

THE CORPORATION OF THE
CITY OF WHITE ROCK
CORPORATE REPORT



DATE: November 25, 2024

TO: Mayor and Council

FROM: Candice Gartry, Director, Financial Services

SUBJECT: Water Services Bylaw, 2015, No. 2117, Amendment No. 14, Bylaw, 2024, No. 2525

RECOMMENDATIONS

THAT Council receive the November 25, 2024, corporate report from the Director of Financial Services, titled “Water Services Bylaw, 2015, No. 2117, Amendment No. 14, Bylaw, 2024, No. 2525;” and

1. Give first, second and third reading to “Water Services Bylaw, 2015, No. 2117, Amendment No. 14, Bylaw, 2024, No. 2525.”
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EXECUTIVE SUMMARY

Section 194 of the *Community Charter* authorizes Council, by bylaw, to establish municipal fees for services, for the use of municipal property or to exercise the authority to regulate, prohibit or impose requirements.

The city’s water user fee rates are established each year through bylaw. The rates are based on the city’s Five-Year Financial Plan for the water system, which includes forecasted revenues and expenses, asset improvement capital requirements, reserves, and debt financing. The bylaw rates are set to ensure that fees charged recover the cost of providing the services. The proposed user fee rate increase for 2025 is 7.48%.

In 2022, the city implemented the first phase of a four-phase water rate structure. Once all phases have been implemented, water consumption will be aligned with water utility costs and will promote water conservation. 2025 will be the final phase of the four-phase plan to implement the new rate structure. From 2025 onwards, the city will be charging a smaller fixed fee related to the size of the meter, and all water consumed will be charged at the same rate. The fixed fee will not include any base consumption.

PREVIOUS COUNCIL DIRECTION

Motion # & Meeting Date	Motion Details
2021-243 June 28, 2021	THAT Council direct staff to implement a new water use fee rate structure based on Option 2 as outlined in the June 28, 2021, corporate report titled "Water utility User Fee Rate Restructure - 2 Options" (whereby each account would be charged a fixed fee that would be related to the size of the meter. The larger the meter size, the higher the fixed fee which reflects the demands on the system. All water consumption would be charged at the same rate). CARRIED

INRODUCTION/BACKGROUND

Section 194 of the *Community Charter* authorizes Council, by bylaw, to establish municipal fees for services, for the use of municipal property or to exercise the authority to regulate, prohibit or impose requirements.

The 2024 – 2028 Financial Plan projected a 6.0% increase in water user rates for 2025. However, due to increases in Metro Vancouver licensing fees, and administrative costs beyond what was anticipated when the 2024 – 2028 Financial Plan was completed, a regular part time Operations Clerk position, and various other small increases, an additional \$102,100 (1.48%) in water user fees is needed in 2025 to ensure that the water utility costs are covered. This equates to a 7.48% average rate increase over the 2024 rates.

Additional Budget Increase	Description
\$10,300	Metro Vancouver licensing fee increases
40,000	Administration charges
47,400	Regular Part Time Operations Clerk position
4,400	Various other small adjustments
\$102,100	Total additional increase

For 2024, the average annual cost to a single-family residential property (based on an annual average consumption of 2,092 cubic feet in 2024) is proposed to increase by approximately \$35 per quarter to \$900 annually. For the average multi-family home (based on an annual average consumption of 973 cubic feet in 2024) the annual cost is proposed to increase by an average of \$21 per quarter to \$405 annually. It should be noted that these are averages and customers' actual bills will vary based on actual water usage. The proposed rates for 2025 would be effective as of January 1, 2025.

The city has been phasing in a new water rate structure that, once complete (in 2025), will align water consumption with water utility costs, promote water conservation, and be more comparable to the metered water rate structures of our neighboring municipalities. With the new structure the city will be charging a smaller fixed fee related to the size of the meter and all water consumed will be charged at the same rate.

The previous rate structure had a higher fixed fee which included a certain portion to cover water consumption (scaled by meter size). When customers did not use the included consumption, they were paying for water they did not consume. That rate structure didn't align with the actual water consumption and the amount being charged to customers. For example, multi-family dwellings were being subsidized by single family dwellings. The new structure creates greater equity amongst the different types of customers as customers will all pay for the water they consume once phasing is complete. The phasing out of included consumption is shown in the graph that follows

