

Staff Report for Decision

DATE OF MEETING DECEMBER 1, 2025

AUTHORED BY ANA FRANCISCO, MANAGER. REVENUE SERVICES

SUBJECT 2026 AMENDMENT TO RATES AND CHARGES FOR SANITARY SEWER

OVERVIEW

Purpose of Report

To introduce “Sewer Regulation and Charges Amendment Bylaw 2025, No. 2496.39” for first, second and third reading.

Recommendation

That:

1. “Sewer Regulation and Charge Amendment Bylaw 2025, No. 2496.39” (a bylaw to set the 2026 rates for sanitary sewer) pass first reading;
2. “Sewer Regulation and Charge Amendment Bylaw 2025, No. 2496.39” pass second reading; and
3. “Sewer Regulation and Charge Amendment Bylaw 2025, No. 2496.39” pass third reading.

BACKGROUND

The City of Nanaimo operates a reliable and efficient sanitary sewer system that serves the properties within the community. Wastewater collected through the system is conveyed to the Greater Nanaimo Pollution Control Centre, which forms part of the regional wastewater treatment network.

The sewer utility is structured as a self-funded service, meaning that revenues generated must be sufficient to cover operating costs, as well as contributions to reserve funds for future infrastructure renewal and maintenance. Sewer Rates are reviewed and set annually to ensure financial sustainability and continued service delivery.

DISCUSSION

The proposed rate increase to continue to address funding requirements is 4%.

The annual cost for the average residential single-family property would increase as follows:

| 2025 Annual Cost | Proposed 2026 Annual Cost | % Annual Change | \$ Annual Change |
|-------------------------|----------------------------------|------------------------|-------------------------|
| \$171.51 | \$178.37 | 4% | \$6.86 |

Staff are also recommending the following amendments to ensure compliance with the City’s current standards and expectations:

12. Illegal Connections

- 12.2 No recreational vehicle, trailer, or similar mobile unit shall be directly connected to the City's sanitary sewer system on any residential premises.
- 12.3 Any unauthorized connection of a recreational vehicle to the sewer system shall be subject to fines as outlined in the "Bylaw Notice Enforcement Bylaw 2012, No. 7159".

27. Connection or Reconnection to Service Connection:

- 27.1 Every sewer service shall be installed prior to the installation of the building sewer and connection of the building sewer to the service connection and that work shall be completed by the owner.
- 27.2 The City will install the sewer service in accordance with the current standards and specifications. It shall be the responsibility of the owner to connect at the set elevation.
- 27.3 Existing services constructed of asbestos cement, vitreous clay, or concrete shall not be reused and shall be replaced at the cost of the owner. |

OPTIONS

1. That

1. "Sewer Regulation and Charge Amendment Bylaw 2025, No. 2496.39" (a bylaw to set the 2026 rates for sanitary sewer) pass first reading;
2. "Sewer Regulation and Charge Amendment Bylaw 2025, No. 2496.39" pass second reading; and
3. "Sewer Regulation and Charge Amendment Bylaw 2025, No. 2496.39" pass third reading.

Advantages:

- The City will meet its revenue targets that include cost recovery and asset management initiatives.

Disadvantages:

- The City will meet its revenue targets that include cost recovery and asset management initiatives.

2. That Council provide alternative direction. |

SUMMARY POINTS

- The sanitary sewer utility is fully funded by user fees under a cost-recovery model.
- The 2026 sewer rates are proposed to increase by 4%. The estimated annual impact to a typical household is \$6.86 (\$171.51 to \$178.37 annually).

ATTACHMENTS:

Sewer Regulation and Charge Amendment Bylaw 2025, No. 2496.39 |

Submitted by:

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Concurrence by:

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Works |