

|                           |                 |
|---------------------------|-----------------|
| <u>COUNCIL AGENDA</u>     |                 |
| Date: <u>July 6, 2026</u> | Item: <u>4.</u> |



4.

DISTRICT OF WEST VANCOUVER  
750 17TH STREET, WEST VANCOUVER BC V7V 3T3

## COUNCIL REPORT

|          |                                                                                                |
|----------|------------------------------------------------------------------------------------------------|
| Date:    | June 1, 2026                                                                                   |
| From:    | Fatemeh Mansoori, Senior Manager, Engineering Utilities Planning, Design, and Project Delivery |
| Subject: | Proposed Sewerage and Drainage Regulation Bylaw No. 5263, 2023, Amendment Bylaw No. 5449, 2026 |

### RECOMMENDATION

THAT

1. the June 1, 2026, report, titled “Proposed Sewerage and Drainage Regulation Bylaw No. 5263, 2023, Amendment Bylaw No. 5449, 2026” from the Senior Manager, Engineering Utilities Planning, Design, and Project Delivery be received for information;
2. Sewer and Drainage Utility fees be adjusted for 2027 to the amounts set out in Schedules A and B of the proposed “Sewerage and Drainage Regulation Bylaw No. 5263, 2023, Amendment Bylaw No. 5449, 2026,” as attached to the June 1, 2026, report from the Senior Manager of Engineering Utilities Planning, Design, and Project Delivery; and
3. Proposed “Sewerage and Drainage Regulation Bylaw No. 5263, 2023, Amendment Bylaw No. 5449, 2026” be read a first, second, and third time.

### 1.0 Purpose

The purpose of this report is to provide an update on activities within the Sewer and Drainage Utility and to inform Council of the financial impacts and recommended bylaw amendments for the 2027 Sewer and Drainage Utility fee structure.

### 2.0 Executive Summary

The District’s Sewer and Drainage Utility and its Five-Year Financial Plan, **Appendix A**, can be roughly divided into four main areas:

- Regional Sewage Treatment Levy from Metro Vancouver (MV), operating as the Greater Vancouver Sewerage and Drainage District (GVS&DD)
- operation and maintenance of the municipal Citrus Wynd Wastewater Treatment Plant
- operation and maintenance of the municipal sanitary sewer and storm drainage collection systems

- renewal of the municipal sanitary sewer and drainage systems (infrastructure management capital) as well as financing of vehicles and equipment associated with these functions

## 2.1 Provision for Regional Costs

The sewer rate structure is separated to isolate the regional levy driven by regionally imposed costs from the local revenues, expenses, and rate projections. This is intended to provide transparency in customer billing and a better understanding of the financial drivers in the rate forecast. This is particularly important for public understanding of the proposed rates, considering cost increases associated with the new MV North Shore Wastewater Treatment Plant (NSWWTP), construction of which is underway. The costs associated with the new NSWWTP are based on the best available information from the regional district at the time of rate setting. The projections associated with NSWWTP may be influenced by fluctuations in the cost of sewage treatment operations by MV, and by any additional costs related to the construction of the new plant which may arise.

The original projected cost for the NSWWTP was \$700 million, which was later increased to \$1.058 billion (the base cost). This was the number that was built into the District's previous five-year plan and rate forecasts. While this cost was high, it was manageable without extraordinary measures, and within the parameters of Council's direction to build up a reserve to smooth the rates. However, on June 12, 2024, the MV Board approved a cost allocation and phasing framework for an additional \$2.8 billion increase (the incremental cost) to the NSWWTP program budget, increasing the total budget to \$3.86 billion.

In response to this substantial cost increase, a hybrid funding approach was developed and is being utilized to recover the regional costs associated with the upfront capital construction of the NSWWTP. In November 2024, Council passed a resolution to establish the NSWWTP Levy, which was intended to recover the incremental cost component of the overall project budget. This hybrid funding approach combines the use of sewer fund rate increases for the originally estimated base cost of the project, along with collection of a property value tax levy for the incremental cost portion. The primary benefit of the property tax levy is that this option allows eligible property owners who participate in the Provincial deferment program, which is applicable to property taxes on residential properties, to defer this portion of the overall NSWWTP costs.

Staff, at Council's direction, have also been increasing the regional portion of the utility rates over several years to set aside funds in a reserve to help smooth the anticipated increase. In 2027, the result of this advanced planning is a required increase to the 2027 levy of 6.0%, instead of 14.9%. The balance of the Rate Smoothing Reserve will continue to be used to

offset increases associated with the regional levy and be drawn down over MV's proposed phase-in period for NSWWTP costs of 2027 – 2031.

## 2.2 Provision for Local Costs

As part of the 2010 Asset Management Plan (AMP), capital funding needs were identified to provide for sustainable, long term replacement funding levels for local infrastructure. In 2021, an updated AMP was carried out incorporating the latest standards and best practices, up-to-date asset information, pertinent studies, and updating the financial information provided by the 2010 AMP. The updated plan was endorsed by Council in October 2024. The local rate captures capital funding needs identified to effectively balance costs, risks, and benefits to deliver sustainable sanitary service to the community over the next 100 years

Water consumption serves as a proxy to annual sewer usage due to the challenges associated with accurately metering sewer flows. Currently, single-family homes are billed based on their annualized winter water consumption, whereas multi-family and commercial buildings are billed for sewer and drainage based on the amount of water consumed each fiscal quarter.

## 2.3 Five-Year Financial Plan and 2027 Proposed Rates

A proposed Five-Year Financial Plan (the Plan), for the utility is provided as **Appendix A**. The Plan reflects the hybrid cost recovery approach for the portion of the MV levy associated with upfront capital construction costs of the NSWWTP. The Plan, and in turn the rates, include anticipated costs of \$1.058 billion as identified as part of the previous NSWWTP program budget (base costs) and are consistent with the costs as captured in the 2026 Sewer and Drainage Utility Five-Year Financial Plan. Utility equipment funded through the rate reserves is detailed within **Appendix B**. Rates are forecast to increase each year through 2031. Sewer base rates and volume rates are specified within the proposed Sewerage and Drainage Regulation Bylaw No. 5263, 2023, Amendment Bylaw No. 5449, 2026, **Appendix C**.

