

3 Sewer and Drainage Utility Rates

Sewer and Drainage Utility

Key Points of the Presentation:

- **Cost projections of the new North Shore Wastewater Treatment Plant (NSWWTP)**
- **Proposed hybrid cost recovery approach for the incremental cost associated with the NSWWTP**
- **Overview of the proposed Five-Year Financial Plan Requirements, with a specific focus on the 2025 Utility Fund requirements and their Financial Implications**

Northshore Wastewater Treatment Plant

- original cost projection: **\$700 million**
- raised to **\$1.058 billion** later
- on June 12, 2024, Metro Vancouver (MV) Board approved a cost allocation and phasing framework for an additional **\$2.8 billion** increase to the NSWWTP Program budget
- revised total budget: **\$3.86 billion.**
- two recovery mechanism were identified for the incremental costs including:
 - the traditional rate funded approach
 - a property value tax levy

Hybrid Cost Recovery Approach

- Staff analyzed various options by modelling a series of scenarios and found that the financial impact on users remained largely consistent regardless of the funding recovery mechanism.
- Hybrid cost recovery approach for the portion of the MV Levy associated with the incremental capital construction costs for the NSWWTP:
 - combines the use of rate increases in the sewer fund for the \$1.058 billion base cost of the project along with a property value tax levy for the incremental cost; and
 - allows eligible property owners to defer this portion of the levy, if desired.

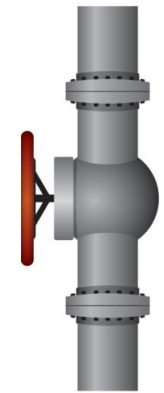
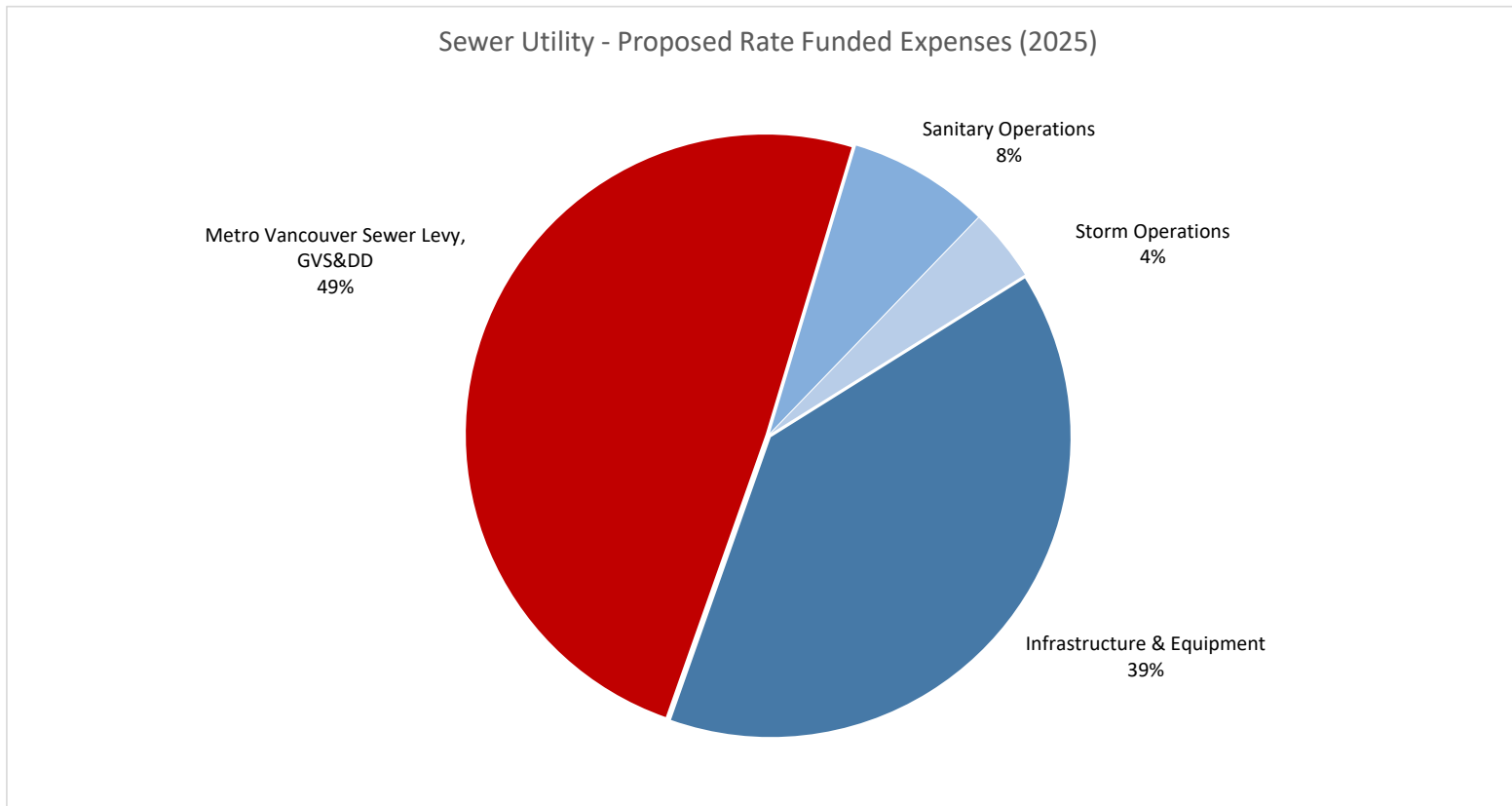
Northshore Wastewater Treatment Plant Levy

