

**REPORT TO ELECTORAL AREAS COMMITTEE  
MEETING OF WEDNESDAY, DECEMBER 11, 2019**

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**SUBJECT**     **Bylaw Nos. 4337 and 4339: Fees and Charges Bylaw Amendments for Utilities within the Three Electoral Areas**

**ISSUE SUMMARY**

Adjusting the utilities rates for the three electoral areas as recommended by the respective Commissions, and as included in the 2020 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 2020 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 October 31, 2019.

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, 2020.

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.

Appendix C contains a comparison of changes to rates contained in each of the two parent bylaws: Bylaw No. 3847 and Bylaw No. 3864.

Bylaw No. 3847 covers all Southern Gulf Islands and Juan de Fuca Electoral Areas Utilities and Street Lighting Fees and Charges, and Bylaw No. 3864 covers all Salt Spring Island Liquid Waste, Sewer, and Water Fees and Charges.

**ALTERNATIVES**

*Alternative 1*

The Electoral Areas Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4337 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. 8, 2019" be introduced and read a first, second, and third time.
2. That Bylaw 4337 be adopted.
3. That Bylaw No. 4339 cited as " Salt Spring Island Liquid Waste, Sewer, and Water Fees and Charges Bylaw No. 1, 2012, Amendment Bylaw No. 13, 2019" be introduced and read a first, second, and third time.
4. That Bylaw No. 4339 be adopted.

*Alternative 2*

The Electoral Areas Committee recommends to the Capital Regional District Board:  
That Bylaws 4337 and 4339 be referred back to staff for additional information.

**IMPLICATIONS**

*Financial 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 within the Electoral Areas require changes to fees and charges, primarily to align their user fees with their operating budgets. The Commissions have all recommended their respective 2020 service budget for Board approval; this approval is required prior to January 1, 2020, in order to attain the revenue targets specified in the 2020 service budgets.

**RECOMMENDATION**

The Electoral Areas Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4337 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. 8, 2019" be introduced and read a first, second, and third time.
2. That Bylaw 4337 be adopted.
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4. That Bylaw No. 4339 be adopted.

Submitted by:	Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

**ATTACHMENT(S)**

Appendix A: Bylaw 4337 and Schedules

Appendix B: Bylaw 4339 and Schedules

Appendix C: Changes to Fees & Charges Summary