West Shore Environmental Services

Unit 103, 859 Orono Avenue Victoria, British Columbia Canada V9B 2T9

T 250.478.2187 F 250.478.2163 http://bluestemutilities.com/langford

December 12, 2024

VIA E-MAIL

The City of Langford 2nd Floor, 877 Goldstream Avenue Langford, BC V9B 2X8 E-mail: dkiedyk@cityoflangford.ca Attention Darren Kiedyk, CAO

Dear Mr. Kiedyk,

RE: Sewer Utility Agreement (the "Agreement") between the City of Langford (the "City"), West Shore Environmental Services Inc. ("WSES") and Terasen Utility Services Inc. dates September 20, 2004 – User Fees and SCRF Rates

Further to the ongoing discussions between the City and WSES, we write regarding the 2025 rate requirements for the System. Capitalized terms not defined in this letter have the meanings given them in the Agreement.

Bluestem acknowledges that the City has expressed a desire to discuss SCRF rates. To this end, Bluestem has initiated discussions with Administration on SCRF's and the Agreement. While these discussions are ongoing, Bluestem is proposing to continue applying inflationary escalators to address Utility needs.

Statistics British Columbia reports that the latest twelve-month average consumer price index for "All Items" in Victoria is 2.6%. In recognition of recent discussions with Administration, Bluestem will freeze SCRF rates for a third consecutive year. WSES is proposing an increase of 2.6% to the User Fees and no change to SCRF's effective January 1, 2025. This would increase annual User Fees from \$324.05 to \$332.48, an increase of \$0.70/month.

We appreciate your cooperation in addressing the above.

Sincerely,

West Shore Environmental Services LP.

Per:

Darrin Stephanson President, Canada

Cc: Katelyn Balzer, Director of Engineering

Michael Dillabaugh, Director of Finance