



CORPORATE REPORT

To: Fraser Valley Regional District Board

Date: 2024-06-27

From: Brodie Barber, Engineering & Community Services Technologist

File No: 3320-20-1743,
2024

Subject: Fraser Valley Regional District North Cultus Sewer System Fees and Charges Amendment Bylaw No. 1743, 2024.

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. 1743, 2024.

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 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 2024 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 2024. The increases to the 2024 budget address increasing operations costs, which are driven by inflation. The changes to the user fee rates in the proposed bylaw *Fraser Valley Regional District North Cultus Sewer System Fees and Charges Amendment Bylaw No. 1743, 2024* 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 \$19,460. For clarity, the 2024 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 2025.

An additional user fee has been added, as the Department of Fisheries and Oceans Cultus Lake Research Laboratory has been added into the North Cultus Sewer Service Area.

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. 1743, 2024*.

Classification	Annual Charge (2023)	Annual Charge (Proposed 2024)
1. Operation Recovery		
Residential	\$547	\$575
School	\$1,914	\$2,013
Recreational	\$547	\$575
Church	\$820	\$863
Office	\$547	\$575
Gas Bar	\$820	\$863
Restaurant	\$820	\$863
Retail	\$820	\$863
Other Commercial	\$820	\$863
DFO Laboratory		\$2,875
2. Capital Reserve (Asset Management) Recovery		
All Classifications	\$151	
Residential		\$155
School		\$541
Recreational		\$155
Church		\$232
Office		\$155

Gas Bar		\$232
Restaurant		\$232
Retail		\$232
Other Commercial		\$232
DFO Laboratory		\$773

Additionally, this bylaw amendment introduces a capital improvement connection fee. The purpose of the capital improvement connection fee is to equalize the amount paid towards capital debt servicing by properties new to the service area with the amount paid by properties already in the service area. In the case of the North Cultus Sewer System, from 2019 through to date, property owners have paid \$3,429.56 towards the construction of the North Cultus Wastewater Treatment Plant; therefore, for a new property to join this system in 2024, the capital improvement connection fee will be \$3,429.56. As this amount increases with every year, the fee must be recalculated, and the bylaw must be amended on an annual basis.

COST

The adoption of bylaw Fraser Valley Regional District North Cultus Sewer System Fees and Charges Amendment Bylaw No. 1743, 2024 is necessary in order to achieve the revenue targets put forward in the 2024 budget for the North Cultus Sewer System.

COMMENTS BY:

Sterling Chan, Deputy Director of Engineering: Reviewed and Supported

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.