

DATE OF MEETING DECEMBER 4, 2023

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SUBJECT AMENDMENT TO RATES AND CHARGES FOR SANITARY SEWER

## **OVERVIEW**

### **Purpose of Report**

To introduce “Sewer Regulation and Charges Amendment Bylaw 2023, No. 2496.37” for first, second and third reading.

### **Recommendation**

That:

1. “Sewer Regulation and Charge Amendment Bylaw 2023, No. 2496.37” (a bylaw to set the 2024 rates for sanitary sewer) pass first reading;
2. “Sewer Regulation and Charge Amendment Bylaw 2023, No. 2496.37” pass second reading; and
3. “Sewer Regulation and Charge Amendment Bylaw 2023, No. 2496.37” pass third reading.

## **BACKGROUND**

The City of Nanaimo maintains an effective and reliable sanitary sewer system that services residents and businesses in our growing community. The sanitary sewer pipes carry wastewater to the Greater Nanaimo Pollution Control Center (GNPCC) as part of the Regional wastewater treatment system.

The sewer fund is a self-sustaining utility, which means that sewer revenues must be adequate to offset sewer expenses and reserve fund contributions for future infrastructure maintenance. Each year, sewer rates are set to achieve this goal.

## **DISCUSSION**

The proposed rate increase to continue to address funding requirements for the sanitary sewer utility is four percent (4%).

The annual cost for a residential property would change as follows:

<b>2023 Daily Rate</b>	<b>2023 Annual Cost</b>	<b>Estimated 2024 Daily Rate</b>	<b>Estimated 2024 Annual Cost</b>	<b>% Annual Change</b>	<b>\$ Annual Change</b>
\$0.43324	\$158	\$0.45057	\$164	4%	\$6.00

## OPTIONS

1. That:

“Sewer Regulation and Charge Amendment Bylaw 2023, No. 2496.37” (a bylaw to set the 2023 rates for sanitary sewer) pass first reading;

“Sewer Regulation and Charge Amendment Bylaw 2023, No. 2496.37” pass second reading; and

“Sewer Regulation and Charge Amendment Bylaw 2023, No. 2496.37” pass third reading.

- **Advantages:** The City will meet its revenue targets that include cost recovery and asset management initiatives.
- **Disadvantages:** Rates will be required to increase by 4%. This additional cost reflects the increased costs of providing sanitary sewer services.

2. That Council deny first three readings to the “Sewer Regulation and Charge Amendment Bylaw 2023, No. 2496.37”

- **Advantages:** The annual cost of sanitary sewer would not increase by \$6 per year per residential household.
- **Disadvantages:** There would not be full cost recovery for the provision of sanitary sewer services to the residents of Nanaimo. |

### SUMMARY POINTS

- The Sanitary Sewer utility is fully funded by user fees.
- The 2024 sewer rates are proposed to increase by 4%, which would have an annual impact of \$6 on a typical residential household (\$158 to \$164 annually).
- The 4% increase would allow the City to maintain full cost recovery to offset sewer expenses and reserve fund contributions.

## ATTACHMENTS:

Sewer Regulation and Charge Amendment Bylaw 2023, No. 2496.37

**Submitted by:**

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**Concurrence by:**

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