



Staff Report to Council

DATE: Tuesday, February 18, 2025

DEPARTMENT: Finance

SUBJECT: Sewer Utility Bylaw No. 1600, 2016, Amendment No. 8, Bylaw No. 2222, 2025

EXECUTIVE SUMMARY:

The City of Langford Sewer Utility Bylaw No. 1600 sets forth requirements for sanitary sewer servicing that includes items such as connection, disconnection, fees and charges, and maintenance and use.

The Sewer Utility Bylaw No. 1600 relates to the City's agreement with Bluestem Utilities (previously Corix), operating in Langford as West Shore Environmental Services (WSES) who is the City's sewer provider. Bluestem Utilities and WSES are part of Nexus Water Group.

The purpose of this report is to bring forward user fees and charges for 2025 for Council's consideration.

COMMENTARY:

Sewer Utility Bylaw No. 1600 was adopted in February 2016. It replaced an older bylaw by modernizing it and setting a fee structure for five consecutive years, including 2015 through to and including 2019 (Schedule B of Bylaw No. 1600).

Since the end of 2019, the Sewer Utility Bylaw No. 1600 has been amended annually for fee adjustments primarily based on the cost of living. Council may choose in the future to determine fees and charges either on an annual basis or for multiple consecutive years, however, at this time, staff are proposing consideration of fees and charges for 2025 only.

WSES has proposed the following for fees and charges for 2025:

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**.

Sewer Utility Bylaw No. 1600, 2016, Amendment No. 8, Bylaw No. 2222, 2025 has been prepared to reflect the SCRF's being frozen and an increase to the user rates of 2.6%. The bylaw is attached to this

report for Council’s consideration of first three readings. Although not yet published at the time of WSES’s letter to the City, the Victoria Consumer Price Index has been published at 2.5% for 2024. Staff feel that an increase of 2.6% to the user fee is acceptable to maintain the utility’s financial sustainability with rising costs of labour and materials.

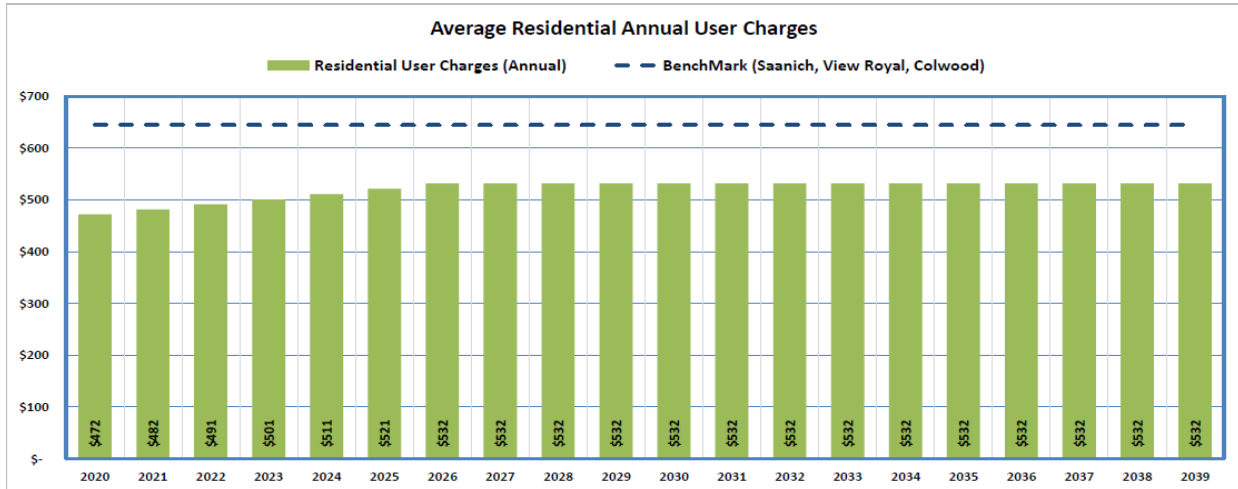
Staff will continue to work with WSES towards finalizing the full review of the contract and financial modelling as directed by Council. It’s expected that staff will bring this before Council in 2025.

FINANCIAL IMPLICATIONS:

Sewer user fees are paid to WSES by the end user, for example a resident or a business. SCRF’s are in effect a connection charge that are paid by a property owner looking to connect to the sewer utility. There is no direct cost to the City associated with an increase to the sewer rates.

Increasing the user fee by a percentage in line with CPI allows the utility to keep up with inflationary pressures and ensure that it remains financially sustainable.

The following chart compares the City’s sewer user fee against area municipalities based on 2020 data:



As can be seen above, Langford’s rates are lower than the average of the other municipalities and staff does not anticipate that this increase will bring the City over the average.

LEGAL IMPLICATIONS:

If the current Bylaw No. 1600 Sewer Utility Bylaw is not amended to change the rates from 2024, then those rates would inherently carry forward to 2025. The contract also stipulates a dispute resolution process that WSES may wish to pursue if the City were to not approve the requested increase in rates.

OPTIONS:

Option 1

THAT Council give “Sewer Utility Bylaw No. 1600, 2016, Amendment No. 8, Bylaw No. 2222, 2025” first, second and third reading.

OR Option 2

THAT Council not amend Sewer Utility Bylaw No. 1600 at this time.

SUBMITTED BY: Michael Dillabaugh, CPA, CA, Director of Finance

Concurrence: Melisa Miles, Manager of Legislative Services

Concurrence: Donna Petrie, Senior Manager of Communications & Economic Development

Concurrence: Yari Nielsen, Director of Parks, Recreation and Facilities

Concurrence: Matthew Baldwin, RPP, MCIP, Director of Development Services

Concurrence: Leah Stohmann, RPP, MCIP, Director of Community Planning and Climate Change

Concurrence: Katelyn Balzer, P.Eng., Director of Engineering and Public Works

Concurrence: Marie Watmough, Director of Legislative & Protective Services

Concurrence: Braden Hutchins, Deputy Chief Administrative Officer

Concurrence: Darren Kiedyk, Chief Administrative Officer