Overall, the proposed 2027 rates reflect a composite local and regional 4.2% increase to meet the Sewer and Drainage Utility's revenue requirement. The proposed rates reflect an annual charge increase of \$72 for the median single-family household and \$22 for the average multi-family unit over 2026. This includes the funds for the local system as well as the base costs for the NSWWTP. For the incremental costs of the NSWWTP, the levy for a single-family dwelling assessed at \$3.5 million – the average value in West Vancouver - would be approximately \$531 in 2027. This amount is projected to increase incrementally each year over a five-year phased-in period, beginning in 2025 and is expected to reach

approximately \$941 by 2029. These figures are calculated based on the 2026 assessment values and the preliminary projected costs from the GVS&DD. As previously noted, GVS&DD numbers will likely be revised in future years. Similarly, the assessment values will be adjusted each year and may fluctuate.

### **3.0 Legislation/Bylaw/Policy**

Greater Vancouver Sewerage and Drainage District Sewer Use Bylaw No. 299, 2007 and amendments - A Regional District Bylaw to establish a regulatory system for liquid waste.

Metro Vancouver Regional District Integrated Liquid Waste and Resource Management Plan (ILWRMP) 2011 - A plan authorized and regulated through the BC Environmental Management Act, setting out liquid waste objectives within MV.

Sewerage and Drainage Regulation Bylaw No. 5263, 2023- A bylaw to establish a municipal sewerage system, a municipal drainage system and make provision for the usage of these municipal systems.

### **4.0 Council Strategic Objective(s)/Official Community Plan**

Section 2.5 of the 2018 Official Community Plan (OCP), Municipal Operations and Infrastructure, outlines several key policies related to sewage and drainage systems:

- 2.5.13 Pursue bylaw and policy changes and enhancements with the community to enable and support protection of watershed health, sustainable redevelopment, and public safety.
- 2.5.14 Consider 200-year storm events in the design of major drainage facilities and flood control works.
- 2.5.15 Employ low-impact storm and rainwater management techniques such as infiltration, absorbent landscaping, and natural environment conservation to mimic natural conditions and preserve pre-development conditions.
- 2.5.16 Reduce inflow and infiltration by rehabilitating and replacing older piping where appropriate and employ trenchless technologies where viable.
- 2.5.17 Employ green infrastructure or naturalized engineering strategies where possible to help manage anticipated increases in frequent storm events and associated flood risks.

## 5.0 Financial Implications

This report recommends the adoption of Sewer and Drainage Utility fees for 2027. The 2027 needs of the Sewer and Drainage utility budget is approximately \$44.3 million; this represents a \$3.5 million increase over the 2026 budget. Funding for the increase is proposed to be recovered through a combination of a rate increase to the regional and local levy, as well as an increase to the NSWWTTP levy contribution, and a transfer from the rate smoothing reserve.

As part of the GVS&DD levy increase, costs associated with the new NSWWTTP have been captured based on the best available information at the time of rate setting.

The original projected cost for the NSWWTTP was \$700 million, which was later raised to \$1.058 billion (the base cost), with construction anticipated to be completed by 2030. \$700 million was the allocated budget figure that was previously built into the District's five-year plan and rate forecasts at the time. While the increased budget of the base cost was high, it was manageable without extraordinary measures, and within the parameters of Council's direction to build up a reserve to smooth the rates. Since that time, construction has been delayed and the overall project budget has been increased.

On June 12, 2024, the MV Board approved a cost allocation and phasing framework for a \$2.8 billion increase to the NSWWTTP budget, raising the total budget to \$3.86 billion. To mitigate the short-term impacts, costs to be borne by the North Shore Sewerage Area will be phased in over five years, whereas associated costs to be borne by the other Regional Sewerage Areas, including Vancouver, Fraser, and Lulu Island Sewerage Areas, will be phased in over one year. The District of West Vancouver is part of the North Shore Sewerage Area.

In response to this substantial cost increase, a hybrid funding approach is being utilized to recover the regional costs associated with the upfront capital construction of the NSWWTTP. In November 2024, Council passed a resolution to establish the NSWWTTP Levy Contribution, intended to recover the incremental costs. This approach combines the use of sewer fund rate increases for the base cost of the project along with a property value tax levy for the incremental cost portion. The primary benefit of this type of a property tax levy is that this option allows eligible property owners who participate in the Provincial deferment program, which is applicable to property taxes on residential properties, to defer this portion of levy. There is no deferment program for utility charges.

The proposed 2027 Sewer and Drainage Utility rate and Five-Year Financial Plan, **Appendix A**, reflect anticipated costs of \$1.058 billion as identified as part of the previous NSWWTTP program budget and are consistent with the costs as captured in the 2026 Sewer and Drainage Utility Five-Year Financial Plan. The excess \$2.8 billion in capital

programming costs will be recovered through the NSWWTP Levy Contribution, which is being phased in over a five-year period starting in 2025 and amortized over 30 years.

Utility equipment funded through the rate reserves is detailed within **Appendix B**. Rates are forecast to increase each year through 2031. Sewer base rates and volume rates are specified within the proposed Sewerage and Drainage Regulation Bylaw No. 5263, 2023, Amendment Bylaw No. 5449, 2026, **Appendix C**.

Water consumption serves as a proxy to annual sewer usage due to the challenges associated with accurately metering sewer flows. Currently, single-family homes are billed based on their annualized winter water consumption, whereas multi-family and commercial buildings are billed for sewer and drainage based on the amount of water consumed each fiscal quarter.

The presented 2027 rate increases will result in a median single-family household bill increase of \$72 per annum for a total of \$1,752. The median for single-family household billing is based upon actual winter water consumption for the prior full calendar year and will vary from year to year.

The average multi-family calculation is based upon the total anticipated revenue from multi-family properties, divided by the number of multi-family units within the District. The annual charge for the average multi-family unit in 2027 is \$457, based on 2025 consumption. This represents an increase of \$22 over 2026.

Overall, the proposed 2027 rates reflect a 4.2% composite local and regional increase in the Sewer and Drainage Utility's revenue requirement, capturing base costs for the Regional Sewer Levy expenditure and reflecting Council's 2019 resolution to smooth out the increases for the future Regional Sewer levies and other operational expenses. Increasing the annual Regional Sewer levies since 2019 resulted in a reserve to smooth the impact of the anticipated large increases associated with the NSWWTP. The result of this advanced planning is a required increase to the 2027 levy of 6.0%, instead of 14.9%. The Rate Smoothing Reserve is no longer being built up; rather, it is now being drawn down. The forecasted balance of the Rate Smoothing Reserve is \$2.7 million at the end of 2026, with these funds intended to smooth the rates over 2027 – 2031.