- MV analysis forecasts an average household impact (HHI) of \$590 within the North Shore Sewerage Area.
- They applied a calculation used to compare average costs impact between the four regional sewerage areas.

However,

- Utilizing data specific to the District to calculate the additional costs of the NSWWTP, the proposed levy for a single-family dwelling assessed at \$3.66 million would be approximately \$177 starting in 2025, reaching approximately \$884 by 2029.

Proposed Rate Funded Expenses: Sewer and Drainage



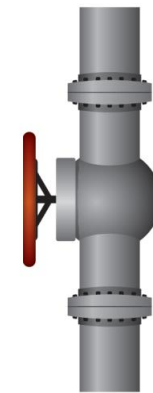
Five-Year Financial Plan Requirements: Sewer and Drainage

Recommended 2024 Utility Fund Requirements

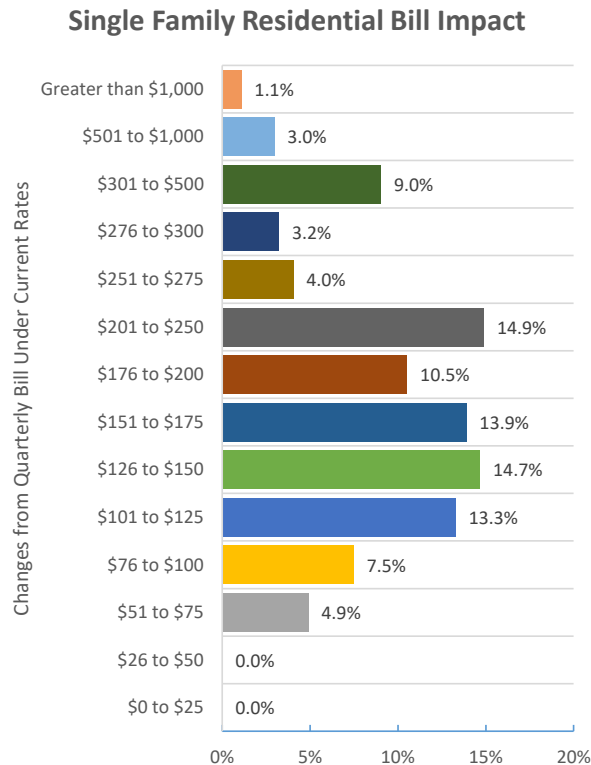
	2024	2025	2026	2027	2028
Local	5.5%	5.5%	5.0%	3.0%	3.0%
Regional	12.0%	20.0%	20.0%	15.0%	10.0%
Combined	8.4%	12.2%	12.4%	9.3%	6.9%

