



Schedule 1 to the Minutes  
of the November 25, 2024  
Council Workshop

# Proposed 2025 Utility Budgets & Rate

November 25, 2024



NEW WESTMINSTER

# Introduction - Presenters

- ❑ Marc Rutishauser, Deputy Director - Electrical
- ❑ Leya Behra, Deputy Director - Climate Action
- ❑ Kwaku Agyare-Manu, Deputy Director - Engineering
- ❑ Gabe Beliveau, Senior Manager – Public Works
- ❑ Shehzad Somji, CFO/Director of Finance
- ❑ Ron Au, Senior Financial Services Analyst

# Agenda

1. Purpose
2. Recommendation
3. Background and Overview
4. 2025 Budget and 2025 - 2029 Proposed Five Year Capital Plan
5. Department Presentation and Financial Review
  - i. Electrical
  - ii. Climate Action
  - iii. Water
  - iv. Solid Waste
  - v. Sewer
6. Summary and Impact to Rate payers

# Purpose

*To provide Council with the detailed information on the 2025 Proposed Utility Fund Budgets. The Utility report also provides the proposed 2025 Utility rate increases, including Service Enhancements, for the Electric, Climate, Water, Sewer and Solid Waste Utilities and Five Year Financial Plans (2025 – 2029)*

*The Utility Budget Workshop will set the direction for staff to prepare the necessary bylaws to amend the City's 2025 Utility Rates which will be in effect as of January 1, 2025.*

# Recommendation

**THAT** the 2025 Utility Rates for the Electric, Water, and Solid Waste Utilities be approved;

**THAT** direction be provided to staff on which of the three Sewer Rates scenario to use for 2025;

**THAT** the Utility Fund 2025 – 2029 Capital Plans and the 2025 Utility Fund and Climate Action Team Service Enhancement requests be approved; and

**THAT** staff prepare the necessary bylaws to amend the City's utility rates for 2025.

# 2025 Budget Timeline

Date	Description
25-Nov-24	2025 Utility Rates Workshop
2-Dec-24	2025 Utility Rates Bylaw for Three Readings 2025-2029 General Fund Capital Plan and Funding Strategy 2025 General Fund Service Enhancements
9-Dec-24	Refined 2025 General Fund Operating and Capital Budgets 2025-2029 General Fund Capital Plan
16-Dec-24	2025 Utility Rates Bylaw Adoption
Jan-2025	2025 - 2029 Five-Year Financial Plan Bylaw Adoption



# Overview and Background

## 2025 - 2029 Council Proposed Plan:

- Electrical Rate Increase 3.5% per year
- Water Rate Increase 6.0% per year
- Sewer Rate Increase 18.0% in 2025; followed by 8.0% per year (Scenario 1)
- Solid Waste Rate Increase 12.0% per year for 2 years followed by 8.0% per year
- Capital Expenditures \$293.7M

## Influences and Factors

- ❑ Significant Metro Vancouver cost overrun of the North Shore Wastewater Treatment Plant project stimulates 1-year increase in Sewer Rates
- ❑ Maintaining 2024-2028 rate model that addressed:
  - ✓ Growing demand for electricity creating need for infrastructure capital investment
  - ✓ Asset Management replacement needs and construction inflation create cost pressures
  - ✓ Increase in cost in solid waste vehicles and equipment require increased equipment reserve

## *Financial Sustainability Principles*

### SUSTAINABLE

Maintain assets in a state of good repair through reasonable tax / rate increases, and without disruptions to services; living within our means

### ADAPTABLE

The ability to change debt levels or leverage reserves; ability to ramp up or down on spending

### STABLE

Predictability of City's sustainable revenue sources and less reliance on external funding or third party funding

### ACCOUNTABLE

Fiscally prudent & responsible; the ability to ensure that the City's financial decisions are in the best interest of all



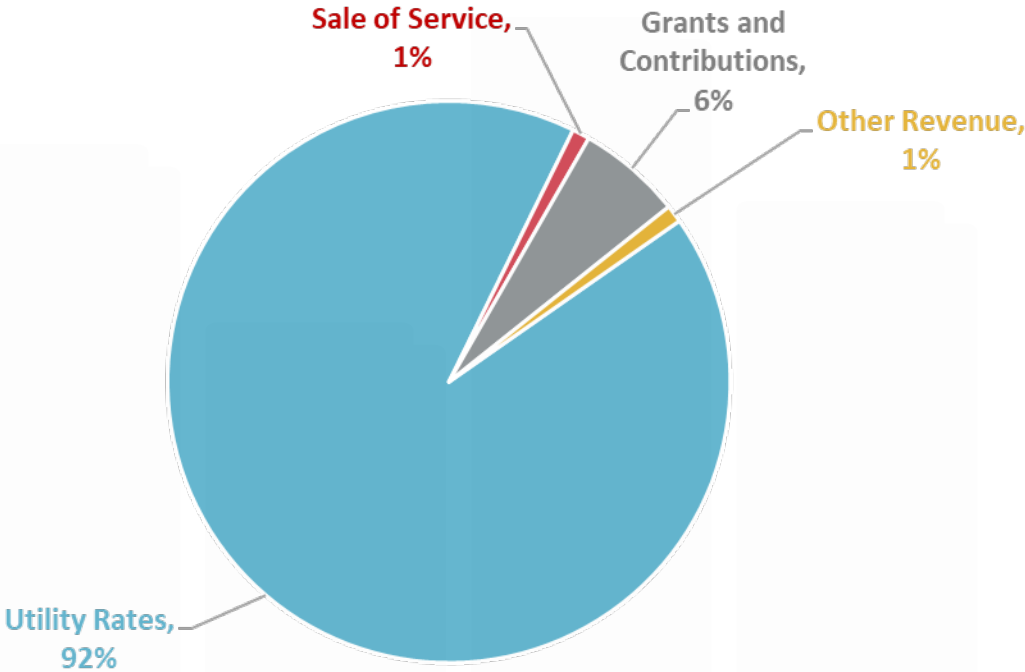
# Budget 2025 Public Survey

- Perceptions of overall quality of life is “good/very good” – 9 out of 10
- Perceptions of City’s performance on Council’s five Strategic priorities are mixed
- Residents are largely satisfied (combined “very/somewhat satisfied’ ratings) with delivery of specific City services:
  - Clean water supply and waste water treatment services (94%)
  - Electrical services (91%)
  - Recycling and garbage services (86%)
- Perceptions of value for money are positive
- Overall residents prefer tax increases to service reductions
- Borrowing funds to deal with backlog and infrastructure funding gap – opposition slightly outweighs support



