

13. Re: Burnaby Waterworks Regulation Bylaw No. 3325

WATER SERVICE CONNECTIONS

A review of the water service connections over the past 18 months shows:

<u>Size</u>	<u>Charge for Installation</u>	<u>Average Installation Cost</u>	<u>Number of Installations</u>
3/4"	\$120	\$148	661
1"	130	300	16
1-1/2"	190	400	12
2"	325	376	62

Sizes in excess of 2" are installed at cost to the owner.

The cost of each and every installation is distinct. Given a large number of installations, an average cost can be worked out which will hold for a period of time. Given a small number of installations, this is not the case. For this reason, it has been our practise to charge for services larger than 2" the actual cost of installation. However, experience indicates that this rule should be applied to all installations in excess of 3/4" in size.

Under the circumstances, it is recommended that Burnaby Waterworks Regulation By-Law No. 3325 be amended to increase the installation fee for a 3/4" connection to \$160.00 and that the charge for connections of sizes in excess of 3/4" be the estimated cost of doing so in each and every case.

Separate work orders will be drawn for every connection of a size in excess of 3/4" and by this means the estimator can keep track of costs and revise his estimates accordingly.

As a point of information, it is standard practise for the Corporation to charge for works on an estimated basis. If the estimate is wrong and the works are more costly than estimated, the Corporation absorbs the excess. If the cost of the works is less than estimated, the Corporation absorbs the excess revenue.

Council adopted this policy many many years ago because of the cost in staff time involved in attempting to collect excess costs from customers. It is a fact that excess costs of water connections may be placed on the water accounts for collection, but such is not the case with many other services supplied by the Corporation. Also, of course is the matter of bad public relations when the estimates don't prove out.

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METERING

The By-law requires all commercial, industrial and multiple family (in excess of two family) premises to be metered. It specifies the following meter rentals to be applied:

DOMESTIC METERS

<u>METER SIZE</u>	<u>MONTHLY RENTAL</u>	<u>QUARTERLY RENTAL</u>
3/4"	\$.45	\$1.35
1"	1.20	3.60
1-1/2"	2.00	6.00
2"	2.50	7.50
3"	12.70	38.10
4"	13.80	41.40
6"	19.50	58.50

FIRE METERS

3"	\$13.80	\$41.40
4"	14.60	43.80
6"	26.00	78.00

DETECTOR CHECK VALVE

4"	\$ 4.60	\$13.80
6"	6.25	18.75
8"	8.75	26.25

The intent of the By-law is that meters will be installed at Corporation's expense and be repaired and replaced by the Corporation from time to time. For this service the owner is expected to pay the appropriate meter rental charge.

Section 16 of the By-law requires that meters larger than 6" shall be furnished by the owner and repaired and replaced by him at his expense, when the need arises.

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Notwithstanding, it has been the custom of the Corporation to encourage owners to buy outright meter installations of sizes larger than 2 inches. Of 72 meters and detector check valves of sizes in excess of 2" in service, 58 are owned by the consumers and 14 are owned by the Corporation. Of the 58, only 18 are of a size for which the By-law requires the owner to pay outright for the installation.

Meter rental charges are a nuisance. They continue in force and effect even though water services may be shut off. There are 1974 meters in service; 57 of which are on services currently shut off and 58 of which no rental applies by reason of private ownerships.

Meters owned by the Corporation are serviced and replaced free of charge if need be by the Corporation. Meters owned privately are serviced and replaced by the Corporation free of charge unless they are of a size in excess of 6".

Charging meter rentals is common in waterworks systems. Of surrounding municipalities, only Port Moody does not charge rentals. New Westminster exempts domestic services only. However, electric and gas power companies rarely charge for meters.

Burnaby's practises are uneven to say the least and permitting owners to buy meters is not covered by the By-law.

Under the circumstances it is recommended that all services requiring meters be metered at the expense of the applicant. Repairs and replacements would be the responsibility of the Corporation. With this change it is recommended that meter rentals to existing services be discontinued.

