



A7

ADMINISTRATIVE REPORT

Report Date: January 5, 2009
Contact: Brian Crowe
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RTS No.: 7841
VanRIMS No.: 08-2000-20
Meeting Date: January 20, 2009

TO: Vancouver City Council
FROM: General Manager of Engineering Services
SUBJECT: Minor Amendments to 2009 Water and Sewer Rates

RECOMMENDATION

- A. *THAT Council approve amendments to the Water Utility rates approved on December 18, 2008 as detailed in this report and set out in Appendix A.*
- B. *THAT Council approve the elimination of the metered sewer rate minimum charge as detailed in this report and set out in Appendix B.*
- C. *THAT the Director of Legal Services be instructed to bring forward for enactment amendments to the Water Works By-law, substantially as set out in Appendix A and amendments to the Sewer and Watercourse By-law, substantially as set out in Appendix B.*

GENERAL MANAGER'S COMMENTS

The General Manager of Engineering RECOMMENDS approval of A, B and C.

COUNCIL POLICY

Water and sewer rates for both metered and non-metered customers are specified in the Schedules of Rates and Charges included in the both the Water Works By-law and Sewer and Watercourse By-law. These schedules are updated annually by Council.

PURPOSE

The purpose of this report is to amend three fees that were miscalculated in the Water Rate Report of December 18, 2008 and to eliminate the minimum charge for metered sewer users.

DISCUSSION

Staff are recommending minor amendments to both the Water and Sewer Rates that were approved on December 18, 2008. In both cases, the recommendations are consistent with the intent of the December reports.

Amendments to Water Utility Rates

Three fees included in the 2009 Water Utility Rates, identified in Appendix A of this report, were increased by incorrect amounts. Due to a calculation error in the rate preparation, the rates were increased by 7.1% instead of the intended 4.9%. Council approval is required to correct the fees to the originally intended values and request Legal Services to make the necessary amendments to the Water Works Bylaw 4848.

Elimination of the Sewers Minimum Charge

The Sewer and Watercourse By-law sets out a minimum charge based on 85% of 8 units of water consumption per month. Prior to 2009, the Water Works By-law included a similar provision to charge a minimum of 8 units per month should lower consumption be recorded in any billing period. However, Council approved the elimination of this charge on December 18, 2008 as part of the 2009 Annual Review of Water Rates. In order to be consistent with the removal of the minimum charge for water, staff recommend that the minimum charge for sewer discharge also be removed.

FINANCIAL IMPLICATIONS

The estimated loss of revenue from elimination of the minimum charge for sewer fees is approximately \$95,000 for 2009. However, the elimination of the minimum charge results in savings of approximately \$50,000 related to system upgrades and processing efficiencies in 2009. Therefore, the net cost of eliminating the minimum sewer charge is estimated to be approximately \$45,000. As this amount is minor in relation to the overall sewer budget, no other fee revisions are required.

The change to the Water Utility Rates has no financial impact as the budget calculations were prepared based on the intended 4.9% increase.

CONCLUSION

By correcting the fees, Council will restore the original intent of the proposed and approved rates of the December 18th Water Rate report RTS 7660. It is also recommended that the provision to charge a minimum amount for metered sewer use be eliminated.

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Water Works By-Law No. 4848 Schedules of Rates and Charges for 2009 (with comparable rates for 2008)			
Recommended Fee Adjustments			
Water rate increase	4.90%		Applicable to Schedule B, D
Schedule B	Annual Flat Rate Service Charges for Residential Properties		
	2008 Rate	Previously Approved 2009 Rate	Proposed Amended 2009 Rate
Single Family with Suite (annual Flat rate)	\$489	\$523	\$513
For Each Strata Title Duplex	\$244	\$261	\$256
Schedule D	Charges for Metered Water Service		
	2008 Rate	Previously Approved 2009 Rate	Proposed Amended 2009 Rate
Per Unit Rate (unit = 2,831.6 litres)	\$1.742	\$1.866	\$1.827

Proposed By-Law 8093 Revisions

Section 7: Sewer Use Rates, Billing and Collection

Section 7.1

Delete: "(2) For the purposes of this By-law, the "Minimum Charge" set out in Part V of Schedule A of this By-law is based on a deemed discharge rate of 85% of 8 units of water per month multiplied by the applicable rate per unit and has been calculated to off-set the City's estimated administrative and fixed costs associated with situations where the Minimum Charge is imposed pursuant to this By-law."

Section 7.3 (2) Heading (b) i)

Delete paragraphs (A) and (B) and replace with:

- i) All rates will be determined on the basis of water delivered to the property in any given billing period.

Section 7.5

Delete and replace with:

- (1) Minimum Rate for Septic

For each property which is served exclusively by a plumbing system which is not connected directly or indirectly to a public sewer connection, the owner and occupier of such property will pay the rate for "Other Property" set out in Part IV of Schedule A of this By-law, on account of the City's costs of providing a public sewer system, whether or not that property is currently using or served by such system.

- (2) Billing and Collection for Septic

The rates payable pursuant to Sentence (1) will be pro-rated, adjusted, billed, paid, entered on the tax roll and be subject to late payment interest, penalties and other charges in the same manner as the rates payable pursuant to Section 7.2

Section 7.6

Delete and replace with:

(1) Minimum Rate for Other Property

For each property which is not subject to any of the rates set out in Sections 7.2, 7.3, 7.4 or 7.5 of this By-law, the owner and occupier of such property will pay the rate for "Other Property" set out in Part IV of Schedule A of this By-law on account of the City's costs of providing a public sewer system, whether or not that property is currently using or served by such system:

(2) Billing and Collection for Other Property

The rates payable pursuant to Sentence (1) will be pro-rated, adjusted, billed, paid, entered on the tax roll and be subject to late payment interest, penalties and other charges in the same manner as the rates payable pursuant to Section 7.2

Schedule A: Schedule of Rates

PART V - Unit Based Rates for Metered Property

Delete:

Minimum Charge	\$7.50
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