# Operating Revenues – Utility Fund

## 2025 OPERATING REVENUE – UTILITY FUNDS



2025 Operating Utility Funds Annual Revenue Budget \$135.6M

Electrical Funds \$68.1M

Water Funds \$18.9M

Sewer Funds \$40.9M

Solid Waste Funds \$7.7M

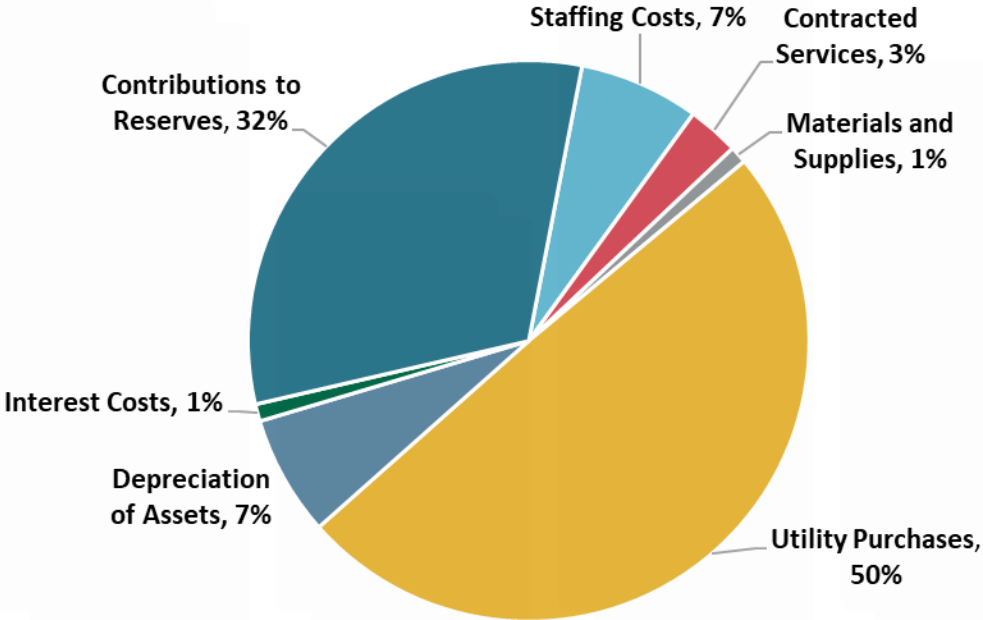
2025 Operating Revenue Budget \$135.6M

### Sources of Revenue

- Utility Billings - Consumption
- Grants and contributions
- Other Revenue/Sale of Service

# Operating Expenses – Utility Fund

**2025 OPERATING EXPENSES - UTILITY FUNDS**  
**% PERCENTAGE OF TOTAL REVENUE**



2025 Operating  
 Utility Fund  
 Annual Operating Budget  
 \$93.1M

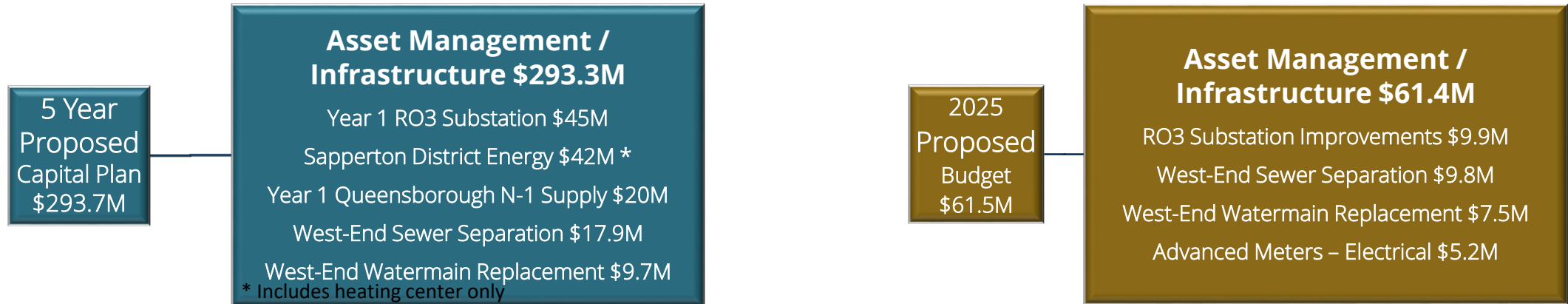
- Electrical \$51.0M
- Water \$12.1M
- Sewer \$24.9M
- Solid Waste \$5.1M

**2025 Operating Expense Budget \$93.1M**

**Uses of Revenue:**

- Utility purchases – Metro Vancouver/BC Hydro
- Depreciation of assets
- Staffing costs
- Contracted services
- Materials and supplies
- Debt servicing costs
- Contributions to reserves and capital

# Multi-Year Capital Plan and Budgets



## Definitions:

- “Plan” is an Estimate of Spend and Associated Funding Sources
- “Budgets” are Approved Rates and Expenditures
- Budgets need to be in place before awarding contracts or committing the organization
- Major construction projects and capital programs can run over multiple years – approving a multi-year budget for these projects is a preferred approach

# Electrical

# Electrical Core Services

## 2024 Accomplishments

- All Queensborough electrical loads transferred to new Substation.
- 10 Year Distribution System Plan initiated.
- AMI Project – initiated mass deployment of AMI Meters.
- Several major new service connections.
- Asset Management - electrical equipment inventory.
- Recruitment of 2 Powerline Technicians and 1 Project Manager.

## 2025 Workplan

- 10 Year Distribution Plan complete, begin 40 Year Distribution Plan.
- AMI Project – plan to have mass deployment of meters complete in 2025.
- Asset Management – complete Condition Assessment Report.
- Queensborough Substation N-1 Supply SIS.
- R03 Substation Improvements and land acquisition.
- Voltage Conversion Project – begin infrastructure replacement and upgrades.
- Additional Recruitment: Manager of Major Projects and Strategic Corporate Priorities.



