

UTILITY RATE DISCUSSIONS



VILLAGE OF
VALEMOUNT

Let the mountains move you

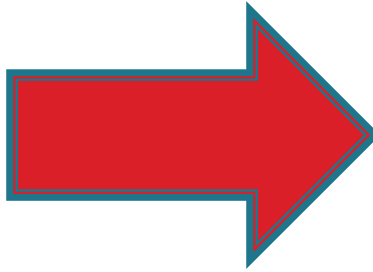


COUNCIL'S MAIN
OBJECTIVES INCLUDE

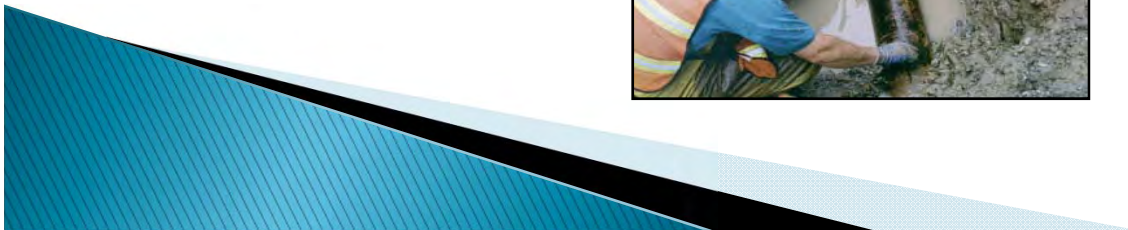
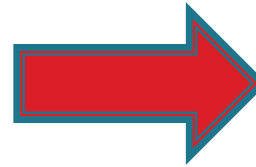
...INFRASTRUCTURE



WATER...



WATER



COSTS ASSOCIATED WITH WATER



COSTS

- Public Works Wages & Benefits
- Training/Certification
- Permits
- Hydro, Telephone, Insurance
- Alarm systems
- Computers & software
- Chemicals

Maintenance and eventual replacement of assets

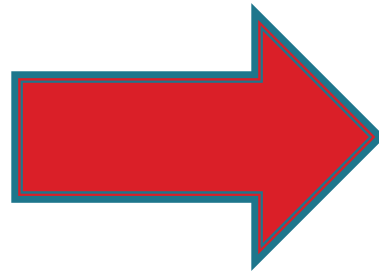
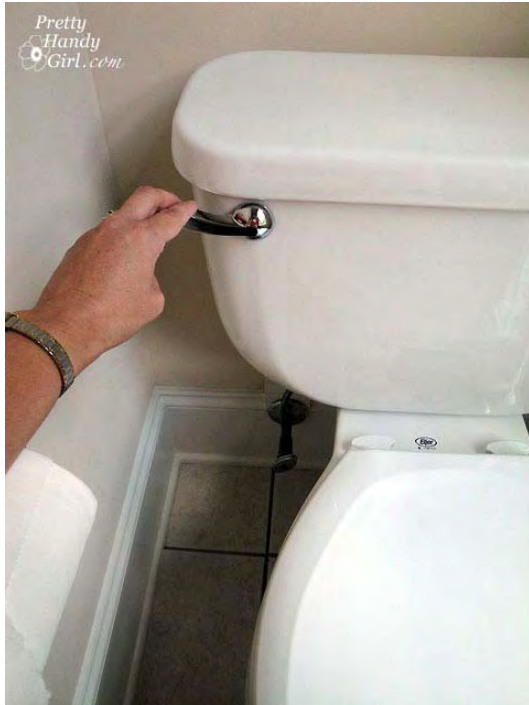
- Water intake
- Pump House
- Piping
- Water Treatment Plant
- Fire hydrants



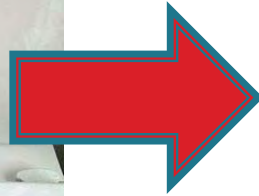
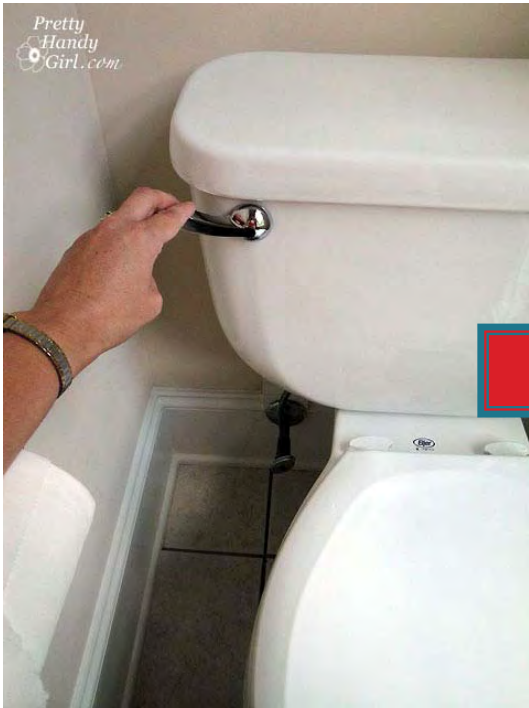
Maintenance & Replacement Will help to prevent...



SEWER



SEWER



COSTS ASSOCIATED WITH SEWAGE



COSTS

- Public Works Wages & Benefits
- Training/Certification
- Permits
- Hydro, Telephone & Insurance
- Alarm systems
- Computers & software
- Chemicals

Maintenance and eventual replacement

- Sewer Plant
- Polishing ponds
- Lift Stations
- Piping



Maintenance & Replacement
will help to prevent...



