

Subject: Rural Water and Sewer Servicing – Fixed Fees

APPROVALS:

Darcy Dragonetti, Director
Kevin Scoble, Executive Director
Marcel Ulliac, Interim Chief Administrative Officer

Administrative Recommendations:

THAT the property owners' contribution of capital costs will be fixed at \$16,000 for piped water and sewer systems in Anzac, Conklin, Draper, Gregoire Lake Estates, and Janvier.

THAT the property owners' contribution of capital costs will be fixed at \$16,000 for sewer systems in Sapræe Creek for property owners with existing sewer tanks.

THAT the property owners' contribution of capital costs will be fixed at \$10,000 for sewer systems in Sapræe Creek for property owners with existing septic fields.

THAT the property owners that defer connection to the system will be charged the appropriate fixed fee plus inflation and interest.

Summary:

Council approved that residents in the rural water and sewer servicing program will pay a portion of the total capital costs. Clarification and cost certainty is provided to property owners by charging a fixed fee instead of charging a percentage (10%) of the total project costs.

Background:

At Council's request for clarification, Administration has reviewed the private property owners' contribution of the total capital cost.

Alternatives:

Alternatives include either leaving private property owners' contribution as a percentage of total capital costs or changing the contribution to a fixed fee.

Budget/Financial Implications:

Changing the fee structure will not significantly impact the fees recovered by the Municipality, from the residents, for the following reasons:

- The private contribution, at a maximum of 10%, is low relative to the total capital project costs.

- Current cost estimates have a built-in contingency which would help cover any future variances.
- Total capital costs will be difficult to determine as some private connections will be delayed up to 25 years.
- Detailed design, currently underway, will provide more accurate costing.
- While a fixed fee is not expected to significantly impact the Municipality's financial contribution to the project, project cash flows will be updated in proposed future Capital Plans to reflect both the more precise cost estimates resulting from detailed design and the fixing of ratepayers' contribution as recommended.

Rationale for Recommendations:

The recommendations recognize the challenges of charging residents percentage-based fees.