

2025 Water and Sewer Amendment Bylaws

RECOMMENDATION:

That Committee of Council support the Water and Sewer Utility rate increases averaging 7.18% and 30.98% respectively, and the applicable Bylaws be referred to Council.

REPORT SUMMARY

Driven by Metro Vancouver rate increases for the purchase of water and disposal of sewage, the proposed 2025 utility budgets represent an average 7.18% increase in water and 30.98% in sewer rates over 2024.

Water and sewer regulation bylaws are brought to Council in advance of the City's financial plan bylaw in order to ensure that utility bills, for which payments are due March 31 each year, are mailed out to property owners in late February.

BACKGROUND

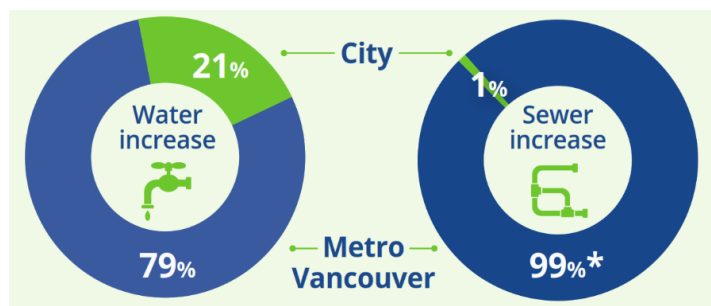
Annually the Utilities Division within Public Works safely delivers in excess of 10 million cubic meters of high-quality potable water to 25,910 serviced customers within the City. Employees operate, maintain and construct a city-wide transmission and distribution system that delivers safe and reliable drinking water and ensure adequate flows and pressures are maintained for the City's fire protection needs. The Utilities Division also provides an essential service for the collection and disposal of liquid wastewater. Employees in this division operate, maintain, and construct collection infrastructure that mitigates environmental impact as a result of blockages and overflows, and transfer of wastewater to Metro Vancouver's transmission system and treatment facilities.

DISCUSSION

The 2025 utility budget for water and sewer is based on maintaining 2024 service levels. As such, levy increase and budget changes primarily reflect Metro Vancouver cost escalations, City labour contract estimates, and offsets due to reserve contributions, and do not contain any proposed enhancements or reductions to services.

City vs Metro Vancouver Rates

Charges from Metro Vancouver for bulk water purchases and sanitary sewer discharge make up the largest portion of the utility budgets, and thus driving majority of the increase in any given year. For 2025, this Metro Vancouver increase was 79% of the total Water levy and 99% of the Sewer levy.



2025 Water and Sewer Amendment Bylaws

Metro Vancouver rate increases are primarily driven by increases in borrowing costs related to significant capital construction. The increase in 2025 includes \$84 per household for the Northshore Waste Water Treatment project cost overruns.

In addition to funding the cost of annual operations driven by Metro Vancouver, the City continues to invest in its infrastructure by including an increase of 1% to the levy. This results in total annual contributions of \$3.5 million and \$1.8 million to water and sewer respectively to fund the replacement/enhancement of utility infrastructure (pipes, pumps, valves, etc.), major repairs, and other expenditures that are not part of regular operations.

The *Community Charter* requires that proposed expenditures and transfers to other funds must not exceed the total of the proposed funding sources and transfers from other funds for the year (i.e. the organization cannot budget for a surplus/deficit). As such, after factoring revenues, expenses and transfers to and from reserves, the net water and sewer budget balances to zero.

Seniors' Discount

In 2024, the seniors' discount (a reduction of 50% of the levy for a principal residence) was given to seniors whose income did not exceed \$29,632 or had a household income that did not exceed \$36,893. 2024 saw an approximate 7.4% increase in the number of properties claiming the discount.

Senior's Discount - Five Year Trend

Rate Class	2020	2021	2022	2023	2024
# of Senior's Discounts	324	297	262	310	333
Total Cost	\$117,133	\$113,595	\$101,494	\$123,993	143,802

The 2025 seniors' waiver is based on the taxpayer's 2023 Revenue Canada Notice of Assessment, which will be the most recent information available in February and March when the discounts are being processed. Since Statistics Canada no longer publishes the low-income threshold, the annual threshold increase for the seniors' discount will increase based on the Statistics Canada CPI increase for Vancouver 3.2% (December 2024). The resulting threshold for 2025 will be \$30,580 per person or \$38,074 per household.

FINANCIAL IMPLICATIONS

The proposed 2025 utility budgets represent an average 7.18% increase in water and 30.98% in sewer rates over 2024. The principal factors driving this are increases in Metro Vancouver charges for bulk water purchases and levy for sanitary sewer discharge. The following is a snap shot of the levy based on operating budget and the overall impact per average household to the levy in dollars and percentage:

2025 Water and Sewer Amendment Bylaws

Water Levy	2024	2025	Levy Change	% Levy Change
City Costs	180.25	190.90	10.64	1.48%
Metro Vancouver Water Charges (8.6%)	310.86	335.46	24.60	5.70%
Total Water Increase	491.11	526.36	35.24	7.18%*

*average household

Sewer Levy	2024	2025	Levy Change	% Levy Change
City Costs	123.79	131.57	7.77	0.36%
Metro Vancouver Sewer Charges (42%)	271.96	386.80	114.84	30.62%
Total Sewer Increase	395.75	518.37	122.61	30.98%*

*average household

OPTIONS (✓ = Staff Recommendation)

	#	Description
<input checked="" type="checkbox"/>	1	That Committee of Council support the Water and Sewer Utility rate increases averaging 7.18% and 30.98% respectively, and the applicable Bylaws be referred to Council.
<input type="checkbox"/>	2	Refer the Bylaws back to staff for further information (to be specified).

ATTACHMENTS

Attachment 1 – Waterworks Regulation Amendment Bylaw No. 4392

Attachment 2 – Sewer Regulation Amendment Bylaw No. 4391

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