "Sewer Regulation and Charge Amendment Bylaw 2021 No. 2496.34" pass third reading.

BACKGROUND

At the Regular Meeting of Council held 2021-MAR-1, Council adopted the "Financial Plan Amendment Bylaw 2021 No. 7307.02", the Financial Plan for 2021 – 2025. The Plan proposed annual increases to the water and sewer rates that take effect on January 1st of each year. If the rate increases are delayed, then either higher rates are required or the City will not meet its revenue targets.

DISCUSSION

Sewer fees are proposed to increase by 4% in 2022 (\$5.85 per single family home). This will bring the annual cost for a single family home to \$152.05. This increase is required to fund long-term asset management plans for the City's sanitary sewer systems.

FINANCIAL CONSIDERATIONS

The projected increase of 4% is required to ensure the City meets its full cost recovery model of providing sanitary sewer services to the residents and businesses in Nanaimo.

A rate increase of less than 4% will have a negative impact on the available resources to fund the sanitary sewer services.

OPTIONS

1. That “Sewer Regulation and Charge Amendment Bylaw 2021 No. 2496.34” (To set the 2022 rates for sanitary sewer) pass first reading.
2. That “Sewer Regulation and Charge Amendment Bylaw 2021 No. 2496.34” pass second reading; and,
3. That “Sewer Regulation and Charge Amendment Bylaw 2021 No. 2496.34” pass third reading.
 - The advantages of this option: The City will meet its revenue targets, including asset management initiatives.
4. That Council deny first, second and third readings to “Sewer Regulation and Charge amendment Bylaw 2021 No. 2496.34” (To set the 2022 rates for sanitary sewer).
 - The disadvantages of this option: The City will not meet its revenue targets.

SUMMARY POINTS

- The City’s Financial Plan includes an annual increase of 4% to sanitary sewer fees to provide for full cost recovery for the service including long-term asset management.
- This amounts to an annual increase of \$5.85 for a single family home (2022 = \$152.05, 2021 = \$146.20).

ATTACHMENTS:

Attachment A: “Sewer Regulation and Charge Amendment Bylaw 2021 No. 2496.34”

Submitted by:

Barbara D. Wardill
Manager, Revenue Services

Concurrence by:

Laura Mercer
Director, Finance

John Elliot
Director, Public Works

Bill Sims
GM, Engineering & Public Works