The District last completed a comprehensive review of its Water and Sewer Rate Structure in 2017. The study involved a review of previously established utility fiscal policies, an update of the revenue requirements analysis, re-evaluation of customer class "cost-of-service" (given improved reliability of underlying usage data) and updating the rate structures previously implemented by the District. The 2017 study recommended adjustments to utility rates, aimed at securing funding for non-growth

capital initiatives, as well as the expenses associated with asset maintenance and replacement. As the anticipated five-year review cycle has concluded, staff had planned to commission an updated review of the Water and Sewer Rate Study in 2025. Preliminary work on this study was initiated. However, to obtain greater certainty regarding the regional cost drivers, this work was deferred and expected to reconvene in the second half of 2026.

## **6.0 Background**

### **6.1 Previous Decisions**

At its **June 22, 2026, meeting**, the Finance and Audit Committee voted unanimously

THAT

1. the proposed solid waste utility rates as identified in the June 1, 2026, report titled Solid Waste Utility Update and Proposed 2027 Rates be endorsed;
2. the proposed water utility rates as identified in the June 1, 2026, report titled Proposed Waterworks Regulation Bylaw No. 5260, 2023, Amendment Bylaw No. 5448, 2026 be endorsed;
3. the proposed sewer and drainage utility rates as identified in the June 1, 2026, report titled Proposed Sewerage and Drainage Regulation Bylaw No. 5263, 2023, Amendment Bylaw No. 5449, 2026 be endorsed; and
4. the reports be forwarded to Council for consideration.

At its **December 1, 2025, regular meeting**, Council passed the following resolution

THAT proposed "Sewerage and Drainage Regulation Bylaw No. 5263, 2023, Amendment Bylaw No. 5393, 2025" be adopted.

At its **September 15, 2025, meeting**, the Finance & Audit Committee voted unanimously

THAT

1. the Finance and Audit Committee endorse the proposed solid waste utility rates as identified in the September 2, 2025 report titled Solid Waste Utility Update and Proposed 2026 Rates;
2. the Finance and Audit Committee endorse the proposed water utility rates as identified in the September 2, 2025 report titled Proposed Waterworks Regulation Bylaw No. 5260, 2023, Amendment Bylaw No. 5392, 2025; and

3. the Finance and Audit Committee endorse the proposed water utility rates as identified in the September 2, 2025 report titled Proposed Sewerage and Drainage Regulation Bylaw No. 5263, 2023, Amendment Bylaw No. 5393, 2025; and
4. the reports be forwarded to Council for consideration.

## 6.2 History

The District's Sewer and Drainage Utility conveys, treats, and disposes of sanitary sewage effluent and storm run-off for residents and businesses within the municipality. The collected fees go directly to providing sewer and drainage services and can be broken down into four main areas:

- Regional Sewage Treatment Levy from MV, the Greater Vancouver Sewerage and Drainage District
- operation and maintenance of the municipal Citrus Wynd Wastewater Treatment Plant
- operation and maintenance of the sanitary sewer and storm drainage collection systems
- renewal of the sanitary sewer and drainage systems (infrastructure management capital) as well as financing of vehicles and equipment associated with these functions

Traditionally, the Sewer and Drainage Utility has operated under a pay-as-you-go approach. All costs attributable to the collection and treatment of sewerage have been borne by the Utility and are to be paid for in the year they occur.

The utility is supported through a Sewer and Drainage Utility Reserve (the Reserve) which was adopted for the following reasons:

- to provide a mechanism to accumulate funds for future infrastructure investments
- to be consistent with Divisional long term financial planning
- to mitigate the effects of escalating regional costs by providing an alternative to unrealistic rate increases (rate stabilization)
- to provide a funding source for operating emergencies which may occur from time to time

Since establishment, the Reserve has been operated such that the planned annual contributions to capital are treated as Reserve Fund contributions and transferred to the Reserve. Through the financial plan process, the Reserve serves as a funding source for the annual capital program with appropriations from the Reserve by a Council resolution. Unspent funds remain within the Reserve and are invested, with interest returned to the Reserve. As the Sewer and Drainage Utility's annual contribution to capital approaches the CPI-adjusted long-term infrastructure funding level, the Reserve holds the funds until they are

needed. A Council resolution would be required for any mid-year emergency appropriations from the Reserve.

The sewer rate structure is separated to reflect the proportional Regional Levy from the local revenues, expenses, and rate projections. This is intended to provide transparency in customer bills to better understand the financial drivers in the forecast, this is particularly necessary considering anticipated cost increases associated with the new NSWWTP.

#### Rate Setting, Asset Management and Financial Analysis

In 2010, the District completed an Asset Management Plan (AMP) for both the sewer and drainage collection systems within the District. At the time, capital funding increases were identified as part of the AMP to provide for sustainable, long-term asset replacement funding levels. In 2021, an updated AMP was carried out for the sanitary sewer system which integrated the latest standards and best practices, up-to-date asset information, pertinent studies, and financial information available since the first AMP was developed. This updated plan was endorsed by Council in October 2024.

## **7.0 Analysis**

### **7.1 Discussion**

#### Five-Year Financial Plan (2027-2031)

There are several short and long-term cost drivers that have been incorporated into the Five-Year Financial Plan (2027-2031) for the Sewerage and Drainage Utility as described below and illustrated in **Appendix A:**

#### **▪ Regional Sewer Levy**

The increase to the Sewer Utility Fund revenue required to meet the District's share of this expense is 6% in 2027. At this time, there is \$4.0 million available in a reserve which was established to set aside funds to smooth out rate increases associated with the construction of the NSWWTP. The balance of the reserve at the end of 2026 is forecasted to be \$2.7 million. The proposed 2027 budget includes \$0.2 million withdrawal from the reserve to help smooth the increase of the regional MV Levy from \$22.8 million in 2026 to \$26.2 million in 2027. The reserve will be drawn down over the course of 2027 – 2031 to assist with smoothing of the forecasted regional MV Levy increases over those years.

#### **▪ Municipal Sewer Costs: Infrastructure Replacement**

The high-level Sewer Asset Infrastructure Management Baseline Study completed in February of 2010 is now considered dated and obsolete for the purposes of informing investment in the sewerage and Drainage Utility as an asset owner. After more than 10 years, a new Sanitary Asset

Management Study was commissioned as part of the Division's 2021 work plan and completed in 2022.

