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Agenda Item No. 8

**REPORT TO ELECTORAL AREA SERVICES COMMITTEE
MEETING OF WEDNESDAY 03 FEBRUARY 2010**

SUBJECT FEE AND CHARGE AMENDMENT BYLAWS FOR WATER, SEWER AND STREET LIGHTING LOCAL SERVICES

PURPOSE

To consider bylaws to increase fees and charges for the provision of water, sewer and street lighting local services in the Southern Gulf Islands and Juan de Fuca Electoral Areas, and to standardize billing structures.

BACKGROUND

The Capital Regional District (CRD) operates local services in the Electoral Areas for provision of water, sewer and street lighting services. Costs of service are recovered by a combination of a parcel tax and user charges levied in accordance with a fee and charge bylaw for each local service area. Increases in fees and charges are required from time to time to offset operating cost inflation and to fund capital works.

At committee budget review meetings held in November 2009, several local service committees passed motions recommending increases in user charges for provision of water, sewer and street lighting local services in the Electoral Areas. The Magic Lake Estates Water and Sewer Local Services Committee also approved amendments to water and sewer connection charges at its meeting of 12 January 2010.

The proposed amendments are summarized in Attachment 1. Fee and Charge bylaws require amendment by the Capital Regional District Board in order to implement the recommended increases. Fee and Charge Amendment Bylaws for services in the Juan de Fuca and Southern Gulf Islands Electoral Areas are provided in Attachment 2.

Further amendments to all water, sewer and street lighting local service fee and charge bylaws are proposed for the purpose of standardizing the billing cycle at three months (quarterly), and the late payment charge at 2.5 percent per billing cycle.

ALTERNATIVES

1. That Bylaw No. 3668, cited as "Port Renfrew Water, Sewer and Street Lighting Local Service Area Fee and Charge Bylaw No. 1, 1990, Amendment Bylaw No. 17, 2010" be introduced and read a first time, read a second time, read a third time and adopted.

That Bylaw No. 3671, cited as "Skana Water Service Area Fee and Charge Bylaw No. 2, 2004, Amendment Bylaw No. 1, 2010" be introduced and read a first time, read a second time, read a third time and adopted.

That Bylaw No. 3672, cited as "Surfside Park Estates Water Service Area Fee and Charge Bylaw No. 1, 2003, Amendment Bylaw No. 3, 2010" be introduced and read a first time, read a second time, read a third time and adopted.

That Bylaw No. 3673, cited as "Magic Lake Estates Sewer Local Service Area Fee and Charge Bylaw No. 1, 1990, Amendment Bylaw No. 9, 2010" be introduced and read a first time, read a second time, read a third time and adopted.

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That Bylaw No. 3680, cited as "Saturna Island Water Supply and Distribution System Rates and Regulation Bylaw No. 1, 1980, Amendment Bylaw No. 10, 2010" be introduced and read a first time, read a second time, read a third time and adopted.

That Bylaw No. 3678, cited as "Magic Lake Estates Water Local Service Fee and Charge Bylaw No. 1, 1990, Amendment Bylaw No. 9, 2010" be introduced and read a first time, read a second time, read a third time and adopted.

That Bylaw No. 3679, cited as "Sticks Allison Water Local Service Fee and Charge Bylaw No. 1, 1998, Amendment Bylaw No. 9, 2010" be introduced and read a first time, read a second time, read a third time and adopted.

2. That bylaws be referred back to local service committees.

FINANCIAL IMPLICATIONS

Annual user charge increases are required in order to maintain an appropriate level of service. The bylaw amendments result in increases of up to \$27 per household in the annual cost of service.

Fixed water and sewer connection charges for Magic Lake Estates are replaced with a cost-plus structure, which will increase connection costs on average as required in order to recover the full cost of provision of a service connection.

SUMMARY

At committee budget review meetings held in November 2009, several local service committees passed motions recommending increases in user charges for provision of water, sewer and street lighting local services in the Electoral Areas. Fee and Charge bylaws require amendment by the Capital Regional District Board in order to implement the recommended increases. Further changes are proposed to standardize billing cycles and late payment fees, and to implement specific amendments to connection charge structures requested by the Magic Lake Estates Water and Sewer Local Services Committee.

RECOMMENDATION

3. That Bylaw No. 3668, cited as "Port Renfrew Water, Sewer and Street Lighting Local Service Area Fee and Charge Bylaw No. 1, 1990, Amendment Bylaw No. 17, 2010" be introduced and read a first time, read a second time, read a third time and adopted.

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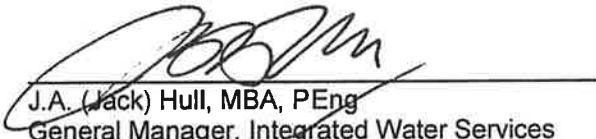
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COMMENTS

CS:ls
Attachments: 2