

FINANCIAL IMPLICATIONS

Operation and maintenance (O & M) costs for the service area will be recovered through an annual parcel tax and user fee and are estimated to be \$150,000 per year. The parcel tax will be recovered through the annual Provincial Rural Property Tax Notice; it will be levied on all parcels within the service area and will total \$505 per parcel per year.

The user rates set out in the proposed bylaw vary by category of use. Rates are set based on proportional use of the sewer system and will be payable by all properties capable of connection (i.e. non-vacant properties). The user rate for single family dwellings is \$879 per year. When added to the proposed annual O & M parcel tax of \$505 per parcel, this results in a total annual O & M cost for single family dwellings of \$1,384. The consultant has set out the methodology for determining the fees and charges in a memo to staff, as per the requirements of the *Local Government Act*.

When connection is made to the sewer system, parcels will be required to pay a \$300 connection fee to cover costs for Regional District of Nanaimo (RDN) staff to connect the property. Where a gravity sewer connection is not possible, the RDN will provide existing property owners with an on-site grinder pump unit. It is important to note that property owners will be responsible for all other on-site costs required to move sewage from any building on the property to the service connection at the property line, including permitting fees, installation and maintenance of a pump (if required) and decommissioning of septic tanks.

O&M costs for the service area are estimated to increase with inflation by 3% per year in each subsequent year of operation. The proposed bylaw accounts for the estimated \$150,000 for the first year of operation to serve the existing parcels and dwellings within the service area. When the system is operational, the annual O&M costs and associated user rates will need to be reviewed and revised annually to account for inflation, new development, and changes in O&M.

STRATEGIC PLAN IMPLICATIONS

Establishing sewer servicing for the Bowser Village Centre in order to support the community's evolution into a "compact, complete community" is supported by the Bowser Village Centre Plan (2010) and RDN Rural Village Centre Study (2013).

The project supports the RDN Board's strategic focus areas of: Service and Organizational Excellence through "funding infrastructure in support of our core services"; Economic Health, through "fostering economic development"; and Environment, through development decisions that protect our environment.



June 20, 2018

Reviewed by:

- R. Alexander, General Manager, Regional and Community Utilities
- P. Carlyle, Chief Administrative Officer

Attachments

1. Bowser Village Sanitary Sewer Service Rates and Regulations Bylaw No. 1773, 2018