The new Sanitary Asset Management Plan (AMP) incorporates new information available through the completion of the 2019 Sewer Master Servicing Study. The approach to asset management efforts included the following initiatives:

- continuing condition assessment of sanitary infrastructure to better refine the District's infrastructure management needs and inform prioritized financial investment within the system
- continuing to ensure that the capital plans between Water, Sewerage and Drainage, and Roads Divisions are coordinated as to the extent possible, ensuring capital renewal works are delivered in a cost-effective manner

The proposed 2027 local rate incorporates an increase of annual capital program funding of \$247,100 and \$235,900 respectively for the sewerage and drainage utility systems, over the 2026 annual capital investment. These capital funding increases were identified as part of the completed asset management plans to support sustainable replacement funding for the sewerage and drainage systems.

Currently, several major projects funded through the 2026 capital program are either under construction or in the planning phase. These include the sanitary main upgrades along Hadden Drive, with a total estimated cost of \$2.7 million and currently under construction, as well as drainage and flood protection works with a combined estimated cost of \$3.6 million, which are in the planning stages.

#### ▪ **Municipal Sewer Costs: Operations and Maintenance**

An increase of \$142,000 over the 2026 budget has been incorporated into the 2027 Operating Budget. The overall increase is due to rising costs associated with labour, materials, and equipment, and the transfer of ditch cleaning work from the General Fund to the Sewer Utility. This is partially offset by a decrease to the required contribution to reserves in order to maintain 90 days of operating costs in surplus valued at roughly \$7.4 million.

With climate change and the implementation of higher water conservation restrictions imposed by Metro Vancouver in recent years, there may be implications for the sewer revenue in future years. Reduced water consumption may result in lower sewer revenue, as water consumption serves as a proxy for annual sewer usage. The Operating Reserve may be utilized, if required, to help mitigate these impacts.

#### ▪ **Municipal Sewer Costs: Equipment Replacement**

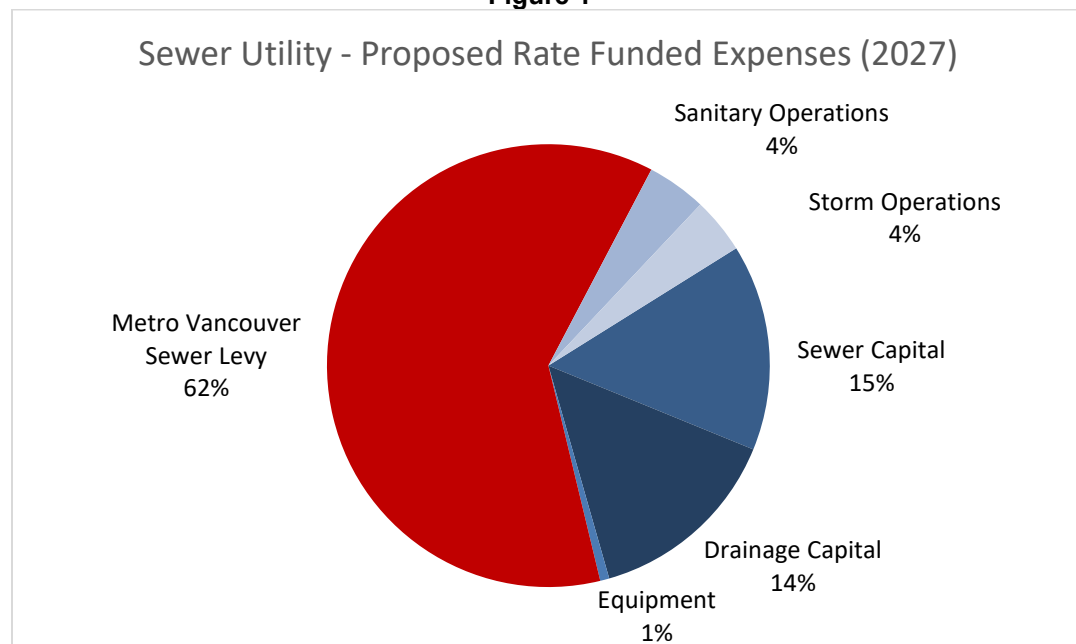
To have the Sewerage and Drainage Utility functions carry the full cost of their operating and capital needs, the capital replacement of vehicles and

equipment primarily used within the Department is funded through the Utility funds. An hourly charge is incorporated into the vehicle charge out rates to recover the capital investment cost. These charge out rates are applied to operations, capital projects, and third-party work functions. The planned 2027 capital vehicle and equipment replacement purchases associated with the Utility are detailed in **Appendix B**.

#### Summary of 2027 Sewerage and Drainage Utility Expenditures

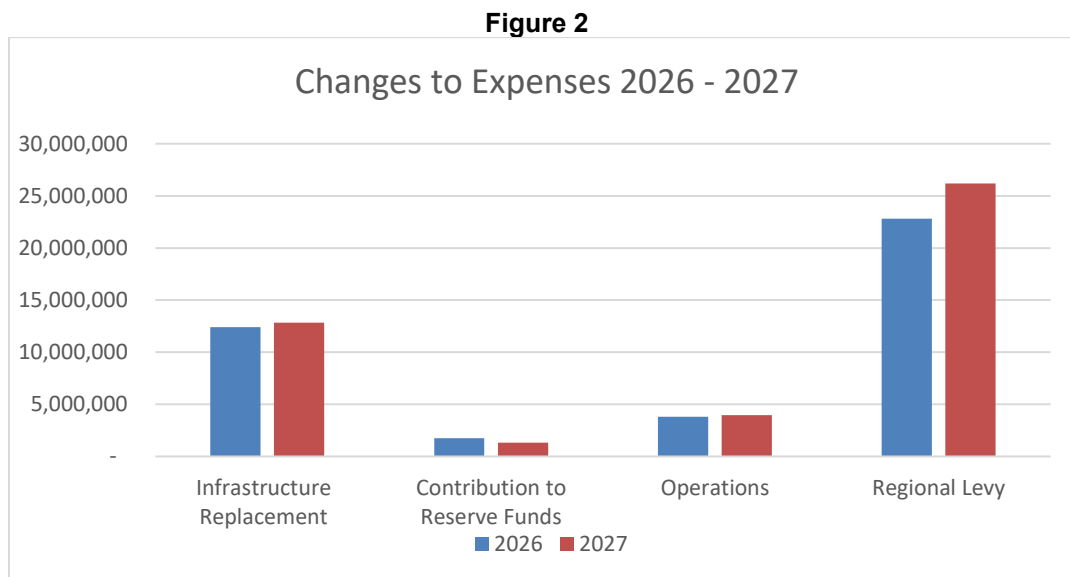
**Figure 1** shows the breakdown of the proposed Sewerage and Drainage Utility expenses for 2027.