Service Charge	2022		2023		2024		2025	
	Base Charge	Consumption included in the Base Charge	Base Charge	Consumption included in the Base Charge	Base Charge	Consumption included in the Base Charge	Base Charge	Consumption included in the Base Charge
MULTI FAMILY WATER *	41.00	600	30.80	450	20.50	300	*	0
NON RESIDENTIAL WATER 5/8"	92.60	1,200	69.40	900	46.30	600	53.40	0
NON RESIDENTIAL WATER 1"	231.30	3,120	173.50	2,340	115.60	1,560	58.70	0
NON RESIDENTIAL WATER 1 1/2"	462.60	6,000	347.00	4,500	231.30	3,000	90.80	0
NON RESIDENTIAL WATER 2"	740.30	9,600	555.20	7,200	370.20	4,800	122.80	0
NON RESIDENTIAL WATER 3"	1,388.10	18,000	1,041.10	13,500	694.00	9,000	283.00	0
NON RESIDENTIAL WATER 4"	2,313.50	30,000	1,735.10	22,500	1,156.80	15,000	373.80	0
SINGLE FAMILY WATER 5/8"	115.10	1,200	86.30	900	57.60	600	53.40	0
SINGLE FAMILY WATER 1"	231.30	3,120	173.50	2,340	115.60	1,560	58.70	0
SINGLE FAMILY WATER 1 1/2"	462.60	6,000	347.00	4,500	231.30	3,000	90.80	0
SINGLE FAMILY WATER 2"	740.30	9,600	555.20	7,200	370.20	4,800	122.80	0
SINGLE FAMILY WATER 4"							373.80	0
SINGLE FAMILY WATER 6"	4,571.60	60,000	3,428.70	45,000	2,285.80	30,000	635.50	0

*The multi-family base charge will be the same as the single-family base charge based on meter size. In addition, the base charge for single family and multi-family will be combined in a new service charge group called 'residential' from 2025 onwards.

The base meter charge for 2025 is calculated from allocating 15% of total budgeted user revenue to help cover the fixed costs of operating the utility, such as the cost of billing, metering and staff costs. This base fee is then scaled by meter size. Water consumption, regardless of account type, will be charged at \$8.20 per 100 cubic feet.

FINANCIAL IMPLICATIONS

The proposed 2025 Water Utility average user rate increase is 7.48% and is set at a rate so that the costs of providing the service(s) are covered. The annual cost of water for an average single-family homeowner will increase by \$140, from \$760 to \$900 per year, and for an average multi residential homeowner the user fees will increase by \$84 per unit, from \$321 to \$405 per year. The proposed rates for 2025 would be effective on January 1, 2025.

LEGAL IMPLICATIONS

No specific legal implications to note. Bylaw approval required to implement rate increase and authorize budget for 2025.

COMMUNICATION AND COMMUNITY ENGAGEMENT IMPLICATIONS

The background material is available on the municipal website and will be incorporated into the Consolidated Financial Plan document when presented in early 2025.

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS

The Engineering and Municipal Operations department provided input for the fees proposed in the Water Services Bylaw, 2015, No. 2117, Amendment No. 14, Bylaw, 2024, No. 2525.

ALIGNMENT WITH STRATEGIC PRIORITIES

The proposed Bylaw aligns with the following Strategic Priorities:

Infrastructure - We plan, build, and maintain infrastructure to enhance quality of life and civic service delivery, while mitigating and adapting to environmental impacts.

Organization & Governance – We commit to continuous process improvement, efficient service delivery, and fostering positive relationships with Semiahmoo First Nation and other key stakeholders.

OPTIONS / RISKS / ALTERNATIVES

The following alternate option is available for Council's consideration:

1. Decline to endorse the proposed Water Services Bylaw, 2015, No. 2117, Amendment No. 14, Bylaw, 2024, No. 2525. This would defer and delay implementation of the Council approved water user fee restructuring plan and not provide sufficient funds to cover the costs of providing the service(s) in 2025.

CONCLUSION

The city's Water Utility rates are established annually through bylaw. The rates are determined through the development of the city's Five-Year Financial Plan, which considers the Utility's projected revenues and expenses, capital requirements, reserves and long-term debt load. For 2025, a water user fee revenue increase of 7.48%, along with the implementation of the fourth and final phase of the water user fee restructuring, will result in an average annual increase of \$140 for single family residential homes and \$84 for multi-family homes.

It is recommended that Water Services Bylaw, 2015, No. 2117, Amendment No. 14, Bylaw, 2024, No. 2525 be given first, second and third readings.

Respectfully submitted,



Candice Gartry, CPA, CGA
Director, Financial Services

Comments from the Chief Administrative Officer

I concur with the recommendation of this corporate report.



Guillermo Ferrero
Chief Administrative Officer

Appendix A: Water Services Bylaw, 2015, No. 2117, Amendment No. 14, Bylaw, 2024,
No. 2525