# BC Hydro Transmission Rate Methodology

- Previous years BC Hydro applied general rate increase across demand and consumption. LY = 2.3% increase
- Going forward, demand (peak usage) and consumption rates will be charged separately and change at different rates
- BC Hydro is projecting an increasing rate in demand; declining rate in consumption
- Introduction of Trade Income Rate Rider: -2.3%

# Proposed 2025 Electrical Utility Rate 3.5%

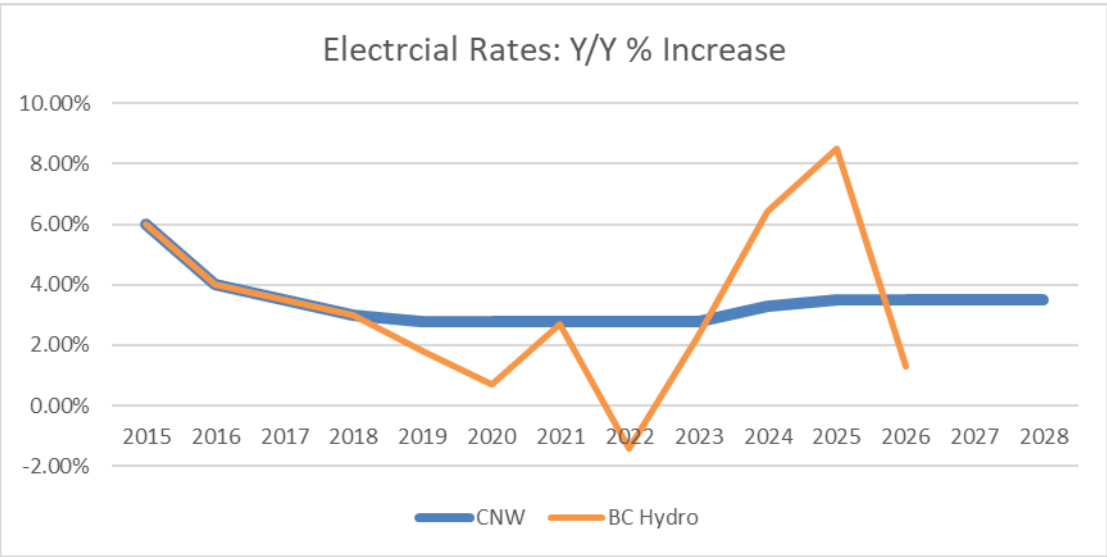
Electric Utility	Budget Projections (\$ in millions)				
	2025	2026	2027	2028	2029
Revenues	\$ 68.08	\$ 70.29	\$ 83.39	\$ 81.99	\$ 81.67
Operating Expenses	\$ 50.95	\$ 51.71	\$ 53.56	\$ 55.19	\$ 60.61
Capital	\$ 27.39	\$ 11.04	\$ 33.57	\$ 24.30	\$ 81.14
Reserves	\$ 22.36	\$ 25.30	\$ 29.39	\$ 35.97	\$ 27.09
<b>Rate Increase</b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.5%</b>
<b>BC Hydro Rate Increase</b>	<b>6.4%</b>	<b>8.5%</b>	<b>1.3%</b>		

## Major Cost Driver: Capital Spending Projection over 5 Years: \$177.4M

- RO3 Substation - \$45M
- Queensborough N-1 Supply - \$20M

## 2025 Budget Outlook Considerations:

- Proposed Capital Spending of \$27.4M.
- Increase in Cost of Power Purchases \$1.8M.
- Fixed Cost & Salary Increases of \$0.2M
- New Service Enhancement Requests \$0.2M: Manager of Major Projects and Strategic Corporate Priorities.





# Electrical Reserve

## 2025-2029 Reserve Target

- ❑ Policy: Target Reserve balance : 5% - 10% of current replacement value (~\$600M)
- ❑ 2029 Reserve Balance is forecasted at \$27.1M, or 4.5% of estimated asset replacement value with rate increases set to 3.5% per year

Electric Utility	Budget Projections (\$ in millions)				
	2025	2026	2027	2028	2029
Revenues	\$ 68.08	\$ 70.29	\$ 83.39	\$ 81.99	\$ 81.67
Operating Expenses	\$ 50.95	\$ 51.71	\$ 53.56	\$ 55.19	\$ 60.61
Capital	\$ 27.39	\$ 11.04	\$ 33.57	\$ 24.30	\$ 81.14
Reserves	\$ 22.36	\$ 25.30	\$ 29.39	\$ 35.97	\$ 27.09
<b>Rate Increase</b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.5%</b>
<b>Reserves / Replacement Value</b>	<b>3.7%</b>	<b>4.2%</b>	<b>4.9%</b>	<b>6.0%</b>	<b>4.5%</b>



# Climate Action

# Climate Action

## 2024 Accomplishments

- Onboarding of 6 new Climate Action Team members (total 7 staff)
- Integration of Climate Action Team with the Electrical Utility
- Adoption of Climate Action Decision Making Framework for implementation in the 2025 budget process
- Non-residential EV Ready bylaw
- Ongoing delivery of community incentives for home energy assessments, heat pumps, smart thermostats and electrical capacity upgrades.
- Delivered 2 Builder Breakfast sessions to support compliance with Energy and Zero Carbon Step Codes.



## 2025 Proposed Capital Projects

- Increase community awareness of energy, emissions and incentive/rebate programs.
- Development of public EV Charging network expansion plan
- Develop climate vulnerable building assessment
- Advance Extreme Heat Response Building Retrofit needs assessment and program plan
- Deliver incentives for residential and commercial energy and emissions reductions
- Initiate development of a City-Wide Adaptation and Resilience Plan

## 2024 Proposed Service Enhancements: \$130K

- \$130K – Education and Awareness Coordinator



Image: <https://www.hydropower.org/iha/discover-facts-about-hydropower>

# Climate Action Levy

## 2025-2029 Operating

- ❑ Projected 2025 Climate Levy collection of \$2.1M which results from a fixed 3.5% levy on Electric rate revenue
- ❑ Fixed Cost & Salary Increases related to climate action team of \$0.2M
- ❑ New Operating Expense Service Enhancement "Requests" \$0.2M mainly comprising staffing increases
- ❑ \$0.7M of Climate Levy will be transferred to the Climate Action Reserve Fund to support climate initiatives

Climate Action	Budget Projections (\$ in millions)				
	2025	2026	2027	2028	2029
Receipts Climate Action Levy	\$ 2.10	\$ 2.17	\$ 2.25	\$ 2.33	\$ 2.41
Operating Expense - Climate Action	\$ 1.39	\$ 1.47	\$ 1.53	\$ 1.59	\$ 1.68
Transfer to Climate Action Fund	\$ 0.71	\$ 0.70	\$ 0.72	\$ 0.74	\$ 0.73



