

**REPORT TO CAPITAL REGIONAL DISTRICT BOARD
MEETING OF WEDNESDAY, DECEMBER 12, 2018**

SUBJECT **Bylaws 4273 and 4274: Fees and Charges Bylaw Amendments for Utilities within the Three Electoral Areas**

ISSUE

Adjusting the utilities rates for the three electoral areas as recommended by the respective Commissions, and as included in the 2019 Financial Plan.

BACKGROUND

Annually, amendments to the Electoral Area utilities fees and charges bylaws are recommended to align with the rates included in the service budgets and preliminary financial plan for the forthcoming year. All local service commissions have recommended their respective 2019 budgets, inclusive of the fees and charges changes. Additionally, the respective service budgets were included in the preliminary financial plan approved by the Board on September 5, 2018.

The proposed fee and charges amendments are intended to cover the projected net cost of service delivery inclusive of reserve contributions for the upcoming year. Board approval is required in advance of the effective period January 1 through December 31, 2019.

With final surplus and deficits not yet completed, results will be monitored to identify any material impact will be incorporated into a rate adjustment and bylaw amendment after final year end results.

Revisions to the following fees and charges are recommended:

Electoral Area	Description
Salt Spring Island	Utility Rates
Salt Spring Island	Liquid Waste Hauling Rate per Imperial Gallon
Southern Gulf Islands Juan de Fuca	Utility Rates

ALTERNATIVES

Alternative 1

1. That Bylaw No. 4273 cited as " Salt Spring Island Liquid Waste, Sewer, and Water Fees and Charges Bylaw No. 1, 2012, Amendment Bylaw No. 9, 2018" be introduced and read a first, second, and third time.
2. That Bylaw No. 4273 be adopted.

3. That Bylaw No. 4274 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. 7, 2018" be introduced and read a first, second, and third time.
4. That Bylaw 4274 be adopted.

Alternative 2

That Bylaws 4273 and 4274 be referred back to staff for additional information.

IMPLICATIONS

Changes in fees and charges are required in order for local utility services in the three Electoral Areas to maintain adequate levels of funding for annual operating costs inclusive of reserve contributions. The recommended rates are effective for January 1 through December 31 and reflect estimated surplus and deficit transfers and carryforwards.

CONCLUSION

Several utilities require changes to fees and charges primarily to align their user fees with their operating budgets.

The Commissions have all recommended their respective 2019 service budget for Board approval; this approval is required prior to January 1, 2019 in order to attain the revenue targets specified in the 2019 service budgets.

RECOMMENDATION

1. That Bylaw No. 4273 cited as " Salt Spring Island Liquid Waste, Sewer, and Water Fees and Charges Bylaw No. 1, 2012, Amendment Bylaw No. 9, 2018" be introduced and read a first, second, and third time.
2. That Bylaw No. 4273 be adopted.
3. That Bylaw No. 4274 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. 7, 2018" be introduced and read a first, second, and third time.
4. That Bylaw 4274 be adopted.

Submitted by:	Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Ted Robbins, B.Sc, C.Tech, General Manager, Integrated Water Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

PD:ngm

Attachments

Appendix A: Bylaw 4273 and Schedules

Appendix B: Bylaw 4274 and Schedules