

**FINANCE AND CIVIC DEVELOPMENT COMMITTEE**

*HIS WORSHIP, THE MAYOR  
AND COUNCILLORS*

**SUBJECT: WATERWORKS UTILITY RATES FOR 2013**

**RECOMMENDATION:**

1. THAT Council amend the Burnaby Waterworks Regulation Bylaw to provide for the water rates contained in Schedule C, effective 2013 January 01, as outlined in this report.

**REPORT**

The Finance and Civic Development Committee, at its meeting held on 2012 November 22, received and adopted the *attached* report seeking Council approval for 2013 water rates.

Respectfully submitted,

Councillor D. Johnston  
Chair

Councillor C. Jordan  
Vice Chair

Councillor P. McDonell  
Member

Copied to:	City Manager Deputy City Manager (L. Chu) Director Finance Director Planning & Building Acting Director Engineering City Solicitor
------------	---

---

**TO:** CHAIR AND MEMBERS  
FINANCE AND CIVIC DEVELOPMENT  
COMMITTEE

**DATE:** 2011 November 13

**FROM:** DIRECTOR FINANCE

**FILE:** 39500-07

*Reference:* Water Rates

**SUBJECT:** WATERWORKS UTILITY RATES FOR 2013

**PURPOSE:** To obtain Council approval for 2013 Water Rates.

---

#### **RECOMMENDATION:**

1. **THAT** the Committee recommend Council amend the Burnaby Waterworks Regulation Bylaw to provide for the water rates contained in Schedule C, effective 2013 January 01 as outlined in this report.

### **REPORT**

#### **INTRODUCTION**

The Waterworks Utility Report provides information and recommendations for funding of the Waterworks Utility through the adoption of an amendment to the Burnaby Waterworks Regulation Bylaw.

The Waterworks Utility Fund is financially self sustaining and as such does not impact the tax draw. Rates are based on a user pay principle, and are structured to fund the entire cost of the delivery and management of Burnaby's water services. Water rates are reviewed annually and revised to account for changes in the cost of water and costs associated with delivery of the service. Schedule A provides the City's Waterworks 5-Year Operating Budget.

Utility charges are collected separately from property taxes and are due by March 15 each year. To promote payment by the due date, Burnaby offers a 5% discounted rate for payment on or before March 15 of a given year. Metered water users are offered the same 5% discount for payments made within 30 days of the billing date on the metered water bill.

**2013 RATE SETTING**

Burnaby has been fiscally responsible in managing past increases in the supply cost of water through long term planning. The rate structure is set to include the funding of the City’s capital infrastructure renewal programs without the need for the City to borrow funds. The projected 2013 rate increase of 6% reflects an increase in the supply cost of water provided by the Greater Vancouver Water District (GVWD), and the continued funding of infrastructure replacement and maintenance programs.

The GVWD cost of water accounts for approximately 53.9% of the City’s 2013 Waterworks Operating Budget. The GVWD provides a reliable source of safe, high-quality drinking water to Burnaby and is responsible for acquiring and maintaining the water supply, treating it to ensure its quality and delivering it to the City. Burnaby pays the GVWD for the delivery of water on the basis of volume (cubic metres used). The Waterworks Operating Budget provides for ongoing work by the GVWD for water treatment and other improvements, including upgrading of facilities to meet safety and environmental standards.

The GVWD supplies water to Burnaby at a blended rate. For 2013, the blended rate is 59.63 cents per cubic metre (or 68.80 cents per cubic metre during the peak period of June to September, and 55.04 cents for the remaining months). This is an increase of 1.2% over the prior year. The GVWD water supply blended rates for Burnaby are projected to increase by 39% over the next four years. Schedule B summarizes the GVWD projected increase in the cost of water to Burnaby for 2013.

Burnaby has a long term infrastructure replacement program for the distribution system maintained by the City. The City’s current priority is to replace all remaining asbestos cement watermains in the City, which are at the end of their useful life. Through the annual replacement program, the City has made significant progress in replacing these aging pipes. In addition to the replacement of asbestos cement pipes, the City makes provision, within the rate structure, for the replacement of aging pumping stations to meet current and future growth related demands that will occur during the next 10 years. A 6% water rate increase is required to safeguard against future large supply cost increases and provides a means of funding the City's ongoing capital infrastructure programs.