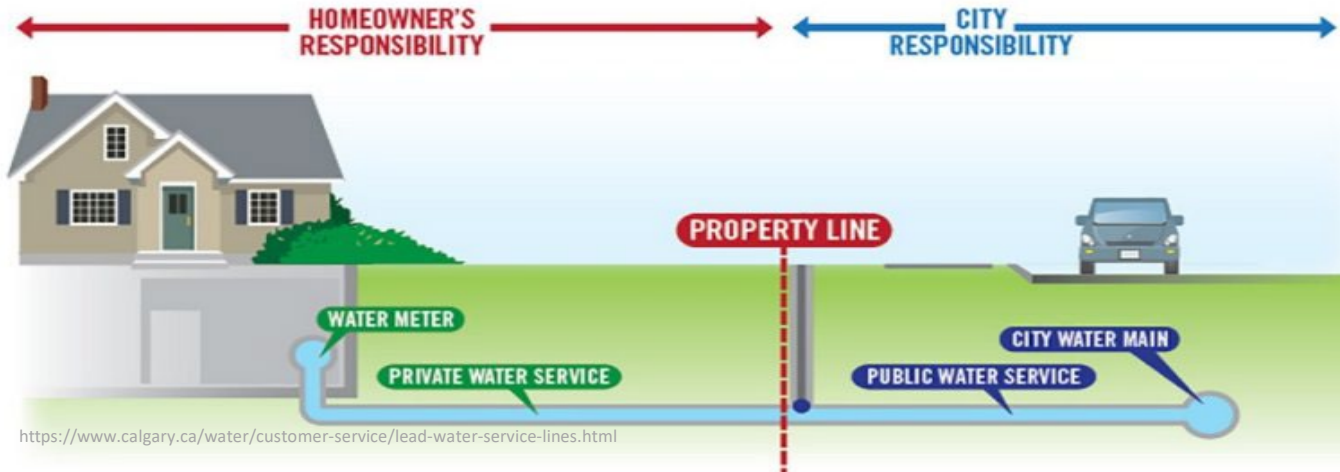
# Water



# Water Core Services

## 2024 Accomplishments & Highlights

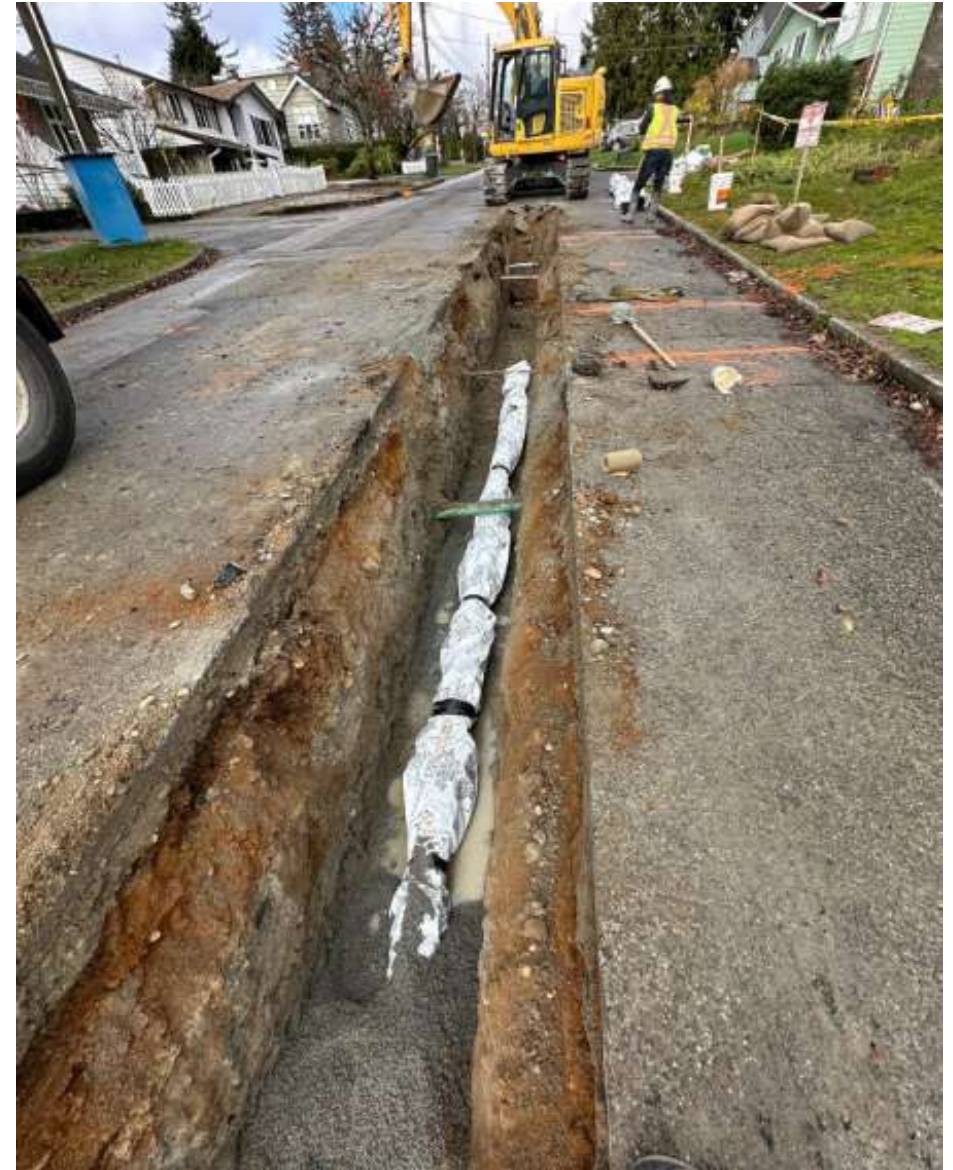
- Operate, maintain and repair over 270Km of watermains
- Maintained water quality levels
- Continued to implement the watermain replacement program, incl. West End despite increasing construction costs
- Repaired broken water mains and completed new service connections
- Continued to focus on replacement and rehabilitation as per the Water AMP, to maintain the system in a good state of repair.



# Water Core Services

## 2025 Proposed Initiatives

- Continue to distribute water purchased from Metro Vancouver (Core service)
- Continue to operate, maintain and repair water distribution system
- Continue to implement the watermain replacement capital project incl. works in the West End
- Continue to support the CMMS (Cityworks) implementation to support our O&M and asset management practices
- Provide education and support for the regional lawn watering restrictions





