

Request for Decision



To: Regular Meeting
From: Chief Financial Officer
Date: February 11, 2019
Subject: Fees and Charges Amendment Bylaw 1958-A4
Recommendation: **That Council gives final reading to the City of Grand Forks Fees and Charges Amendment Bylaw No. 1958-A4, 2019.**

Background

In late November 2017, Council voted to implement mock billing of residential water consumption for a one year transition period prior to proceeding with actual billing under the new rate structure proposed after a comprehensive water rates review. Staff commenced mock billing for the February 2018 billing cycle, with a full year completed upon the latest billing cycle in mid-December 2018.

The new rate structure approved by Council in November 2017 comprises a fixed and variable component, with 50% of revenues coming from fixed charges and 50% from consumption. Staff has reviewed water consumption data and other statistics for the last year in order to determine the appropriate fixed and usage charges required in order to meet revenue targets.

Some assumptions and estimates have been made in calculating the new water rates, as follows:

- a revenue target of \$950,000, which approximates the original 2018 budget amount of \$946,157 and thus assumes no increase for 2019
- a reduction of 25% in residential consumption volumes from 2018 actuals, to allow for anticipated decreases in usage once customers begin to pay for their consumption
- the exclusion of revenues for approximately 100 inactive accounts which represent properties impacted by the 2018 flood

The rates proposed during the 2017 water rates review were an annual fixed charge of \$217 for a 1" and smaller service, increasing proportionately with service size, and a consumption charge of \$0.56 per cubic meter. These rates were based on a revenue target of \$927,000. By comparison, the new rates included in this bylaw have been calculated as \$240 annually and \$0.55 per cubic meter, based on revenues of \$950,000.

The proposed Fees & Charges Amendment Bylaw No. 1958-A4 was given first three readings on January 28, 2019 and is now presented for final reading.

Benefits or Impacts

General

The new water rates included in this bylaw amendment provide greater equity between low and high water consumers, and should encourage water conservation.

Strategic Impact



Fiscal Responsibility

- These rates have been calculated using conservative estimates in order to achieve minimum revenues comparable to the 2018 approved budget amount.

Policy/Legislation

Attachments

Fees and Charges Amendment Bylaw No. 1958-A4, 2019.

Fees and Charges Amendment Bylaw No. 1958-A3, 2018 (with rates in effect until the new bylaw is adopted).

Recommendation

That Council gives final reading to the City of Grand Forks Fees and Charges Amendment Bylaw No. 1958-A4, 2019.

Options

1. RESOLVED THAT Council accepts the recommendation.
2. RESOLVED THAT Council does not accept the recommendation.
3. RESOLVED THAT Council refers the matter back to staff for further information.

Report Approval Details

Document Title:	2019 Water Utility Fees 3 readings.docx
Attachments:	- By1958-A4 - Fees and Charges Amendment 2019.pdf - By1958-A3 - to amend Fees Charges Bylaw No. 1958.pdf
Final Approval Date:	Jan 17, 2019

This report and all of its attachments were approved and signed as outlined below:

Diane Heinrich - Jan 17, 2019 - 9:08 AM

Report Approval Details

Document Title:	2019 Water Utility Fees final reading.docx
Attachments:	- By1958-A4 - Fees and Charges Amendment 2019.pdf - By1958-A3 - to amend Fees Charges Bylaw No. 1958.pdf
Final Approval Date:	Jan 31, 2019

This report and all of its attachments were approved and signed as outlined below:

Diane Heinrich - Jan 31, 2019 - 9:43 AM