

To: Fraser Valley Regional District Board

Date: 2023-03-23

From: Sterling Chan, Manager of Engineering and Infrastructure

File No: 3320-20-1695-2023

**Subject: Fraser Valley Regional District North Bend Sewer System Fees and Charges Amendment Bylaw No. 1695, 2023.**

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### RECOMMENDATION

**THAT** the Fraser Valley Regional District Board give three readings and adoption to *Fraser Valley Regional District North Bend Sewer System Fees and Charges Amendment Bylaw No. 1695, 2023*.

### BACKGROUND

*Fraser Valley Regional District North Bend Sewer System Fees and Regulations Bylaw No. 0236, 1998* contains the regulations for managing the North Bend Sewer System and includes the terms and conditions under which sewer services may be provided. This bylaw also specifies the rate of the user fees for sewer use paid through utility bills.

### DISCUSSION

The local service area for the North Bend Sewer System is funded through a combination of taxation as well as user fees coming in the form of a utility bill. When drafting the 2023 budgets for this service area, Staff consulted with the Electoral Area A Director to strategize the appropriate mechanism(s) to meet the revenue targets necessary to operate this system in 2023. The 2023 Financial Plan contemplates **this service area's** total revenues increasing from 2022 to 2023 by \$18,100. This increase has been spread out proportionally between taxation and user fees. The changes to the user fee rates in proposed bylaw *Fraser Valley Regional District North Bend Sewer System Fees and Charges Amendment Bylaw No. 1695, 2023* support decisions made during the Financial Planning process and provides the authority to charge these rates, which are expected to increase user fee revenue by \$4,450.

The increases to the 2023 budget are, in part, to address increasing operations costs driven by inflation. However, the majority of the additional funding is **being directed to the service area's capital reserve**. Through the 2022 Financial Planning process, North Bend Sewer System was identified by Staff as a budget at risk. The service area has limited appropriated surplus and reserve balances and has several key pieces of infrastructure, **including the sewage lagoon's aeration system and disposal field** that are nearing the end of their expected life. Increasing the contribution to the capital reserve reduces risk and better positions the service area to reinvest in these assets.

Below is a summary of the changes to the user fees included in *Fraser Valley Regional District North Bend Sewer System Fees and Charges Amendment Bylaw No. 1695, 2023*.

Category of User	Semi-Annual Charge (Current)	Semi-Annual Charge (Proposed)
Residential	\$128.38	\$178.96
Commercial	\$0.92/cubic metre	\$1.28/cubic metre

## COST

The adoption of bylaw *Fraser Valley Regional District North Bend Sewer System Fees and Charges Amendment Bylaw No. 1695, 2023* is necessary in order to achieve the revenue targets put forward in the 2023 budget for the North Bend Sewer System.

## COMMENTS BY:

Tareq Islam, Director of Engineering & Utilities: Reviewed and supported.

Kelly Lownsborough, Director of Corporate Services/CFO: Reviewed and supported.

Jennifer Kinneman, Chief Administrative Officer: Reviewed and supported.