# Proposed 2025 Water Utility Rate 6.0%

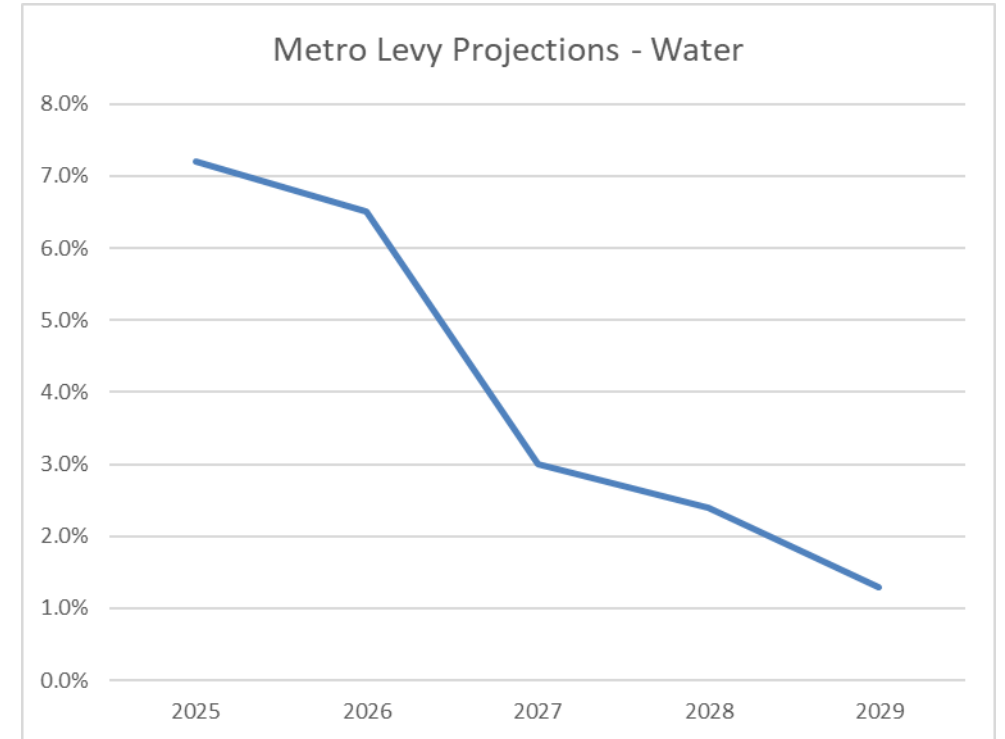
Water Utility	Budget Projections (\$ in millions)				
	2025	2026	2027	2028	2029
Revenues	\$ 18.91	\$ 19.88	\$ 21.00	\$ 21.83	\$ 23.13
Operating Expenses	\$ 12.12	\$ 13.08	\$ 13.58	\$ 14.17	\$ 14.65
Capital	\$ 12.35	\$ 8.73	\$ 7.42	\$ 7.67	\$ 7.17
Reserves	\$ 21.04	\$ 19.55	\$ 20.01	\$ 20.59	\$ 22.60
<b>Rate Increase</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>

## Capital Spending Projection over 5 Years: \$43.3M

- Annual Water-main Renewal/Replacement Rate
- Annual Replacement of Operational Equipment and Service Vehicles

## 2025 Budget Outlook Considerations:

- Projected 2025 Increase in Metro Vancouver Water Levies \$1.2M
- Fixed Cost & Salary Increases of \$0.1M
- Proposed Capital Spending of \$12.4M
- New Service Enhancement Requests
  - \$13K Reclassification - Labourer 2 to Meter Maintenance Attendant



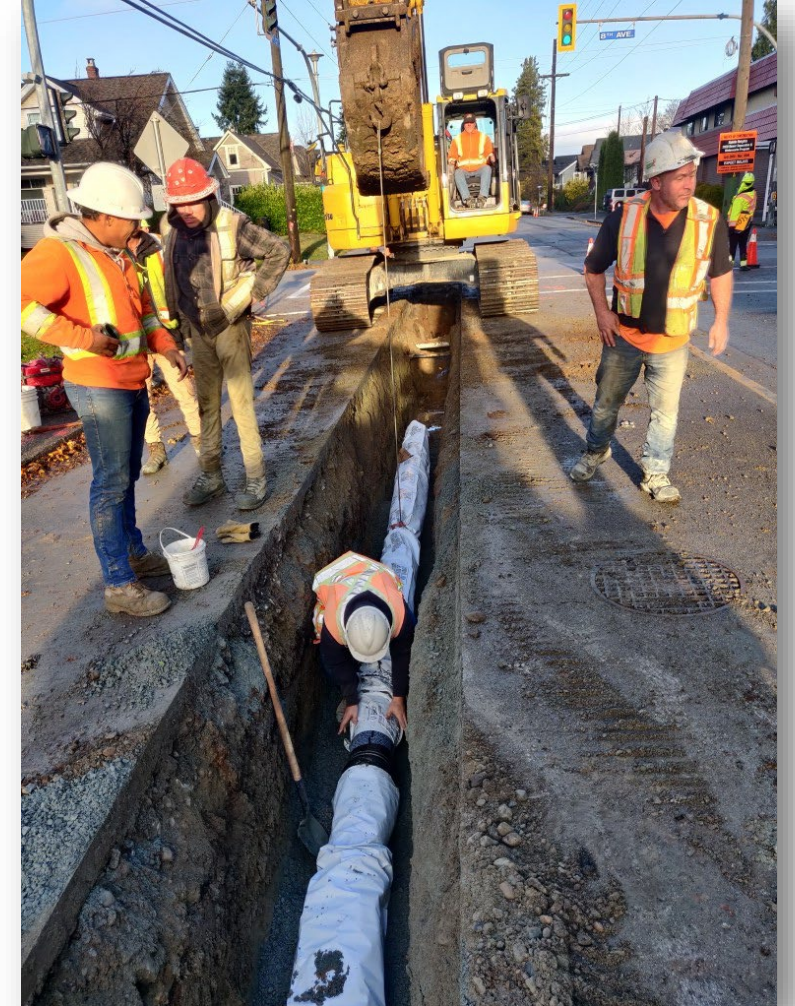
- Metro Levy Rates forecasted to decline due to Metro's push towards growth-paying-for-growth by shifting more of the growth costs to DCC's
- Major Cost Driver Metro Levy: ~ \$9.3M (76%) of annual operating costs

# Water Reserve

## 2025-2029 Reserve Target

- Policy: Target Reserve balance : **5% - 10%** of current replacement value
- Estimated Asset Replacement Value: \$348M
- 2029 Reserve Balance is forecasted at \$22.6M, or 6.5% of estimated infrastructure asset replacement value while maintaining rates at a stable 6.0%/year

Water Utility	Budget Projections (\$ in millions)				
	2025	2026	2027	2028	2029
Revenues	\$ 18.91	\$ 19.88	\$ 21.00	\$ 21.83	\$ 23.13
Operating Expenses	\$ 12.12	\$ 13.08	\$ 13.58	\$ 14.17	\$ 14.65
Capital	\$ 12.35	\$ 8.73	\$ 7.42	\$ 7.67	\$ 7.17
Reserves	\$ 21.04	\$ 19.55	\$ 20.01	\$ 20.59	\$ 22.60
<b>Rate Increase</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>
<b>Reserves / Replacement Value</b>	<b>6.0%</b>	<b>5.6%</b>	<b>5.7%</b>	<b>5.9%</b>	<b>6.5%</b>



# Solid Waste

# Solid Waste

## 2024 Accomplishments & Highlights

- Weekly yard and food scraps collection
- Bi-weekly single-stream curbside and multifamily collection of mixed paper and containers
- Progressed through Contamination Remediation Plan

## 2025 Proposed Initiatives

- Enhanced education and enforcement to reduce contamination in recyclable waste stream
- Continue to advance in street cleaning and litter collection, particularly in Downtown and other business areas
- Complete the Solid Waste Master Plan
- Continue to provide this core service and maintain the current level of service.