Current Funding Concerns

- ▶ Water & Sewer infrastructure is approx 40 years old – we need to be reserving funds for future replacement
- ▶ New Provincial reporting requirements & testing (ei: lead testing, water stats to provincial reports)
- ▶ New standards/codes - need to hire “certified electricians”, Worksafe requires additional staff on site
- ▶ All PW must be certified for each facility for liability reasons



WHY Fees & Charges Need to Increase

- ▶ Require reserves for future replacement – even with grants, 25% - 33% is still a min requirement of municipalities
 - \$1 mil lift station requires village contribution of \$330,000
- ▶ Funding for studies /consultants to be “grant ready”
- ▶ Previously, infrastructure was not a priority of most municipalities. Therefore, a great deal of maintenance is required to bring infrastructure to standard.



WHY Fees & Charges Need to Increase

- ▶ Safety codes – need to meet current standards (ie: level II WTP Operator certification, electrical, worksafe)
- ▶ Ongoing Training
- ▶ Operating costs increasing – BC hydro, wages, chemicals, parts, security, cell service
- ▶ We own more infrastructure than “back in the day” that needs to be maintained
 - WTP, STP expansion, Lift Station upgrades, computer programs



**FCS was hired to conduct a
study on current
Village Water & Sewer
Utility Rates**

**Council agreed to implement
Scenario 2(A) for 2017**

9.5% increase for 9 years,
then 3% per year after



Revenue Requirement Scenario Summary

Scenarios	Scenario 1 - Baseline	Scenario 2 - Full Amortization Funding	
		(A) Discount	(B) No Discount
Annual Rate Increases	5% first four years, then 3% per year	9.5% first nine years, then 3% per year	8.5% first nine years, then 3% per year
Residential Rate - 20 years (Existing Rate \$261.78 per year)	\$496	\$796	\$733
Average Annual Dollar Increase	\$12	\$28	\$25
Average Monthly Dollar Increase	\$1.03	\$2.34	\$2.07
System Reinvestment Funding	Increasing from 10% to 20% of annual amortization expense	Phase into 100% of annual amortization expense in equal steps over ten years	
Annual Capital Spending (Current day \$)	\$30,000	\$50,000 - \$200,000	

**IF COUNCIL CONTINUES
WITH SCENARIO 2(A),
WATER & SEWER RATES
WILL INCREASE
AS FOLLOWS**



WATER

Customer Bill Impact

RESIDENTIAL

Scenario 2A - Full Amortization Funding; Maintain Rate Discount

2017 rate \$292.20

2018 rate \$319.96

Differences

Yearly \$27.76

Monthly \$2.31

Daily \$0.07

COMMERCIAL

Scenario 2A - Full Amortization Funding; Maintain Rate Discount

2017 rate \$359.86

2018 rate \$394.05

Differences

Yearly \$34.19

Monthly \$2.85

Daily \$0.09



SEWER

Customer Bill Impact

RESIDENTIAL

Scenario 2A - Full Amortization Funding; Maintain Rate Discount

2017 rate \$350.66

2018 rate \$383.97

Differences

Yearly \$33.31

Monthly \$2.77

Daily \$0.09

COMMERCIAL

Scenario 2A - Full Amortization Funding; Maintain Rate Discount

2017 rate \$371.95

2018 rate \$407.28

Differences

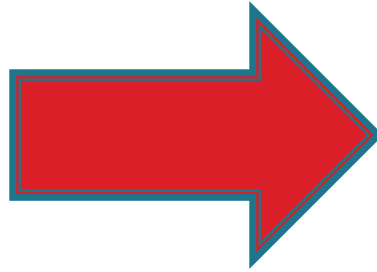
Yearly \$35.33

Monthly \$2.94

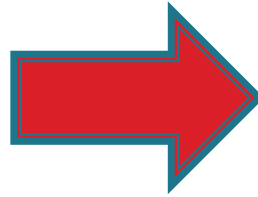
Daily \$0.10



GARBAGE



GARBAGE



COSTS ASSOCIATED WITH GARBAGE



COSTS

- Public Works Wages & Benefits
- Insurance
- Fuel
- Tipping Fees

Maintenance and eventual replacement

- 1991 Garbage truck
- 2013 Garbage truck
- Garbage bins



**IF COUNCIL APPROVES
STANDARD INCREASE
DUE TO INFLATION**



GARBAGE

Customer Bill Impact

35 GALLON

Proposed 3%

2017 rate \$99.21

2018 rate \$101.73

Differences

Yearly \$2.52

Monthly \$0.21

Daily \$0.01

65 GALLON

Proposed 3%

2017 rate \$143.50

2018 rate \$147.21

Differences

Yearly \$3.71

Monthly \$0.31

Daily \$0.01



Review



2018 Residential Customer Bill Impact

2017 WATER rate	\$292.20	2018 WATER rate	\$319.96
2017 SEWER rate	\$350.66	2018 SEWER rate	\$383.97
2017 GARBAGE rate <i>65g</i>	\$143.50	2018 GARBAGE rate <i>65g</i>	\$147.21
TOTAL	\$ 786.36		\$851.14

Differences

Yearly	\$64.78
Monthly	\$5.40
Daily	\$0.18