**Figure 1**



The composite increase from the 6.0% regional sewer levy and the 3.0% municipal sewer costs results in an overall 4.2% revenue requirement increase over the 2026 sewer rates.

**Figure 2** shows the difference of the budgeted expenditures from 2026 to 2027.



This overall revenue requirement will result in an estimated annual charge of \$1,752 for the median single-family household, (based on 2025 average winter water consumption). These charges represent an increase of \$72 over 2026.

There are approximately 8,400 multi-family units in West Vancouver, which represents about 12% of the total sewer usage. The estimated annual charge for the average multi-family unit in 2027 is \$457, based on 2025 consumption. These charges represent an increase of \$22 over 2026. The average multi-family calculation is based upon the total anticipated revenue from multi-family properties, divided by the number of multi-family units.

#### Future Years Beyond 2027

Regional sewer revenue requirements anticipated for the 2028 - 2031 budget years are estimated to be 13.7%, 11.7%, 2.7%, and 2.9%. These projected regional increases are predominately attributed to the capital investment costs associated with the NSWWTP. With the five-year phase for these upfront investment costs anticipated to conclude in 2029, regional levy projected rates decrease in 2030 and 2031. These projected rates are intended to be adjusted from 2028-2031 to 7%, 7%, 2% and 2% respectively, with the application of additional revenue which was intended for rate smoothing and collected in 2019-2025. The costs associated with the new NSWWTP are captured based on the best available information at the time of rate setting. The projections associated with NSWWTP may also be influenced by fluctuations in the cost of sewage treatment operations by MV.

Additional local sewer revenue requirements anticipated for the 2028 - 2031 budget years are projected to be 3.7%, 3.2%, 5.0%, and 4.8%, respectively. These estimates are subject to change with continuing efforts related to development of the asset management program.

The total composite local and regional sewer revenue requirements anticipated for the 2028-2031 budget years are projected to be 4.9%, 4.6%, 3.4%, and 3.3%.

## **7.2 Climate Change and Sustainability**

The District's Universal Metering Program provides the ability for residents to monitor and control their water usage which helps to foster conservation. As the sanitary sewage use is closely related to the quantity of water used, conservation also results in savings for residents on their Sewerage and Drainage Utility bills. In conjunction with the conservation efforts, the District has made notable progress in integrating climate change considerations into its infrastructure renewal planning. By addressing the impacts, risks, and threats posed by climate change, the District ensures that infrastructure projects are designed to be resilient and adaptive to evolving environmental conditions. This approach enables the District to proactively identify and address potential climate-related challenges, thereby enhancing its capacity to manage and mitigate risks.

## **7.3 Public Engagement and Outreach**

Staff apply the District's Community Outreach and Engagement Policy when communicating and engaging with residents on issues pertaining to the Sewer and Drainage Utility.

## **7.4 Other Communication, Consultation, and Research**

This report and the rate setting exercise for the Sewer Utility Fund is a collaborative effort with the Financial Services Division. This report and other reports pertaining the Sewer and Drainage Utility are included as part of the communications related to the overall District Budget process.

# **8.0 Options**

## **8.1 Recommended Option**

THAT

1. the June 1, 2026, report, titled "Proposed Sewerage and Drainage Regulation Bylaw No. 5263, 2023, Amendment Bylaw No. 5449, 2026" from the Senior Manager, Engineering Utilities Planning, Design, and Project Delivery be received for information;

2. Sewer and Drainage Utility fees be adjusted for 2027 to the amounts set out in Schedules A and B of the proposed "Sewerage and Drainage Regulation Bylaw No. 5263, 2023, Amendment Bylaw No. 5449, 2026," as attached to the June 1, 2026, report from the Senior Manager of Engineering Utilities Planning, Design, and Project Delivery; and
3. Proposed "Sewerage and Drainage Regulation Bylaw No. 5263, 2023, Amendment Bylaw No. 5449, 2026" be read a first, second, and third time.

## 8.2 Considered Options

Council may request additional information or provide alternate direction (to be specified).

## 9.0 Conclusion

This report recommends the adoption of Sewerage and Drainage fees for 2027. staff recommend that a Sewer Utility Fund revenue increase of 3% for the Local Levy and 6% for the Regional Levy (composite overall 4.2%) be approved for 2027.

Author:



Fatemeh Mansoori, Senior Manager, Engineering Utilities Planning, Design, and Project Delivery

Concurrence:



Shehzad Somji, Director, Finance and Corporate Services

## Appendices:

Appendix A – Sewer and Drainage Utility – Five-Year Financial Plan (2027-2031)

Appendix B – Planned 2027 Utilities Capital Vehicle and Equipment Purchases

Appendix C – Proposed Sewerage and Drainage Regulation Bylaw No. 5263, 2023, Amendment Bylaw No. 5449, 2026