# Proposed 2025 Solid Waste Utility Rate 12.0%

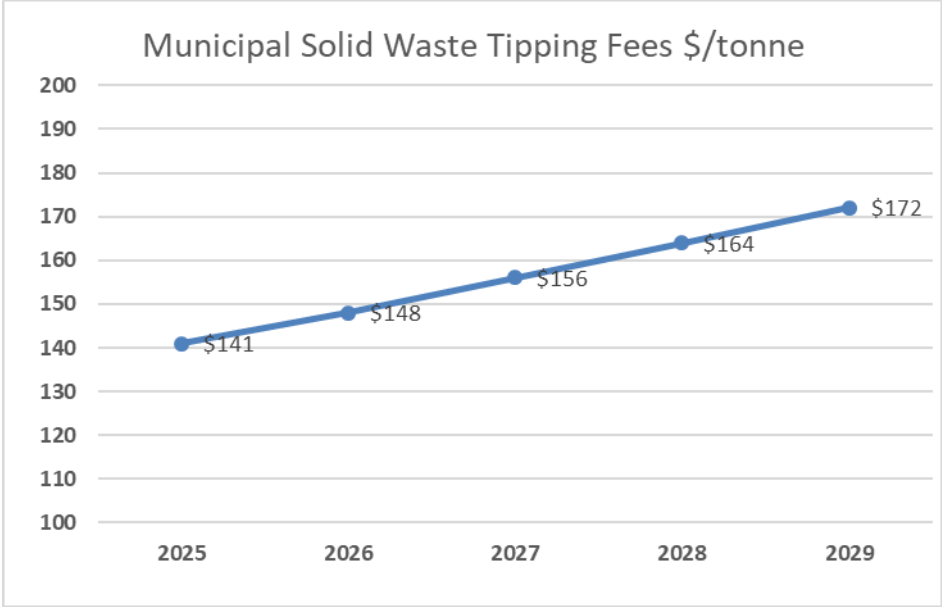
Solid Waste Utility	Budget Projections (\$ in millions)				
	2025	2026	2027	2028	2029
Revenues	\$ 7.67	\$ 8.65	\$ 9.27	\$ 9.94	\$ 10.66
Operating Expenses	\$ 5.12	\$ 4.97	\$ 5.22	\$ 5.47	\$ 5.73
Capital	\$ 2.42	\$ 1.18	\$ 0.75	\$ 0.22	\$ 0.35
Reserves	\$ 2.51	\$ 4.63	\$ 7.64	\$ 11.67	\$ 16.09
<b>Rate Increase</b>	<b>12.0%</b>	<b>12.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>

**Major Cost Driver: Capital Spending Projection over 5 Years: \$4.9M**

- Annual Replacement of Operational Equipment/Garbage Collection Vehicles

**2025 Budget Outlook Considerations:**

- Cumulative projected increase in Metro Vancouver Tipping Fees \$0.1M
- Fixed Cost & Salary Increases of \$0.1M
- Proposed Capital Spending of \$2.4M
- New Service Enhancement Requests
  - \$90K Reclassification - Auxiliary (TFT) to Labourer 2



**Major Cost Drivers:**

- Metro Vancouver Tipping Fees
- Long-term Reserve Replenishment

# Solid Waste Reserve

## 2025-2029 Reserve Target

Solid Waste reserves has 2 components:

- ❑ Equipment reserve and General Solid Waste Fund provisions. Most critical component is Equipment Reserve as vehicles and equipment make up virtually all of Solid Waste assets

Equipment Reserve:

- ❑ Solid Waste collection equipment is a short-lived asset;
- ❑ Reserve needs to support full replacement of all assets (approx. \$6.3 - \$6.9M) within 5-10 years that have increased significantly in costs
- ❑ Reserve requirements are higher if vehicle fleet is to electrify
- ❑ Recommend 12%/year from 2025 to 2026 to rebuild Equipment Reserve to \$6.9M (covering 100% of full replacement value of equipment and vehicles) and stabilize to 8% when Equipment Reserves are healthy

Solid Waste Utility	Budget Projections (\$ in millions)				
	2025	2026	2027	2028	2029
Revenues	\$ 7.67	\$ 8.65	\$ 9.27	\$ 9.94	\$ 10.66
Operating Expenses	\$ 5.12	\$ 4.97	\$ 5.22	\$ 5.47	\$ 5.73
Capital	\$ 2.42	\$ 1.18	\$ 0.75	\$ 0.22	\$ 0.35
Reserves	\$ 2.51	\$ 4.63	\$ 7.64	\$ 11.67	\$ 16.09
<b>Rate Increase</b>	<b>12.0%</b>	<b>12.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>
<b>Reserves / Replacement Value</b>	<b>38.0%</b>	<b>70.2%</b>	<b>115.7%</b>	<b>176.9%</b>	<b>243.9%</b>