Recommended 2025 Utility Fund Requirements

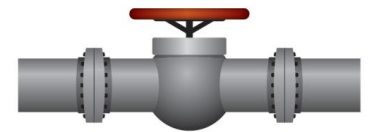
	2025	2026	2027	2028	2029
Local	5.0%	5.0%	5.0%	3.0%	3.0%
Regional	15.0%	14.0%	13.0%	13.0%	3.5%
Combined	9.6%	9.3%	9.0%	8.2%	3.3%



Sewer and Drainage Rates: Typical Impact



- median single-family household will see an estimated annual increase of approximately \$166 over 2024 for a per annum total of \$1,624
- average multi-family unit will see an estimated annual increase of approximately \$64 over 2024 for a per annum total of \$458
- actual impact will vary based on metered usage



Sewer and Drainage Rates: Typical Impact

Median Single-family Rates

	2024 Median	2025 Median	Increase over 2024
Drainage	\$ 556.88	\$ 584.73	\$ 27.85
Local sewer	\$ 349.92	\$ 383.43	\$ 33.51
Regional Sewer	\$ 551.23	\$ 656.16	\$ 104.93
NSWWTP Levy	\$ 0.00	\$ 177.00	\$ 177.00
Total	\$ 1,458.03	\$ 1,859.32	\$ 343.29

Average Multi-family Unit Rates

	2024 Median	2025 Median	Increase over 2024
Drainage	\$ 16.87	\$ 17.71	\$ 0.84
Local sewer	\$ 150.92	\$ 167.24	\$ 16.32
Regional Sewer	\$ 226.31	\$ 272.97	\$ 46.66
NSWWTP Levy	\$ 0.00	\$ 82.00	\$ 82.00
Total	\$ 394.10	\$ 564.92	\$ 145.82

2025 Utilities: Typical Impact (Total Overview)

Median Single-family Rates

	2024 Median	2025 Median	Increase over 2024
Solid Waste	\$ 347.69	\$ 358.11	\$ 10.42
Water	\$ 853.69	\$ 888.10	\$ 34.41
Drainage	\$ 556.88	\$ 584.73	\$ 27.85
Local sewer	\$ 349.92	\$ 383.43	\$ 33.51
Regional Sewer	\$ 551.23	\$ 656.16	\$ 104.93
NSWWTP Levy	\$ 0.00	\$ 177.00	\$ 177.00
Total	\$ 2,659.41	\$ 3,047.53	\$ 388.12

Average Multi-family Unit Rates

	2024 Median	2025 Median	Increase over 2024
Solid Waste	\$ 83.16	\$ 85.65	\$ 2.49
Water	\$ 304.80	\$ 316.99	\$ 12.19
Drainage	\$ 16.87	\$ 17.71	\$ 0.84
Local sewer	\$ 150.92	\$ 167.24	\$ 16.32
Regional Sewer	\$ 226.31	\$ 272.97	\$ 46.66
NSWWTP Levy	\$ 0.00	\$ 82.00	\$ 82.00
Total	\$ 782.06	\$ 942.56	\$ 160.50

Recommendation

THAT

1. Sewer and Drainage Utility fees be adjusted for 2025 to the amounts set out in Schedules A and B of the proposed “Sewerage and Drainage Regulation Bylaw No. 5263, 2023, Amendment Bylaw No. 5350, 2024,” as attached;
2. Proposed “Sewerage and Drainage Regulation Bylaw No. 5263, 2023, Amendment Bylaw No. 5350, 2024” be read a first, second, and third time; and
3. A North Shore Wastewater Treatment Plant Levy be established to collect for the incremental up front construction costs associated with Metro Vancouver’s North Shore Wastewater Treatment Plant project.

Thank You!
Questions?