# District of West Vancouver

## Sewer and Drainage Utility - Five-Year Financial Plan

## APPENDIX A

### Summary

| LOCAL Revenue Requirements                | 2026<br>FORECASTED   | 2027<br>Projection   | 2028<br>Projection   | 2029<br>Projection   | 2030<br>Projection   | 2031<br>Projection   |
|-------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Revenues</b>                           |                      |                      |                      |                      |                      |                      |
| Utility Fee Revenue (net of 10% discount) | \$ 17,349,336        | \$ 17,349,336        | \$ 17,869,817        | \$ 18,541,709        | \$ 19,145,394        | \$ 20,125,917        |
| Internal / Equipment Recoveries           | \$ 228,200           | \$ 235,000           | \$ 239,700           | \$ 244,494           | \$ 249,384           | \$ 254,372           |
| Transfers from Reserves                   | \$ 21,531,118        | \$ -                 | \$ 42,900            | \$ 182,600           | \$ 323,100           | \$ 354,000           |
| <b>Total Revenues</b>                     | <b>\$ 39,108,654</b> | <b>\$ 17,584,336</b> | <b>\$ 18,152,417</b> | <b>\$ 18,968,803</b> | <b>\$ 19,717,877</b> | <b>\$ 20,734,289</b> |
| <b>Expenses</b>                           |                      |                      |                      |                      |                      |                      |
| Operating Expenses                        | \$ 3,812,545         | \$ 3,954,369         | \$ 4,026,060         | \$ 4,099,190         | \$ 4,173,780         | \$ 4,249,850         |
| Capital Program                           | \$ 33,832,718        | \$ 12,841,400        | \$ 13,343,600        | \$ 14,012,900        | \$ 14,704,100        | \$ 14,801,500        |
| Transfers to Reserves                     | \$ 1,348,091         | \$ 1,309,048         | \$ 1,454,649         | \$ 1,460,398         | \$ 1,820,521         | \$ 2,674,490         |
| <b>Total Expenses</b>                     | <b>\$ 38,993,354</b> | <b>\$ 18,104,817</b> | <b>\$ 18,824,309</b> | <b>\$ 19,572,488</b> | <b>\$ 20,698,401</b> | <b>\$ 21,725,840</b> |
| <b>Annual Surplus / (Deficiency)</b>      | <b>\$ 115,300</b>    | <b>\$ (520,480)</b>  | <b>\$ (671,893)</b>  | <b>\$ (603,684)</b>  | <b>\$ (980,524)</b>  | <b>\$ (991,551)</b>  |
| <b>Net Revenue from Rate Increases</b>    | <b>\$ -</b>          | <b>\$ 520,480</b>    | <b>\$ 671,893</b>    | <b>\$ 603,684</b>    | <b>\$ 980,524</b>    | <b>\$ 991,551</b>    |
| <b>FINAL NET REVENUE</b>                  | <b>\$ 115,300</b>    | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>          |
| <b>Annual Rate Revenue Requirement</b>    |                      | <b>3.0%</b>          | <b>3.7%</b>          | <b>3.2%</b>          | <b>5.0%</b>          | <b>4.8%</b>          |
| <b>Cumulative Annual Rate Adjustment</b>  |                      | <b>3.0%</b>          | <b>6.7%</b>          | <b>9.8%</b>          | <b>14.8%</b>         | <b>19.6%</b>         |

| Operating Expenses               | 2026                | 2027                | 2028                | 2029                | 2030                | 2031                |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Administration Fee               | \$ 370,000          | \$ 370,000          | \$ 370,000          | \$ 370,000          | \$ 370,000          | \$ 370,000          |
| Sanitary Operating & Maintenance | \$ 1,905,595        | \$ 1,848,493        | \$ 1,885,470        | \$ 1,923,180        | \$ 1,961,650        | \$ 2,000,870        |
| Storm Operating & Maintenance    | \$ 1,536,950        | \$ 1,735,876        | \$ 1,770,590        | \$ 1,806,010        | \$ 1,842,130        | \$ 1,878,980        |
| <b>Total</b>                     | <b>\$ 3,812,545</b> | <b>\$ 3,954,369</b> | <b>\$ 4,026,060</b> | <b>\$ 4,099,190</b> | <b>\$ 4,173,780</b> | <b>\$ 4,249,850</b> |

| Infrastructure Management                     | 2026                 | 2027                 | 2028                 | 2029                 | 2030                 | 2031                 |
|-----------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Long Term - Infrastructure Management</b>  |                      |                      |                      |                      |                      |                      |
| Storm Infrastructure Management Program       | \$ 5,896,800         | \$ 6,132,700         | \$ 6,378,000         | \$ 6,633,100         | \$ 6,898,400         | \$ 7,174,300         |
| Sanitary Infrastructure Management Program    | \$ 6,176,600         | \$ 6,423,700         | \$ 6,680,600         | \$ 6,947,800         | \$ 7,225,700         | \$ 7,514,700         |
| Previous Year Incomplete Capital              | \$ 21,415,818        | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Equipment Renewals                            | \$ 343,500           | \$ 285,000           | \$ 285,000           | \$ 432,000           | \$ 580,000           | \$ 112,500           |
| <b>Total</b>                                  | <b>\$ 33,832,718</b> | <b>\$ 12,841,400</b> | <b>\$ 13,343,600</b> | <b>\$ 14,012,900</b> | <b>\$ 14,704,100</b> | <b>\$ 14,801,500</b> |
| <b>Funding Sources</b>                        |                      |                      |                      |                      |                      |                      |
| Infrastructure Replacement Funding from Rates | \$ 12,073,400        | \$ 12,606,400        | \$ 13,058,600        | \$ 13,580,900        | \$ 14,124,100        | \$ 14,335,000        |
| Internal Equipment Recoveries                 | \$ 228,200           | \$ 235,000           | \$ 242,100           | \$ 249,400           | \$ 256,900           | \$ 264,600           |
| Capital Reserves                              | \$ 21,531,118        | \$ -                 | \$ 42,900            | \$ 182,600           | \$ 323,100           | \$ 354,000           |
| <b>Total</b>                                  | <b>\$ 33,832,718</b> | <b>\$ 12,841,400</b> | <b>\$ 13,343,600</b> | <b>\$ 14,012,900</b> | <b>\$ 14,704,100</b> | <b>\$ 14,953,600</b> |

