



**REPORT TO THE ELECTORAL AREA SERVICES COMMITTEE
MEETING OF WEDNESDAY, MARCH 20 2013**

SUBJECT **FEES AND CHARGES UPDATE FOR UTILITIES WITHIN THE THREE
ELECTORAL AREAS**

ISSUE

The fees and charges for utilities within the three Electoral Areas need to be updated.

BACKGROUND

On an annual basis and subsequent to the service budget review process, CRD staff propose amendments to the two Electoral Area utilities fees and charges bylaws so that they align with the service budgets for the forthcoming year. The service commissions have all recommended their respective 2013 budget, inclusive of the fees and charges changes in the proposed bylaw amendments, for Board approval.

The first quarter billing for 2013 is scheduled for invoicing in the first week of April. The proposed rates require Board review and approval prior to taking effect in the billing process.

ALTERNATIVES

1. a) That Bylaw No. 3891, cited as "Salt Spring Island Liquid Waste, Sewer, and Water Fees and Charges Bylaw No. 1, 2012, Amendment Bylaw No. 1, 2013" be introduced and read a first and second time, read a third time and adopted.
- b) That Bylaw No. 3892, cited as "Southern Gulf Islands and Juan de Fuca Electoral Areas Utilities and Street Lighting Fees and Charges Bylaw No. 1, 2012, Amendment Bylaw No. 1, 2013" be introduced and read a first and second time, read a third time and adopted.
2. That the bylaws be referred back to the local service committees.

IMPLICATIONS

Financial

Fees and charges changes ranging from a 14% decrease to an 8% increase are required due primarily to: cost reductions resulting from the merging of Highland/Fernwood operations with a new water treatment plant in 2013, parcel tax adjustments to reflect full funding of debt servicing costs with a consequent reduction in user fees, funding for future capital works, reduced deficit carry forward, and increased or decreased surplus carry forward.

Effective July 1, 2013, a consumption charge will be added to Magic Lake Estates Water; the proceeds will be placed in a reserve for future capital expenditures.

The service commissions have all recommended their respective 2013 budget, inclusive of the proposed fees and charges changes, for Board approval. This approval is required prior to applying the proposed rates. If these rates are not approved in time for the 2013 first quarter billing in April, revenues will be less than forecasted in the 2013 service budgets.

CONCLUSION

Several utilities require fees and charges changes due primarily to: cost reductions resulting from the merging of two operations with a new water treatment plant, parcel tax adjustments to reflect full funding of debt servicing costs with a consequent reduction in user fees, funding for future capital works, reduced deficit carry forward, and increased or decreased surplus carry forward. Effective July 1, 2013, a consumption charge will be added to Magic Lake Estates Water; the proceeds will be placed in a reserve for future capital expenditures.

The Commissions have all recommended their respective 2013 service budget for Board approval; this approval is required prior to the April 2013 first quarter billing in order to attain the revenue targets specified in the 2013 service budgets.

RECOMMENDATION

That the Electoral Area Services Committee recommend to the Board:

1. a) That Bylaw No. 3891, cited as "Salt Spring Island Liquid Waste, Sewer, and Water Fees and Charges Bylaw No. 1, 2012, Amendment Bylaw No. 1, 2013" be introduced and read a first and second time, read a third time and adopted.
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