



AGENDA

**Committee of the Whole
to be held on January 8, 2019 in the Council Chambers at 10:30 a.m.
Municipal Hall, 977 South Maquinna Drive**

Call to Order

Introduction of Late Items

Approval of the Agenda

New Business

- 1 Utility Bylaw Briefing**

- 2 Comox Strathcona Waste Management Program Overview**

Presentation by Andrew McGifford, Senior Manager Comox Strathcona Waste Management Services & Stephanie Valdal, Service Coordinator CSWM.

Adjournment



Utility Bylaws Briefing

Village of Tahsis
Council Briefing
January 08, 2019

Statutory Authority to Impose Fees for Utility Services

Community Charter s. 194:

A council may, by bylaw, impose a fee payable in respect of

- (a) all or part of a service of the municipality,
- (b) the use of municipal property, or
- (c) the exercise of authority to regulate, prohibit or impose requirements.

Utility Bylaws

- ▶ Water Regulations and Rates Bylaw No. 581, 2016 (as amended)
- ▶ Sewer Regulations and Rates Bylaw No. 582, 2016 (as amended)
- ▶ Solid Waste Management Bylaw No. 590, 2017

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Drinking Water System Main Assets

- ▶ Community Water Well – commissioned in 2016
- ▶ Reservoirs at McKelvie Creek and above Rosea Place
- ▶ Mains are a mix of asbestos concrete, steel and PVC

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Wastewater Main Assets

- ▶ Two treatment plants – north and south and associated outfalls
- ▶ Series of lift stations, forcemains and mains moves sewerage to treatment plants

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Solid Waste Main Assets

- ▶ Garbage truck
- ▶ Loader (for use at the landfill)
- ▶ Dumpsters
- ▶ Recycling shed
- ▶ Free Store

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2017 Utility Revenues

Revenues	Budget	Actual	Variance
Water Utility	125,068	48,498	(76,570)
Sewer Utility	111,187	97,607	(13,580)
Solid Waste	41,176	165,646	124,470
Total	277,431	311,105	34,320

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2017 Utility Expenditures

Expenditures	Budget	Actual	Variance
Water Utility	98,000	147,564	(49,564)
Sewer Utility	113,700	105,217	8,483
Solid Waste	56,572	16,901	39,671
Total	268,272	252,781	(1,410)

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Water Utility Bylaw

- ▶ Scope and authorities
- ▶ Establishes the water system
- ▶ Discontinuance of service
- ▶ Responsibilities of public, consumer and owner
- ▶ Contamination prevention
- ▶ Fire Service use
- ▶ Rates, fees and charges
- ▶ Offences and penalties

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Funding Requirements

- ▶ Annual operating costs – salaries, maintenance, supplies, etc.
- ▶ Infrastructure replacement (exceeded estimated useful life and/or based on condition assessment)
- ▶ Current revenues cover operating costs, but do not contribute toward infrastructure replacement

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Utility Rate Setting

- ▶ Rate adjustments (increases) have been based on historical rates plus inflation
- ▶ No study on the full cost of any of the utilities, including infrastructure renewal costs.
- ▶ Utility fees would need to be increased (or other revenues secured, e.g., parcel tax) to begin to address the widening gap between infrastructure replacement costs and ability to fund

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Utility Rate Setting

- ▶ Two main categories of utility rates residential (including B&Bs, guest houses, etc); and commercial
- ▶ Many municipalities require water meters for commercial customers but not residential
- ▶ Charging commercial customers on the volume of water consumed is the most accurate and thus the fairest method rather than charging according to the type of business

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Utility Rate Setting

- ▶ Ideally the utility revenue and expenditure amounts would be based on something like an annual contribution for asset renewal along with the annual operating costs.
- ▶ Once this amount is calculated a long term financial model could be built to determine the revenue (and expenditure) requirements on a year over year basis.
- ▶ From this, rates could be calculated to fund all or some of the utility

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Utility Rate Equity

- ▶ s. 194(4) (CC) requires a municipality to make available to the public a report respecting how a fee imposed was determined
- ▶ Fees cannot be set arbitrarily; must be supported by evidence
- ▶ Must also be evidence to support rate differences between different categories
- ▶ Without consumption data, this is challenging
- ▶ Meters installed this month will help with rate setting and ensuring equity

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Water System Asset Management

- ▶ Asset inventory – 2009
- ▶ Community Well – 2016
- ▶ Leak detection study 2017
- ▶ Water main replacement 2019
- ▶ Water meter installation 2019
- ▶ Asset renewal profile – 2019

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Sewer Bylaw

- ▶ Mirrors the Water Bylaw
- ▶ Same principles regarding rate setting as water utility

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Wastewater System Asset Management

- ▶ Asset inventory - 2009
- ▶ Smoke testing, manhole inspection and CCTV - 2017
- ▶ STP and NTP equipment maintenance - 2017
- ▶ STP condition assessment (partial) - 2017/18
- ▶ Point repair and grouting of mains - 2018
- ▶ Asset renewal profile - 2019

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