City of Burnaby water charges have increased since 2008 at the following rates:

2008	2009	2010	2011	2012	2013
11%	12%	14%	11%	6%	6% proposed

The proposed rates will increase the utility bill for a single family home by \$29.23 from \$487.24 to \$516.47 if payment is made on or before the due date of 2013 March 15. The charge for a single family home after the due date of 2013 March 15 will increase by the loss of the 5% discount to \$543.65. Schedule C provides the proposed water rates for 2013.

To: Finance and Civic Development Committee  
From: Director Finance  
Re: Waterworks Utility Rates for 2013  
2011 November 13..... Page 3

**RECOMMENDATION**

It is recommended that Council amend the Burnaby Waterworks Regulation Bylaw to provide for the water rates contained in Schedule C, effective 2013 January 01 as outlined in this report. The proposed rate adjustments will ensure that the Water Utility continues to be financially self sustaining. Once approved by Council, a general notice informing users of the rate increase will be placed in a local newspaper and *InfoBurnaby*. Metered users will be notified by letter.

The Director Engineering concurs with the recommendations contained in this report.



Denise Jorgenson  
DIRECTOR FINANCE

DJ:RR/ml

Attachments: Schedule A – Operating Budget  
Schedule B – Cost of Water Supplied to Burnaby by the GVWD  
Schedule C – Water Rates

Copied to: City Manager  
Deputy City Manager (L. Chu)  
Acting Director Engineering  
Director Planning and Building  
City Solicitor  
City Clerk

**WATER 5 YEAR OPERATING BUDGET****Schedule A**

	2009 Actual \$	2010 Actual \$	2011 Actual \$	2012 Annual \$	2013 Projected \$	2014 Projected \$	2015 Projected \$	2016 Projected \$	2017 Projected \$
<b>EXPENDITURE</b>									
City Water Operations and Maintenance	4,836,926	5,140,417	5,273,687	5,989,894	5,856,585	6,149,410	6,456,880	6,779,720	7,118,710
Capital Infrastructure Replacement	14,477,822	15,092,143	13,994,038	14,035,410	15,815,665	15,500,000	16,000,000	16,500,000	17,000,000
<b>Total Municipal Expenditure</b>	<b>19,314,748</b>	<b>20,232,560</b>	<b>19,267,725</b>	<b>20,025,304</b>	<b>21,672,250</b>	<b>21,649,410</b>	<b>22,456,880</b>	<b>23,279,720</b>	<b>24,118,710</b>
<b>Metro Vancouver Cost of Water</b>	<b>18,232,271</b>	<b>20,224,731</b>	<b>21,512,387</b>	<b>23,428,200</b>	<b>23,745,600</b>	<b>27,518,500</b>	<b>29,924,800</b>	<b>31,451,100</b>	<b>32,249,900</b>
<b>TOTAL</b>	<b>37,547,019</b>	<b>40,457,291</b>	<b>40,780,112</b>	<b>43,453,504</b>	<b>45,417,850</b>	<b>49,167,910</b>	<b>52,381,680</b>	<b>54,730,820</b>	<b>56,368,610</b>
<b>REVENUES/TRANSFERS</b>									
User Charges - Flat	21,664,971	25,036,950	28,013,198	29,979,513	32,072,702	34,157,431	36,377,664	38,742,209	41,260,446
User Charges - Metered	10,851,817	11,855,338	12,651,425	12,869,127	13,285,148	13,650,489	14,025,876	14,411,591	14,807,904
<b>User Charges</b>	<b>32,516,788</b>	<b>36,892,288</b>	<b>40,664,623</b>	<b>42,848,640</b>	<b>45,357,850</b>	<b>47,807,920</b>	<b>50,403,540</b>	<b>53,153,800</b>	<b>56,068,350</b>
<b>Other</b>	<b>5,030,231</b>	<b>3,565,003</b>	<b>115,489</b>	<b>604,864</b>	<b>60,000</b>	<b>1,359,990</b>	<b>1,978,140</b>	<b>1,577,020</b>	<b>300,260</b>
<b>TOTAL</b>	<b>37,547,019</b>	<b>40,457,291</b>	<b>40,780,112</b>	<b>43,453,504</b>	<b>45,417,850</b>	<b>49,167,910</b>	<b>52,381,680</b>	<b>54,730,820</b>	<b>56,368,610</b>
<b>Rate Increase</b>	<b>12.00%</b>	<b>14.00%</b>	<b>11.00%</b>	<b>6.00%</b>	<b>6.00%</b>	<b>5.50%</b>	<b>5.50%</b>	<b>5.50%</b>	<b>5.50%</b>
% Metro Cost of Water over Total Expenses	48.56%	49.99%	52.75%	53.92%	52.28%	55.97%	57.13%	57.47%	57.21%