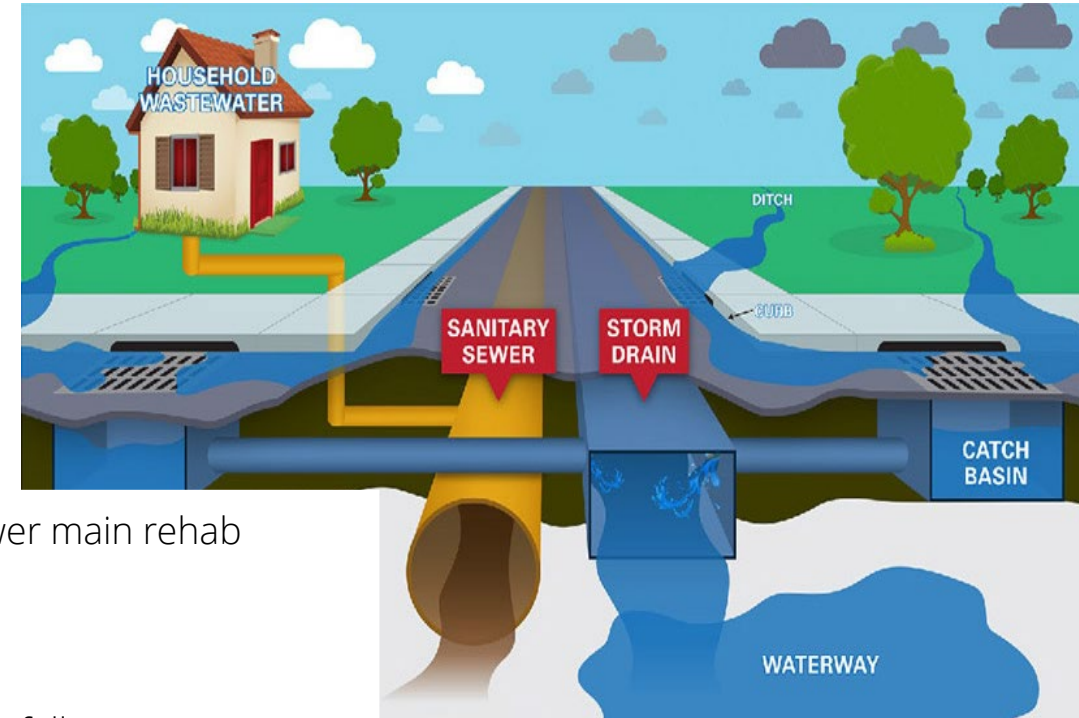
# Sewer & Drainage



# Sewer & Drainage Core Services

## 2024 Accomplishments & Highlights

- Operate, maintain and repaired the following system components:
  - 160km of Combined sewer mains,
  - 40km of Sanitary mains,
  - 90 km of Storm sewer mains,
  - 39 pump stations and
  - 7km of open drainage ditches
- Continued with combined sewer separation (2075 regulatory requirement), sewer main rehab and renewal
- Continue \$10.5M grant funded West End Sewer Separation project
- Continue emergency management efforts with Spring Freshet and changing rainfall patterns
- Challenges with multiple pump stations, due primarily to an aging SCADA system



<https://mywaterearth.com/storm-drain-system-vs-sanitary-sewer-system/>

# Sewer & Drainage Core Services

## 2025 Proposed Initiatives

- Continue West End Sewer Separation project (18<sup>th</sup> and 20<sup>th</sup> catchments)
- Continue infrastructure renewal capital programs
- Advance green infrastructure projects to improve rainwater management
- Continue efforts to maintain our SCADA system while planning for a future SCADA system replacement
- Continue to provide this utility core service and maintain the current level of service.



# Proposed 2025 Sewer Utility Rate 18.0% - Scenario 1 (recommended)

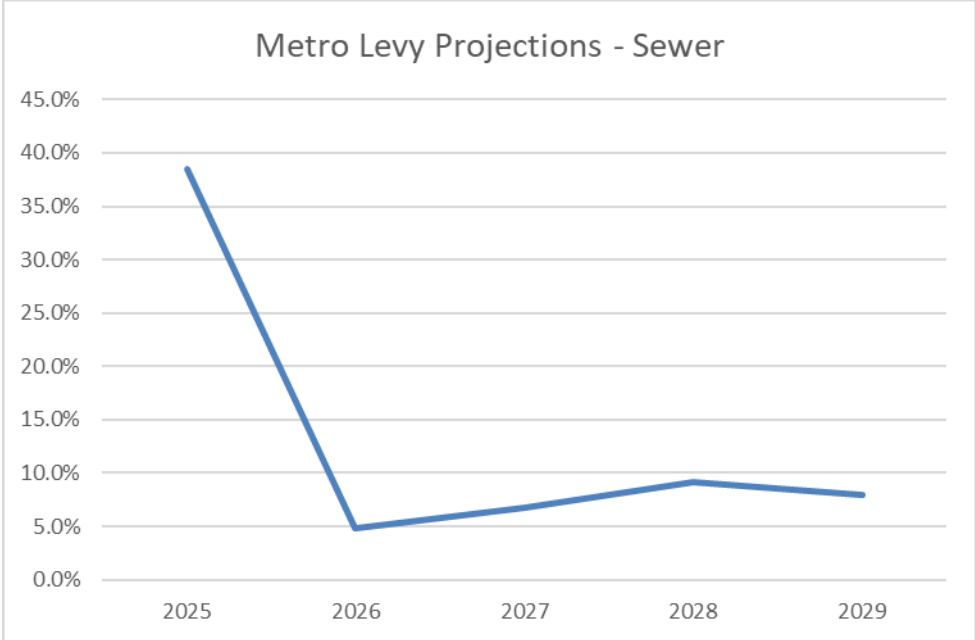
Sewer Utility	Budget Projections (\$ in millions)				
	2025	2026	2027	2028	2029
Revenues	\$ 40.94	\$ 41.68	\$ 44.41	\$ 46.09	\$ 49.61
Operating Expenses	\$ 24.94	\$ 26.04	\$ 27.62	\$ 29.74	\$ 31.88
Capital	\$ 19.32	\$ 10.45	\$ 10.69	\$ 12.32	\$ 15.21
Reserves	\$ 39.54	\$ 46.31	\$ 54.16	\$ 60.03	\$ 64.62
<b>Rate Increase</b>	<b>18.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>

### Major Cost Driver: Capital Spending Projection over 5 Years: \$68.0M

- Annual Sewer Separation program plus Rehabilitation/Replacement Rate
- Sewer-main Separation acceleration offset by \$10.5M grant
- New Storm Sewers & Trench Restoration Works
- Annual Replacement of Operational Equipment and Service Vehicles

### 2025 Budget Outlook Considerations:

- Increase in Metro Vancouver Sewer Levies 38.5%
- Fixed Cost & Salary Increases of \$0.1M
- Proposed Capital Spending of \$19.3M
- New Service Enhancement Requests:
  - \$90k Reclassification - Auxiliary (TFT) to Labourer



- Metro Levy Rates forecasted to increase significantly in 2025 due to cost overrun on Metro Vancouver’s North Shore Wastewater Treatment Plant project. Forecasted rates beyond 2025 forecasted to decline due to Metro’s push towards growth-paying-for-growth by shifting more of the growth costs to DCC’s
- Major Cost Driver is Metro Levy: ~ \$19.3M (78%) of annual operating costs



# Sewer Reserve

## 2025 - 2029 Reserve Target

- Policy: Target Reserve balance : **5% - 10%** of replacement value
- Estimated Asset Replacement Value now: \$918M
- 2029 Reserve Balance is forecasted at \$64.6M, or 7.0% of estimated asset replacement value