Annual meter rentals approximate \$29,000. To offset the revenue loss it is recommended that the first step in the meter water rate structure be increased from 26.25¢ per 100 cubic feet to 30¢ per 100 cubic feet. With 1974 metered accounts in service, the gain in revenue will more than offset the loss in meter rentals. The minimum monthly charge should be increased from \$2.05 to \$2.50 and the quarterly charge from \$6.65 to \$7.50. This will bring the minimum charge to equal that of a flat rate service to a single family residence.

For a great many years it has been the practise of the approving officer to require a developer to provide water mains in subdivisions. If mains exceed 6" in size, it is Council policy that the Corporation pick up the difference between the cost of a 6" main and the main put into service.

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Since it is standard practise for the Corporation to charge for water service connections to the mains, this policy is carried over to subdivisions. So that streets won't have to be ripped up, the Corporation engages the developer's contractor to install water services connections to each lot created. As and when the lots are sold the purchasers are expected to pay for them at the rates in effect at the time a hookup is made to premises.

Of late, we have received numerous complaints from owners because they believe that they already have paid for connections in the cost of their lots.

We have a further problem when we renew worn-out mains and in doing so, replace the water service connections. To avoid disturbing pavements, the Corporation installs services to vacant lots and multiple connections when property seems subdividable. As and when such connections come into use, owners are expected to pay for them at rates in effect on the date of hookup. Once again owners complain.

The Municipal Solicitor has offered the opinion that the By-law does not make it clear that the Corporation has a right to collect for these installations.

Under the circumstances, it is recommended that the By-Law be amended to include the following:

"The Corporation, to the best of it's ability, shall supply water to properties abutting it's watermains. An owner of property not abutting a watermain, may, upon application to the Engineer, be supplied with water upon payment, in full, of the cost of constructing a watermain of a size to be determined by the Engineer, from the nearest source of supply to the most distant property line on the frontage of the property to be served, together with an appropriate water connection from the main to each parcel of land to be served. In the event that the size of main, as determined by the Engineer, exceeds six inches in diameter, the Corporation shall bear the difference in cost between the cost of pipe and appurtenances of a six inch main, and the cost of pipe and appurtenances of the larger main as prescribed by the Engineer."

and

"In the event that a water main requires to be renewed or replaced, water service connections as determined by the Engineer may be replaced at no charge to the abutting properties. At the same time, the Engineer

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may direct that water service connections be laid to serve properties not currently connected to the water system and the owner shall pay, at the time of connecting his water supply system to water service, the connection fee and the flat rate service charge, if applicable, as may be prescribed by Schedule "A" at that point in time."

This is permitted by Section 570 of the Municipal Act which reads:

- (1) The Council may by by-law, with the approval of the Lieutenant-Governor in Council, establish the conditions under which the Municipality will extend any utility system.
- (2) The by-law may further provide for refunds being made to the applicant according to a scale based on the number of service connections which could be made within the extension.
- (3) No refund shall be made in subsection (2) after five years after the completion of the extension, and in no case shall refunds exceed the amount of the charges borne by the applicant under this section.

RECOMMENDATIONS:

THAT the installation fee chargeable for a 3/4" water connection be established at \$160.00 and that connections of all other sizes be charged for at the actual cost of making an installation (in practise the Engineer giving a firm price based upon an estimate).

THAT the existing meter/^{rental} rates be stricken from the by-law.

THAT meters be installed on all services except to one and two family dwellings and THAT the cost of installation be at the expense of owners.

THAT to offset the loss in revenue that will result from the abolition of meter rental charges, the first step of the meter water rate schedule be increased from 26.25¢ per 100 cubic feet to 30¢ per 100 cubic feet.

THAT the by-law make provision that water mains and water service connections within subdivisions be the responsibility of developers.

THAT the by-law make it abundantly clear that when it is necessary to renew a water line and the Corporation finds it necessary to install water service pipes to lot lines currently not enjoying water service, the owner be obligated to pay the cost of the service connection when the service comes into use.