Finance Department  
22 November 2012

**COST OF WATER SUPPLIED TO BURNABY BY THE G.V.W.D.**

**SCHEDULE B**

Year	Rate Per Cubic Meter						Total volume (2) purchased 000 M <sup>3</sup>		Annual Cost to Burnaby	Increase in total cost of water to Burnaby from previous year	
	Cost/M <sup>3</sup>		Increase from previous year				Peak	Off-Peak	000 \$	000 \$	%
	Off-Peak	Peak	\$		%						
			Off-Peak	Peak	Off-Peak	Peak	Peak	Off-Peak			
1992	0.0780		0.0228				38,182		2,978		
1993	0.0885		0.0105		13.5		37,167		3,289	311	10.4
1994	0.0969		0.0084		9.5		38,666		3,747	457	13.9
1995	0.1149		0.0180		18.6		40,798		4,688	941	25.1
1996	0.1262		0.0113	N/A	9.8		40,805		5,150	462	9.9
1997	0.1394		0.0269	N/A	21.3		39,108		5,452	302	5.9
1998	0.1513		0.0119	N/A	8.5		41,362		6,258	806	14.8
1999	0.1644	N/A	0.0131	N/A	8.7	N/A	41,104		6,757	499	8.0
2000	0.1778	N/A	0.0134	N/A	8.2	N/A	43,148		7,672	914	13.5
2001	0.1881	N/A	0.0103	N/A	5.8	N/A	43,366		8,157	485	6.3
2002	0.1893	N/A	0.0012	N/A	0.6	N/A	42,415		8,029	-128	-1.6
2003	0.1968	N/A	0.0075	N/A	4.0	N/A	43,320		8,526	497	6.2
2004	0.2234	N/A	0.0266	N/A	13.5	N/A	44,320		9,901	1,375	16.1
2005	0.2502	N/A	0.0268	N/A	12.0	N/A	41,875		10,477	576	5.8
2006	0.2818	0.3044	0.0316	N/A	12.6	N/A	17,574	24,050	12,127	1,650	15.7
2007	0.3271	0.3794	0.0453	0.0750	16.1	24.6	16,097	23,112	13,667	1,540	12.7
2008	0.3477	0.4347	0.0206	0.0553	6.3	14.6	15,369	24,491	15,196	1,529	11.2
2009	0.4026	0.5032	0.0549	0.0685	15.8	15.8	16,811	24,275	18,232	3,036	20.0
2010	0.4505	0.5631	0.0479	0.0599	11.9	11.9	16,768	23,936	20,225	1,992	10.9
2011	0.5135	0.6419	0.0630	0.0788	14.0	14.0	15,135	22,975	21,512	1,288	6.4
2012	0.5437	0.6796	0.0302	0.0377	5.9	5.9	16,213	23,207	23,637	2,124	9.9
2013	0.5504	0.6880	0.0067	0.0084	1.2	1.2	15,845	23,336	23,746	109	0.5
2014	0.6462	0.8077	0.0958	0.1197	17.4	17.4	15,641	23,035	27,518	3,773	15.9
2015	0.7127	0.8908	0.0665	0.0831	10.3	10.3	15,422	22,712	29,925	2,406	8.7
2016	0.7589	0.9485	0.0462	0.0577	6.5	6.5	15,222	22,418	31,451	1,526	5.1
2017	0.7940	0.9923	0.0351	0.0438	4.6	4.6	14,919	21,972	32,250	799	2.5
2018	0.8377	1.0469	0.0437	0.0546	5.5	5.5	15,099	22,237	34,435	2,185	6.8
2019	0.8838	1.1045	0.0461	0.0576	5.5	5.5	15,276	22,498	36,756	2,321	6.7
2020	0.9324	1.1652	0.0486	0.0607	5.5	5.5	15,493	22,818	39,328	4,893	14.2
2021	0.9837	1.2293	0.0513	0.0641	5.5	5.5	15,623	23,010	41,840	5,084	13.8
2022	1.0378	1.2969	0.0541	0.0676	5.5	5.5	15,818	23,297	44,692	5,364	13.6
Increase 2002 - 2012 (Peak 2007-2012)			0.3556	0.3752	187.2	N/A				15,479	194.4
Projected increase 2014 - 2022			0.4874	0.6089	60.6	91.5				28,352	62.4

