

Staff Report for Decision

DATE OF MEETING DECEMBER 2, 2024

AUTHORED BY ANA FRANCISCO, ASSISTANT MANAGER, REVENUE SERVICES

SUBJECT AMENDMENT TO RATES AND CHARGES FOR SANITARY SEWER

OVERVIEW

Purpose of Report

To introduce “Sewer Regulation and Charges Amendment Bylaw 2024, No. 2496.38” for first, second and third reading.

Recommendation

That:

1. “Sewer Regulation and Charge Amendment Bylaw 2024, No. 2496.38” (a bylaw to set the 2025 rates for sanitary sewer) pass first reading;
2. “Sewer Regulation and Charge Amendment Bylaw 2024, No. 2496.38” pass second reading; and
3. “Sewer Regulation and Charge Amendment Bylaw 2024, No. 2496.38” pass third reading.

BACKGROUND

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

The sewer fund is a self-sustaining utility, and as such, 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 is four percent (4%).

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

2024 Annual Cost	Proposed 2025 Annual Cost	% Annual Change	\$ Annual Change
\$164.91	\$171.51	4%	\$6.60

There is also one housekeeping change required. The existing Bylaw references an older RDN Bylaw (Bylaw No. 746) that has since been repealed and replaced. The wording in the bylaw

has been updated to reference currently enacted bylaws, and to include any subsequent amendments.

OPTIONS

1. That:

“Sewer Regulation and Charge Amendment Bylaw 2024, No. 2496.38” (a bylaw to set the 2025 rates for sanitary sewer) pass first reading;

“Sewer Regulation and Charge Amendment Bylaw 2024, No. 2496.38” pass second reading; and

“Sewer Regulation and Charge Amendment Bylaw 2024, No. 2496.38” 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 reflects the increased costs of providing sanitary sewer services.

2. That Council provide alternative direction.

SUMMARY POINTS

- The sanitary sewer utility is fully funded by user fees.
- The 2025 sewer rates are proposed to increase by 4%, which would have an annual impact of \$6.60 on a typical residential property (\$164.91 to \$171.51 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 2024, No. 2496.38

Submitted by:

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Concurrence by:

Wendy Fulla
Director, Finance

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