

To: Fraser Valley Regional District Board

Date: 2023-03-23

From: Sterling Chan, Manager of Engineering and Infrastructure

File No: 3320-20-1694-2023

Subject: Fraser Valley Regional District North Cultus Sewer System Fees and Charges Amendment Bylaw No. 1694, 2023.

RECOMMENDATION

THAT the Fraser Valley Regional District Board give three readings and adoption to Fraser Valley Regional District North Cultus Sewer System Fees and Charges Amendment Bylaw No. 1694, 2023.

BACKGROUND

The local service area for the North Cultus Sewer System is funded through a combination of a parcel tax as well as user fees coming in the form of a utility bill that is charged once annually in arrears. The revenue collected through the parcel tax covers debt servicing, whereas user fees cover the operation costs as well as contributions to the capital reserve. *Fraser Valley Regional District Cultus Lake Park Collection Sewer System User Fees and Charges Bylaw No. 1238, 2013* specifies the rate of the user fees for sewer use paid through utility bills.

DISCUSSION

When drafting the 2023 budgets for this service area, Staff consulted with the Electoral Area H Director to strategize the appropriate mechanism(s) to meet the revenue targets necessary to operate this system in 2023. The increases to the 2023 budget address increasing operations costs, which are driven by inflation. The changes to the user fee rates in proposed bylaw *Fraser Valley Regional District North Cultus Sewer System Fees and Charges Amendment Bylaw No. 1694, 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 collected from local residents by \$50,826. For clarity, the 2023 budget is for the operation of the existing system and does not reflect the operation of the future North Cultus Wastewater Treatment Plant. Furthermore, these user fees are billed in arrears and will not be charged to residents until January 2024.

Below is a summary of the changes to the user fees included in *Fraser Valley Regional District North Cultus Sewer System Fees and Charges Amendment Bylaw No. 1694, 2023*.

Classification	Annual Charge (2022)	Annual Charge (Proposed 2023)
1. Operation Recovery		
Residential	\$467	\$547
School	\$1,632	\$1,914
Recreational	\$467	\$547
Church	\$700	\$820
Office	\$467	\$547
Gas Bar	\$700	\$820
Restaurant	\$700	\$820
Retail	\$700	\$820
Other Commercial	\$700	\$820
2. Capital Reserve (Asset Management) Recovery		
All Classifications	\$142	\$151

COST

The adoption of bylaw Fraser Valley Regional District North Cultus Sewer System Fees and Charges Amendment Bylaw No. 1694, 2023 is necessary in order to achieve the revenue targets put forward in the 2023 budget for the North Cultus 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.