

## **COUNCIL REPORT**

**To:** Mayor and Council  
**From:** Finance  
**Date:** February 21, 2023  
**Subject:** Water, Sewer, Garbage Bylaw Review

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### **RECOMMENDATION:**

THAT Council approves staff recommendation for Option 1: provide a subsidized rate equal to 50% of the bylaw rate for churches and not-for-profit agencies for water, sewer and garbage services.

### **BACKGROUND:**

In early 2022 staff reviewed and presented updated water, sewer and garbage bylaws that reflected removing an early payment discount and including a late payment penalty. Since that time it was discovered that certain organizations that receive water, sewer or garbage service are not currently being charged and the current bylaw does not provide for an exemption for these organizations. When exemptions are given for utility services, those costs are transferred to the other utility users, as the cost to deliver utility services, including managing the life cycle of capital assets, is funded through user fees.

Below is a list of the current organizations that do not pay for utility services:

- Churches
- Not-for-Profit Agencies (Elks Hall & Royal Canadian Legion)

The above organizations were paying for utility services until 2008. In April 2008, a report was brought to Council regarding grants to organizations for both in-kind and cash requests. Within the report there was the following section:

### **Proposed Additional Grants**

*This report looks at the operational expenses for the six churches and three buildings held by the not-for-profit agencies (Kin Hut, Elks Hall and Royal Canadian Legion) and the golf course.*

*If the District wanted to provide additional grants to these organizations, a consistent approach would be to provide water, sewer and garbage free of charge to the nine properties. This would*



cost approximately \$8,000 in lost utility revenues but would provide a consistent level of support to each property and this policy would be reviewed annually.

Included in the minutes from the April 14, 2008 meeting:

26092.

Grants to Not-For-Profit Organizations

*MOVED by Councillor Wiens*

*THAT the report from Administration, dated April 2, 2008 regarding grants to not-for-profit organizations be received;*

*AND THAT Council authorizes no charges for water, sewer and garbage services to the churches, Mackenzie Golf and Country Club, Kin Hut, Elks Hall and Royal Canadian Legion.*

*CARRIED*

The exemption for the above organizations was never added or included in any policy updates or revisions. Churches are listed under Schedule "A" Flat Rate User Rates, in the water and sewer bylaw but have not been charged since 2008.

The Mackenzie Golf & Country Club has never been charged for water or sewer as our main water system does not service the golf course. Since 2019 they have been charged for garbage services.

Using 2022 bylaw rates for the current services provided results in approximately \$16,500 in lost utility revenues that are subsidized by the other utility users.

#### **OPTIONS FOR CONSIDERATION:**

Staff have proposed the following options for Council's consideration:

**Option 1** - Provide a subsidized rate equal to 50% of the bylaw rate for churches and not-for-profit agencies for water, sewer and garbage services. This reduction from the current bylaw rate will allow the District to recover a portion of the costs for the services provided and lessen the burden on the other utility users.

These organizations would not be eligible for a grant-in-kind as utility services are funded by user fees, and the grants to organizations are funded through the general operating budget.

The rate change would not take effect until September 1, 2023, to allow time for the District to send letters out to all the organizations.

**Option 2** - Provide no exemption for churches and not-for-profit agencies for water, sewer and garbage services. The organizations would be required to pay the full bylaw rate for the utility services that they are currently using. There would be no change to the current bylaws.



These organizations would not be eligible for a grant-in-kind as utility services are funded by user fees, and the grants to organizations are funded through the general operating budget.

Billing would start for the September – October 2023 billing cycle to allow time for the District to send letters out to all the organizations.

**Option 3** - Provide a full exemption for churches and not-for-profit agencies for water, sewer and garbage services. The exemption would be included as an update to the water, sewer and garbage bylaws.

Note - this is only applicable to not-for-profit agencies who are the registered owners of a property that accesses utility services.

**NEXT STEPS:**

A report will be brought forward at a future council meeting, if required, to amend the current water, sewer and garbage bylaws based on Council's decision.

**BUDGETARY CONSIDERATION:**

There is no budgetary impact as the required fund to operate water, sewer, and garbage services will be recovered through user fees.

**COUNCIL PRIORITY:**

**Strong Governance and Finances**

- As the municipality's elected governing body, we serve all residents and businesses in the community. We engage residents and stakeholders on important issues and make our decisions through open and transparent processes. We are careful in our use of resources, mindful of the need to maintain programs and services, while also meeting the community's infrastructure needs.

Respectfully submitted,

A handwritten signature in blue ink that reads "Kerri Borne".

Kerri Borne  
Chief Financial Officer

A handwritten signature in black ink that reads "Diane Smith".

Approved for Submission to Council