| REGIONAL Revenue Requirements                      | 2026<br>FORECASTED   | 2027<br>Projection   | 2028<br>Projection    | 2029<br>Projection    | 2030<br>Projection   | 2031<br>Projection   |
|----------------------------------------------------|----------------------|----------------------|-----------------------|-----------------------|----------------------|----------------------|
| <b>Revenues</b>                                    |                      |                      |                       |                       |                      |                      |
| Regional Rate Revenue                              | \$ 16,309,945        | \$ 16,309,945        | \$ 17,288,541         | \$ 18,498,739         | \$ 19,793,651        | \$ 20,189,524        |
| NSWWTP Levy Contribution                           | \$ 5,114,873         | \$ 8,712,268         | \$ 10,179,692         | \$ 11,789,097         | \$ 14,951,687        | \$ 15,166,626        |
| Transfer from Reserves                             | \$ 1,375,182         | \$ 199,191           | \$ 1,121,569          | \$ 1,717,252          | \$ -                 | \$ -                 |
| <b>Total</b>                                       | <b>\$ 22,800,000</b> | <b>\$ 25,221,403</b> | <b>\$ 28,589,802</b>  | <b>\$ 32,005,088</b>  | <b>\$ 34,745,338</b> | <b>\$ 35,356,150</b> |
| <b>Expenses</b>                                    |                      |                      |                       |                       |                      |                      |
| Current Metro Vancouver Levy                       | \$ 22,800,000        | \$ 26,200,000        | \$ 29,800,000         | \$ 33,300,000         | \$ 34,200,000        | \$ 35,200,000        |
| Transfer to Reserves                               | \$ -                 | \$ -                 | \$ -                  | \$ -                  | \$ 941,211           | \$ 559,940           |
| <b>Total</b>                                       | <b>\$ 22,800,000</b> | <b>\$ 26,200,000</b> | <b>\$ 29,800,000</b>  | <b>\$ 33,300,000</b>  | <b>\$ 35,141,211</b> | <b>\$ 35,759,940</b> |
| <b>Net Revenue Required from Rate Increases</b>    | <b>\$ -</b>          | <b>\$ (978,597)</b>  | <b>\$ (1,210,198)</b> | <b>\$ (1,294,912)</b> | <b>\$ (395,873)</b>  | <b>\$ (403,790)</b>  |
| <b>Annual Regional Rate Adjustment Requirement</b> |                      | <b>6.0%</b>          | <b>7.0%</b>           | <b>7.0%</b>           | <b>2.0%</b>          | <b>2.0%</b>          |
| <b>Cumulative Regional Rate Adjustment</b>         |                      | <b>6.0%</b>          | <b>13.0%</b>          | <b>20.0%</b>          | <b>22.0%</b>         | <b>24.0%</b>         |
| <b>Metro Vancouver Rate Increase</b>               |                      | <b>14.9%</b>         | <b>13.7%</b>          | <b>11.7%</b>          | <b>2.7%</b>          | <b>2.9%</b>          |
| <b>Cumulative Metro Rate Increase</b>              |                      | <b>14.9%</b>         | <b>28.7%</b>          | <b>40.4%</b>          | <b>43.1%</b>         | <b>46.0%</b>         |

| TOTAL Revenue Requirements                                         | 2026          | 2027          | 2028          | 2029          | 2030          | 2031          |
|--------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Total Rate Revenue before Required Increase                        | \$ 56,793,781 | \$ 34,093,472 | \$ 36,562,527 | \$ 39,184,794 | \$ 39,511,528 | \$ 40,923,813 |
| Total Expenditures from Rate Revenues                              | \$ 56,678,481 | \$ 35,592,549 | \$ 38,444,617 | \$ 41,083,391 | \$ 39,946,714 | \$ 41,759,214 |
| Net Revenue from Required Rate Increases                           | \$ (115,300)  | \$ 1,499,077  | \$ 1,882,091  | \$ 1,898,596  | \$ 435,186    | \$ 835,401    |
| <i>Note: Rev/Exp Associated with NSWWTP Levy Transfer Excluded</i> |               |               |               |               |               |               |
| <b>Annual Composite Revenue Adjustment Requirement</b>             |               | <b>4.2%</b>   | <b>4.9%</b>   | <b>4.6%</b>   | <b>1.1%</b>   | <b>2.0%</b>   |
| <b>Cumulative Composite Revenue Adjustment</b>                     |               | <b>4.2%</b>   | <b>9.1%</b>   | <b>13.7%</b>  | <b>14.8%</b>  | <b>16.8%</b>  |

| Fund Balances                                         | 2026                 | 2027                 | 2028                 | 2029                 | 2030                 | 2031                 |
|-------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Sewer - Operating Surplus Beginning Balance</b>    | \$ 5,022,556         | \$ 6,370,647         | \$ 7,435,324         | \$ 8,317,884         | \$ 9,221,718         | \$ 9,462,028         |
| plus: Net Cash Flow after Rate Increase               | \$ 1,348,091         | \$ 1,309,048         | \$ 1,454,649         | \$ 1,460,398         | \$ 1,820,521         | \$ 2,674,490         |
| less: Transfer of Surplus to Capital / Rate Smoothing | \$ -                 | \$ (244,371)         | \$ (572,089)         | \$ (556,563)         | \$ (1,580,211)       | \$ (2,409,157)       |
| <b>Ending Balance</b>                                 | <b>\$ 6,370,647</b>  | <b>\$ 7,435,324</b>  | <b>\$ 8,317,884</b>  | <b>\$ 9,221,718</b>  | <b>\$ 9,462,028</b>  | <b>\$ 9,727,360</b>  |
| <b>Regional Rate Smoothing Beginning Balance</b>      | \$ 4,028,785         | \$ 2,653,603         | \$ 2,454,412         | \$ 1,332,843         | \$ -                 | \$ 941,211           |
| plus: Transfer of Surplus                             |                      |                      |                      | \$ 384,409           | \$ 941,211           | \$ 559,940           |
| less: Rate Smoothing                                  | \$ (1,375,182)       | \$ (199,191)         | \$ (1,121,569)       | \$ (1,717,252)       |                      |                      |
| <b>Ending Balance</b>                                 | <b>\$ 2,653,603</b>  | <b>\$ 2,454,412</b>  | <b>\$ 1,332,843</b>  | <b>\$ -</b>          | <b>\$ 941,211</b>    | <b>\$ 1,501,151</b>  |
| <b>Sewer Capital Fund Beginning Balance</b>           | \$ 42,884,361        | \$ 21,353,243        | \$ 21,547,614        | \$ 22,076,804        | \$ 22,066,357        | \$ 23,323,469        |
| plus: Infrastructure Replacement from Rates           | \$ 12,073,400        | \$ 12,556,400        | \$ 13,058,600        | \$ 13,580,900        | \$ 14,124,100        | \$ 14,335,000        |
| plus: Internal / Equipment Recoveries                 | \$ 228,200           | \$ 235,000           | \$ 242,100           | \$ 249,400           | \$ 256,900           | \$ 264,600           |
| plus: Transfers from Operating Fund                   | \$ -                 | \$ 244,371           | \$ 572,089           | \$ 172,154           | \$ 1,580,211         | \$ 2,409,157         |
| less: Capital Expenditures                            | \$ (33,832,718)      | \$ (12,841,400)      | \$ (13,343,600)      | \$ (14,012,900)      | \$ (14,704,100)      | \$ (14,801,500)      |
| <b>Ending Balance</b>                                 | <b>\$ 21,353,243</b> | <b>\$ 21,547,614</b> | <b>\$ 22,076,804</b> | <b>\$ 22,066,358</b> | <b>\$ 23,323,469</b> | <b>\$ 25,530,726</b> |
| <b>Total - Reserves</b>                               | <b>\$ 30,377,493</b> | <b>\$ 31,437,350</b> | <b>\$ 31,727,530</b> | <b>\$ 31,288,076</b> | <b>\$ 33,726,707</b> | <b>\$ 36,759,237</b> |

