

## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Finance Committee – November 21, 2024

**AUTHOR:** Shane Walkey, Manager, Utility Services  
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**SUBJECT:** SUNNYSIDE [383] WASTEWATER 2025 USER FEE REVIEW

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### RECOMMENDATIONS

- 1) **THAT** the report titled Sunnyside [383] Wastewater 2025 User Fee Review be received for information;
  - 2) **AND THAT** the *Sewage Treatment Facilities Service Unit Bylaw No. 428, (Schedule C)* be amended to increase the Sunnyside Service Area User Fees to \$850 for 2025;
  - 3) **AND FURTHER THAT** the 2025-2029 Draft Financial Plan be amended accordingly.
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### BACKGROUND

The Sunnyside Service Area (Sunnyside) consists of eight billable users. The current user rate per single family residential dwelling for 2024 is \$790.62.

The purpose of this report is to discuss the current financial sustainability of the Sunnyside Wastewater Service Area operations, and to recommend a 2025 user fee rate decision which aligns with the funding requirements of the service.

### DISCUSSION

In the Sunnyside Wastewater Service Area, user fees are intended to fund operational expenditures (ongoing costs of running the service) and frontage fees are intended to fund capital expenditures (acquiring or maintaining fixed assets). The Board's Financial Sustainability Policy reflects this funding alignment.

Historical Rates - rates and annual increases are as follows:

	2021	2022	2023	2024	*2025
<b>User Fee</b>	<b>\$734.22</b>	<b>\$745.23</b>	<b>\$767.59</b>	<b>\$790.62</b>	<b>\$850</b>
Total \$ Increase		\$11.01	\$22.36	\$23.03	\$59.38
Total % Increase		1.50%	3.00%	3.00%	7.51%

\*Recommended for 2025



Option 2 – 0.00% rate increase (\$0.00 per year increase)

<b>Fee Summary</b>	<b>User Fee</b>
Current User Fee Rate (2024)	\$790.62
Proposed Increase	\$0.00
<b>2025 User Fee Rate</b>	<b>\$790.62</b>
<b>% Increase</b>	<b>0.00%</b>
<b>Operating Reserve Summary</b>	<b>Operating Reserve</b>
Opening Uncommitted Balance	\$324
Projected 2024 Surplus/(Deficit)	\$100
Budgeted Transfers to Operating Reserves	\$408
Budgeted Transfers from Operating Reserves	\$0
<b>Ending Uncommitted Balance</b>	<b>\$832</b>

Staff do not recommend this option for the following reasons:

- This option does not contribute as much towards the service area’s operating reserve account and results in a lesser capacity for the service area to respond to unanticipated variances within the operating budget compared to Option 1.

*Financial Implications*

This rate increase will help bring the operating reserve to a more desirable level to respond to unforeseen operating expenditures. Detailed review(s) of operating revenue/expenditures are performed annually, and future rate increases may be required to remain financially sustainable.

*Communications Strategy*

Information regarding rates and funding has been communicated via print advertising, social media, and will be included on utility invoices and posted on the SCRD website within the ‘Let’s Talk’ pages.

**STRATEGIC PLAN AND RELATED POLICIES**

The rates presented are consistent with the Board’s Financial Sustainability policy.

**CONCLUSION**

The SCRD is responsible for the operation and maintenance of the Sunnyside wastewater system and the establishment of a sustainable funding model for the service area.

The current user fee rate for Sunnyside does not provide sufficient revenue to meet or maintain a desired operating reserve balance within the service area. It is therefore recommended to increase the user fee for this system to \$850.00 in 2025. This increase represents an increase of \$59.38 (7.51%) from the 2024 user fee of \$790.62.

Reviewed by:			
Manager		Finance	X - A. Taylor
GM	X – R. Rosenboom	Legislative	
CAO / CFO	X - T. Perreault	Other	