Sewer Utility	Budget Projections (\$ in millions)				
	2025	2026	2027	2028	2029
Revenues	\$ 40.94	\$ 41.68	\$ 44.41	\$ 46.09	\$ 49.61
Operating Expenses	\$ 24.94	\$ 26.04	\$ 27.62	\$ 29.74	\$ 31.88
Capital	\$ 19.32	\$ 10.45	\$ 10.69	\$ 12.32	\$ 15.21
Reserves	\$ 39.54	\$ 46.31	\$ 54.16	\$ 60.03	\$ 64.62
<b>Rate Increase</b>	<b>18.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>
<b>Reserves / Replacement Value</b>	<b>4.3%</b>	<b>5.0%</b>	<b>5.9%</b>	<b>6.5%</b>	<b>7.0%</b>

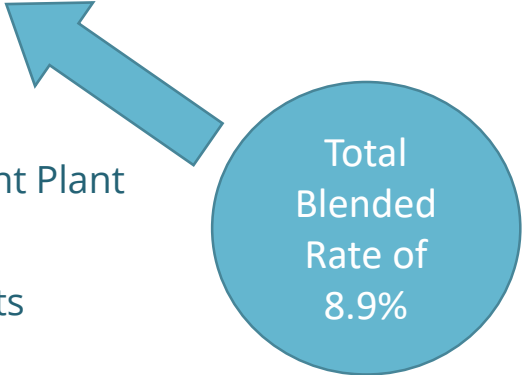


# Summary of Proposed Utility Rates

Average Single Family Household	Electric	Water	Sewer	Solid Waste	Blended Rate
	Based on 1,000 KWH	net of 5% discount	net of 5% discount	net of 5% discount	
Current 2024	\$ 1,677	\$ 784	\$ 1,127	\$ 391	\$ 3,981
Proposed 2025 \$ Increase	\$ 59	\$ 47	\$ 203	\$ 47	\$ 356
New Proposed 2024 Annual Cost	\$ 1,735	\$ 831	\$ 1,330	\$ 438	\$ 4,337
2025 % Rate Increase	<b>3.5%</b>	<b>6.0%</b>	<b>18.0%</b>	<b>12.0%</b>	<b>8.9%</b>

**Considerations / Highlights:**

- 1-year Cost overrun on Metro Vancouver’s North Shore Wastewater Treatment Plant project. Cost impact to average household's sewer utility bill \$203,
- Maintaining Sewer Utility’s reserve ratios; pass through Metro Vancouver costs
- Maintaining 2024-2028 rate model that has thus far successfully addressed
  - Investment in electric capacity
  - Sewer and Water AMP and rising construction costs
  - Solid waste equipment replacement and cost increases; while
  - Achieving or exceeding reserve targets targeted in 2024-2028 Plan



# Alternative Scenario – 8.0% per year

Sewer Utility	Budget Projections (\$ in millions)				
	2025	2026	2027	2028	2029
Revenues	\$ 37.90	\$ 38.40	\$ 40.87	\$ 42.26	\$ 45.47
Operating Expenses	\$ 24.94	\$ 26.04	\$ 27.62	\$ 29.74	\$ 31.88
Capital	\$ 19.32	\$ 10.45	\$ 10.69	\$ 12.32	\$ 15.21
Reserves	\$ 36.51	\$ 40.00	\$ 44.30	\$ 46.35	\$ 46.80
<b>Rate Increase</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>
<b>Reserves / Replacement Value</b>	<b>4.0%</b>	<b>4.4%</b>	<b>4.8%</b>	<b>5.0%</b>	<b>5.1%</b>

- Maintains 8.0% per year stable and predictable rate.
- Absorbs impact of the NSWW Treatment Plant on behalf of residents and business
- Reserve position target of 6.3% by 2028 set last year would decline to 5.1%
- 8.0% increase represents a \$90 increase per household

Average Single Family Household	Electric	Water	Sewer	Solid Waste	Blended Rate
	Based on 1,000 KWH	net of 5% discount	net of 5% discount	net of 5% discount	
Current 2024	\$ 1,677	\$ 784	\$ 1,127	\$ 391	\$ 3,981
Proposed 2025 \$ Increase	\$ 59	\$ 47	\$ <b>90</b>	\$ 47	\$ 243
New Proposed 2024 Annual Cost	\$ 1,735	\$ 831	\$ 1,218	\$ 438	\$ 4,224
2025 % Rate Increase	<b>3.5%</b>	<b>6.0%</b>	<b>8.0%</b>	<b>12.0%</b>	<b>6.1%</b>

12/6/2025

# Alternative Scenario – 10% per year

Sewer Utility	Budget Projections (\$ in millions)				
	2025	2026	2027	2028	2029
Revenues	\$ 38.51	\$ 39.73	\$ 43.03	\$ 45.41	\$ 49.76
Operating Expenses	\$ 24.94	\$ 26.04	\$ 27.62	\$ 29.74	\$ 31.88
Capital	\$ 19.32	\$ 10.45	\$ 10.69	\$ 12.32	\$ 15.21
Reserves	\$ 37.11	\$ 41.93	\$ 48.40	\$ 53.59	\$ 58.33
<b>Rate Increase</b>	<b>10.0%</b>	<b>10.0%</b>	<b>10.0%</b>	<b>10.0%</b>	<b>10.0%</b>
<b>Reserves / Replacement Value</b>	<b>4.0%</b>	<b>4.6%</b>	<b>5.3%</b>	<b>5.8%</b>	<b>6.4%</b>

- Provides stable and predictable rates to New Westminster residents and businesses
- Absorbs and spreads out the impact of the NSWW Treatment Plant cost overrun
- Reserve position target of 6.3% by 2028 set last year would be relatively the same
- 10.0% increase represents a \$113 increase per household

Average Single Family Household	Electric	Water	Sewer	Solid Waste	Blended Rate
	Based on 1,000 KWH	net of 5% discount	net of 5% discount	net of 5% discount	
Current 2024	\$ 1,677	\$ 784	\$ 1,127	\$ 391	\$ 3,981
Proposed 2025 \$ Increase	\$ 59	\$ 47	\$ 113	\$ 47	\$ 265
New Proposed 2024 Annual Cost	\$ 1,735	\$ 831	\$ 1,240	\$ 438	\$ 4,247
2025 % Rate Increase	<b>3.5%</b>	<b>6.0%</b>	<b>10.0%</b>	<b>12.0%</b>	<b>6.7%</b>

12/6/2024



# Recommendation

**THAT** the 2025 Utility Rates for the Electric, Water, and Solid Waste Utilities be approved;

**THAT** direction be provided to staff on which of the three Sewer Rates scenario to use for 2025;

**THAT** the Utility FUND 2025 – 2029 Capital Plans and the 2025 Utility Fund and Climate Action Team Service Enhancement requests in Attachments 1 – 5 be approved; and

**THAT** staff prepare the necessary bylaws to amend the City's utility rates for 2025 as outlined in this report.

**Thank you**