## Planned 2026 Utilities Capital Vehicle and Equipment Purchases

| Type                                  | Details                                                                                                                                                                                                                                      | Cost             | Water            | Sewer            |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|------------------|
| Replace 2016 Ford F-150 M059          | Replace a 2016 pickup truck. The District's lifecycle replacement schedule for this class of vehicle is 9-10 years. This truck is utilized for a range of Engineering functions in the Water Utility.                                        | \$110,000        | \$110,000        |                  |
| Replace 2016 Ford F-150 M060          | Replace a 2016 pickup truck. The District's lifecycle replacement schedule for this class of vehicle is 9-10 years. This truck is utilized for a range of Engineering functions in the Water Utility.                                        | \$110,000        | \$110,000        |                  |
| Replace 2018 Ford F-250 M012          | Replace a 2016 pickup truck. The District's lifecycle replacement schedule for this class of vehicle is 8-10 years. This truck is utilized for a range of Engineering functions in the Sewer and Drainage Utility and has very high mileage. | \$110,000        |                  | \$110,000        |
| Replace 2018 Case Backhoe M051        | Replace a 2018 backhoe. The District's lifecycle replacement schedule for this class of vehicle is 8 years. This backhoe is utilized for a range of functions both the Water and Sewer and Drainage Utilities                                | \$350,000        | \$175,000        | \$175,000        |
| <b>Total Vehicles &amp; Equipment</b> |                                                                                                                                                                                                                                              | <b>\$680,000</b> | <b>\$395,000</b> | <b>\$285,000</b> |

**This page intentionally left blank**

**This page intentionally left blank**



District of West Vancouver

**Sewerage and Drainage Regulation  
Bylaw No. 5263, 2023,  
Amendment Bylaw No. 5449, 2026**

Effective Date:

**Sewerage and Drainage Regulation  
Bylaw No. 5263, 2023,  
Amendment Bylaw No. 5449, 2026**

**Table of Contents**

---

|        |                                             |   |
|--------|---------------------------------------------|---|
| Part 1 | Citation .....                              | 1 |
| Part 2 | Severability .....                          | 2 |
| Part 3 | Amendments .....                            | 2 |
| Part 4 | Effective Date .....                        | 2 |
|        | Schedule A – Sewer Meter Base Rates .....   | 4 |
|        | Schedule B – Sewer Meter Volume Rates ..... | 5 |

District of West Vancouver

# **Sewerage and Drainage Regulation Bylaw No. 5263, 2023, Amendment Bylaw No. 5449, 2026**

A bylaw to amend the Sewerage and Drainage Regulation Bylaw to regulate a municipal sewerage system, a municipal drainage system and make provision for the usage of these municipal systems.

Previous amendments: Amendment bylaws 5284, 5288, 5350, 5393, and 5441.

WHEREAS the Council of The Corporation of the District of West Vancouver deems it expedient to amend the Sewerage and Drainage Regulation Bylaw No. 5263, 2023;

NOW THEREFORE, the Council of The Corporation of the District of West Vancouver enacts as follows:

## **Part 1 Citation**

- 1.1 This bylaw may be cited as Sewerage and Drainage Regulation Bylaw No. 5263, 2023, Amendment Bylaw No. 5449, 2026.

## **Part 2 Severability**

- 2.1 If a portion of this bylaw is held invalid by a Court of competent jurisdiction, then the invalid portion must be severed and the remainder of this bylaw is deemed to have been adopted without the severed section, subsection, paragraph, subparagraph, clause or phrase.

## **Part 3 Amendments**

- 3.1 Sewerage and Drainage Regulation Bylaw No. 5263, 2023 is amended as follows:

Delete Schedules “A” and “B” and replace with new Schedules A and B, as attached hereto.

## **Part 4 Effective Date**

- 4.1 Sewerage and Drainage Regulation Bylaw No. 5263, 2023, Amendment Bylaw No. 5449, 2026 will be effective on January 1, 2027.

## **Schedules**

Schedule A – Sewer Meter Base Rates  
Schedule B – Sewer Meter Volume Rates

READ A FIRST TIME on [Date]

READ A SECOND TIME on [Date]

READ A THIRD TIME on [Date]

ADOPTED by the Council on [Date].

---

Mayor

---

Corporate Officer

## Schedule A – Sewer Meter Base Rates

### Sewer Base Charge per Unit (Quarterly)

| Customer Class            | Sanitary Local Levy | Sanitary Regional Levy | Drainage Levy | Quarterly Fixed Charge: Total |
|---------------------------|---------------------|------------------------|---------------|-------------------------------|
| Single Family Residential | \$24.54             | \$51.16                | \$173.65      | \$249.35                      |
| Multi-Family Residential  | \$24.54             | \$51.16                | \$173.65      | \$249.35                      |
| Commercial                | \$24.54             | \$51.16                | \$173.65      | \$249.35                      |
| No Water Sewer*           |                     |                        |               | \$437.95                      |

\*No Water Sewer customers, who are not charged metered water, pay a flat rate based on the median SFR quarterly bill.

## **Schedule B – Sewer Meter Volume Rates**

### **Metered Sewer Volume Rates Based on Quarterly Consumption**

| <b>Customer Class</b>      | <b>Volume Charge<br/>Per Cubic Metre<br/>(m<sup>3</sup>) Local</b> | <b>Volume Charge<br/>Per Cubic Metre<br/>(m<sup>3</sup>) Regional</b> |
|----------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------------|
| Single Family Residential* | \$1.94                                                             | \$3.22                                                                |
| Multi-Family Residential** | \$1.94                                                             | \$3.22                                                                |
| Commercial**               | \$1.94                                                             | \$3.22                                                                |

\*Single Family Residential Volume Rate applied quarterly to average winter period usage.

\*\*All other class rates applied to total water usage.

For discharge of contaminated groundwater to the sewer system the fee is \$1.50 per cubic meter for groundwater discharged.

Per section 15.2.1 of “Sewerage and Drainage Regulation Bylaw No. 5263, 2023” the rates shown in Schedule “A” and Schedule “B” shall be subject to a discount of ten (10) per cent, provided full payment for the current billing is made on or before the close of business on the due date set out on the billing form.

**This page intentionally left blank**

**This page intentionally left blank**