

ITEM	22
MANAGER'S REPORT NO.	81
COUNCIL MEETING	Dec. 15/75

Re: WATER RATES CHARGEABLE TO LARGE VOLUME USERS

On November 17, 1975, Council inquired about water rates for large volume users. Following is a report from the Municipal Treasurer on this matter.

RECOMMENDATION:

1. THAT, as and when it becomes necessary to increase water rates generally, the .6¢ markup on rates for consumption in excess of 2,000,000 cubic feet be examined for adequacy (it is currently 9%).

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12 December 1975

File: W5-4

TO: MUNICIPAL MANAGER

FROM: MUNICIPAL TREASURER

RE: WATER RATES CHARGEABLE TO LARGE VOLUME USERS

On 17 November 1975 Council requested that a staff report be prepared on the matter of water rates being charged to large volume consumers and how these rates compare to smaller users.

The scale of rates currently in effect is:

Monthly Meter Rates

First	10,000	cubic feet	36¢	per 100 cu. ft.
Next	20,000	" "	25.2¢	" " " "
Next	50,000	" "	19.7¢	" " " "
Next	420,000	" "	17.3¢	" " " "
Next	1,500,000	" "	12.6¢	" " " "
In excess of	2,000,000	" "	GVWD rate	" " " "
			plus .6¢	" " " "
Minimum monthly charge			\$3.50	

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The effect of these rates on the four largest users of water in Burnaby is:

<u>M0478-5287</u>	10,000 cu. ft.	@ .36 ¢	\$ 36.00
	20,000 " "	.252	50.40
	50,000 " "	.197	98.50
	420,000 " "	.173	726.60
	1,500,000 " "	.126	1,890.00
	<u>2,267,300</u> " "	.0713	<u>1,616.58</u>
	<u>4,267,300</u>		<u>\$ 4,418.08</u>
<u>M0700-6511</u>	10,000 cu. ft.	@ .36 ¢	\$ 36.00
	20,000 " "	.252	50.40
	50,000 " "	.197	98.50
	420,000 " "	.173	726.60
	1,500,000 " "	.126	1,890.00
	<u>2,143,153</u> " "	.0713	<u>1,528.07</u>
	<u>4,143,153</u>		<u>\$ 4,329.57</u>
<u>M6925-3676</u>	10,000 cu. ft.	@ .36 ¢	\$ 36.00
	20,000 " "	.252	50.40
	50,000 " "	.197	98.50
	420,000 " "	.173	726.60
	1,500,000 " "	.126	1,890.00
	<u>320,626</u> " "	.0713	<u>228.61</u>
	<u>2,320,626</u>		<u>\$ 3,030.11</u>
<u>M1310-6800</u>	10,000 cu. ft.	@ .36 ¢	\$ 36.00
	20,000 " "	.252	50.40
	50,000 " "	.197	98.50
	420,000 " "	.173	726.60
	<u>1,489,706</u> " "	.126	<u>1,877.03</u>
	<u>1,989,706</u>		<u>\$ 2,788.53</u>

The \$.0713 shown for consumption beyond 2,000,000 cubic feet per month is composed of the rate payable of 10.48¢ per 1,000 gallons converted to 6.53¢ per 100 cubic feet plus .6¢ markup, total 7.13¢. At 31 December 1975, the sums paid for consumption above 2,000,000 cubic feet per month will be adjusted upwards or downwards to conform with the rate actually charged by the Greater Vancouver Water District for the year. Announcement of this rate will be made by the District on or about 18 December.

The rate structure for consumption in excess of 2,000,000 cubic feet first came into being on 24 August 1960 and came about because of representations from the Shell Oil Company. Earlier, in 1953, it became necessary to enlarge the water line serving the portion of the community in which the Company is situated and as the Company was most interested in the main, they agreed by formal agreement to use certain large quantities of water. When it became apparent that they had long since exceeded the quantities per month they had guaranteed to use, they petitioned for a reduction in their rates. Also of consideration is the fact that the Company draws water at the beginning of the system and the Municipality is not put to much expense in maintaining the line at that point.

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Over the years, the water rates have been increased from time to time. The markup mentioned was originally .5¢. It was increased to .6¢ on 11 June 1973.

Most commercial consumers use less than 10,000 cubic feet per month and pay 36¢ per 100 cubic feet. On an average, account number MO478-5287 uses 4,267,300 cubic feet at an average rate of 10.35¢ per 100 cubic feet.

RECOMMENDATION

1. THAT, as and when it becomes necessary to increase water rates generally, the .6¢ markup on rates for consumption in excess of 2,000,000 cubic feet be examined for adequacy (it is currently 9%).


MUNICIPAL TREASURER

BM:gw