



Staff Report
to
Council

Date: December 15, 2014
Department: Administration
Subject: Sewer Rates for the Period 2015 through 2019

Background

In September of 2004 the City of Langford entered into an Agreement (the 'Sewer Agreement') with West Shore Environmental Services ('WSES') whereby WSES would finance, own, operate, expand and maintain the City's sewer system for an initial term of 21 years (2004 – 2025), with an option to extend the agreement for an additional 21 years.

Within the terms of this Agreement, it is incumbent upon the City to review and establish, from time to time, prevailing sewer rates for properties connected to (and connecting to) the City's sewer system (Article 15.16 of the Agreement states that 'Langford will retain governance over rates').

The purpose of this Report is to seek direction from Council for:

A/ The establishment (update) of 'sewer rates' for the period 2015 – 2019 (5 years), per the terms of the Sewer Agreement,

AND

B/ Policy direction respecting mandatory sewer connections.

Commentary

Re: A/ above: The establishment (update) of sewer rates for the period 2015 - 2019:

Descriptions and rate design guidelines for various 'fee-based' sewer system items which directly support the revenue structure of the Agreement with WSES are stated in Article 15 of the Agreement. The four (4) fee-based sewer system items that are the subject of this Report are as follows:

Re: B/ above: Policy direction regarding 'mandatory' sewer connections:

The City of Langford has a Bylaw in effect (Bylaw 1066) whereby any developed Lot that has a sewer main available for connection must connect within one year of that sewer main being available, with various exceptions (see Bylaw 1066).

In order to promote the enhancement of the environmental health of the City, it is recommended that

- 1/ all properties that currently have a sewer main available for connection will be required to connect to the sewer system by end-2018; AND
- 2/ all properties that receive a sewer main which is available for connection after the date of this Report to Council shall be required to connect either by end-2018, or within one year of the sewer main being available for connection – whichever is later.

The rates in Table 1 and the policy regarding mandatory connections have all been discussed with WSES and they have agreed.

Financial Implications

An increase in the current sewer Rates as recommended above will have a positive effect on the net financial health of the City's continuing Sewer Agreement with WSES, significantly improving the probability that the City will continue to be in a position to maintain sewer rates at a level amongst the lowest in the CRD region.

Legal Implications

Article 15 of the Sewer Agreement contains provisions and guidelines for sewer rate changes, together with the authority whereby Council (and only Council; see Article 15.16) may implement any such sewer rate changes.

The recommended Sewer Rate changes as shown in Table 1 above are fully-supported by these provisions.

Options:

Option 1:

That Council **approve the Rates** as recommended in Table 1 above, OR

Option 2:

That Council **make adjustments to the Rates** recommended in Table 1, OR

Option 3:

That Council **not approve** any Rate changes at this time,

AND

Option 4:

That Council **approve the recommendation above** regarding 'mandatory' sewer connections, OR

Option 5:

That Council **approve a revised version of the recommendation above** regarding 'mandatory' sewer connections, OR

Option 6:

That Council **not approve the recommendation above** regarding 'mandatory' sewer connections.

Respectfully submitted,



Matthew Baldwin, MCIP, RPP
Director of Planning

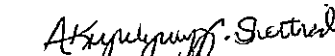


Lorne Fletcher
Bylaw Enforcement

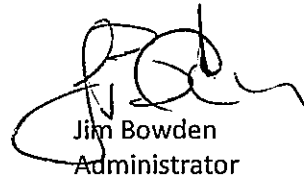
Brent Molnar
Manager of Land Development



Michelle Mahovich, P.Geo., P.Eng.
Director of Engineering



Steve Ternent
Director of Finance



Jim Bowden
Administrator