NOTES: 2002-2012 volumes are based on actuals.

2013 is based on updated Metro Van costs per m<sup>3</sup>, and the average of COB actual consumption for the last 2 years.

2014-2017 unit costs are based on GVRD's projected increase in the blended rates. (17.4% 2014, 10.29% 2015, 6.48% 2016, 4.62% 2017).

2014-2022 volumes are based on GVRD's annual projected % increases or decreases applied to the 2013 COB estimates.

2018-2022 unit costs are based on an assumed annual increase of 5.5%.

**WATER RATES****SCHEDULE C**

	<b>Effective Jan 1 2013 Paid by March 15</b>	<b>Effective Jan 1 2013 Paid after March 15</b>
	\$	\$
<b><u>FLAT RATES</u></b>		
Detached Single Family Dwelling	516.47	543.65
Two Family Dwelling - Per Unit	387.30	407.68
Multiple Family Dwelling, Per Unit:	296.56	312.17
Single Family Dwelling With In-law Suite	774.60	815.36
Two Family Dwelling Unit With In-law Suite	593.12	624.34
Commercial Not More Than 3 Stores/Offices		
<i>Commercial and living quarters, 1 family</i>	1032.94	1,087.30
<i>Commercial and no living quarters</i>	516.47	543.65
<b><u>CROSS CONNECTION CONTROLS</u></b>		
Per Device	46.40	48.84
Minimum Per Unit	5.80	6.11
<b><u>METERED RATES</u></b>		
	Paid within 30 days of billing date	Paid 31 or more days after billing date
<b><i>Monthly</i></b>		
First 300 cubic metres	1.370	1.442
Next 550 cubic metres	1.370	1.442
Next 1,400 cubic metres	1.370	1.442
Over 12,000 cubic metres	1.370	1.442
Minimum monthly	43.03	45.30
<b><i>Quarterly</i></b>		
First 900 cubic metres	1.370	1.442
Next 1,650 cubic metres	1.370	1.442
Next 4,200 cubic metres	1.370	1.442
Over 36,000 cubic metres	1.370	1.442
Minimum quarterly	129.10	135.90
<b><u>SPECIAL METER READING</u></b>		
	No discount	
	37.10	37.10
<b><u>CONNECTION FEE</u></b>		
	Cost of connection	
<b><u>CONSTRUCTION FLAT WATER</u></b>		
	No discount	
3/4" connection (per six months)	1,247.62	1,247.62
1" connection (per six months)	2,056.40	2,056.40
2" connection (per six months)	3,118.52	3,118.52
<b>General Rate increase</b>	<b>6.00%</b>	<b>6.00%</b>
<b>Cross Connection Control Rate increase</b>	<b>6.00%</b>	<b>6.00%</b>