



## City of Richmond

## Report to Committee

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**To:** Finance Select Committee  
**From:** Jim Bruce  
General Manager, Finance and Corporate Services  
**Date:** July 4, 2002  
**File:** 0930-01  
**Re:** Amendment to Waterworks & Water Rates Bylaw No. 5637

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### Staff Recommendation

That Waterworks and Water Rates Bylaw No. 5637, Amendment Bylaw No. 7405 be introduced and given first, second and third readings.

Jim Bruce  
General Manager, Finance & Corporate Services

Jeff Day  
General Manager, Eng'g & Public Works

Attach.1

## **Staff Report**

### **Origin**

During our annual review of the City's utility rates, it was brought to the attention of staff that the Vancouver Airport Authority was being levied a special water consumption rate lower than the metered rates specified in the Waterworks & Water Rates Bylaw.

Staff researched the history of this special rate but could find no documentation specific to the design of the rate nor any authority for the imposition of the rate. Staff notified the Airport Authority that the special rate would be discontinued unless the Airport Authority could provide documentation relative to the design and/or imposition of the rate. The Airport Authority could not produce the evidence requested and subsequently, the rate was discontinued. The new rate imposed is that levied for metered commercial and industrial ratepayers.

Subsequent to the imposition of the new bylaw rate, City staff and Airport Authority staff have met to review the operating and maintenance costs for the water distribution system at the airport and can justify a rationale for a somewhat reduced water consumption rate. This report addresses the revised rates and introduces an amendment to the Waterworks & Water Rates Bylaw which will amend the existing rates.

### **Analysis**

Staff from the City and Airport Authority met, after the cancellation of the special water consumption rate, to review the role the City played in the operation and maintenance of the water distribution system associated with airport operations.

This review provided a very clear understanding of the workings of the water distribution system. Staff realized that there was confusion on the roles played by both parties and consequently, the airport distribution system could be isolated as a stand alone system with the City being perceived as the agency delivering the water to the airport system, with the Airport Authority responsible for maintenance of the distribution network.

At this point, the staff from both parties derived a separate water utility rate that would more accurately reflect a degree of equitability relative to the roles each party played in the delivery distribution, maintenance, replacement and meter reading for the system.

In summary, the parties agreed to the following principles:

- The City of Richmond water supply infrastructure servicing YVRAA comprises the watermains, pressure reducing valve stations, hydrants, sponge vaults and appurtenances extending from the YVRAA boundary to the GVRD connection points
- YVRAA will pay the City of Richmond annually for YVRAA's share of future water infrastructure capital replacement at the metered water rate established annually by the City on a City-wide basis. The current rate for 2002 is \$0.14 per cubic meter of water consumed.

- YVRAA will pay the City of Richmond annually for the metered cost of water purchased from the Greater Vancouver Regional District (GVRD) at rates established annually by the GVRD and consumed by YVRAA. The current GVRD rate for 2002 is \$0.19 per cubic meter of water consumed.
- YVRAA will pay the City of Richmond for 50% of the actual cost of operations and maintenance activities completed for water infrastructure shared by the City and YVRAA as billed by the City on a quarterly basis.
- YVRAA will pay the City of Richmond for 100% of the actual cost of operations and maintenance activities completed for water infrastructure serving only YVRAA and as billed by the City on a quarterly basis.

### **Financial Impact**

The revised rates will be effective August 1, 2002.

The revenue projection in the 2002 Utilities Budget will be reduced slightly but will have no significant impact on the balanced budget requirements.

### **Conclusion**

That a special rate for water consumption at the Vancouver airport is warranted and the rate as designed by staff of both parties should be incorporated into the Waterworks & Water Rates Bylaw and become effective August 1, 2002.

Jim Bruce  
General Manager, Finance & Corporate Services

Jeff Day  
General Manager, Eng'g & Public Works

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**Waterworks and Water Rates Bylaw No. 5637,  
Amendment Bylaw No. 7405**

The Council of the City of Richmond enacts as follows:

1. Subsection 13(a) is amended to add "G" and "H" to the list of Schedules.
2. The following is added as Schedule G:

**SCHEDULE "G" TO BYLAW NO. 5637**

**BYLAW YEAR – 2002**

**RATES FOR VANCOUVER INTERNATIONAL AIRPORT AUTHORITY (YVR)**

Applicable rate is \$0.19 per cubic meter of water consumed, plus the following amounts:

- YVR's share of future water infrastructure capital replacement calculated at \$0.14 per m<sup>3</sup>
- 50% of the actual cost of operations and maintenance activities on water infrastructure shared by the City and VYR, as shown on the plan attached as Schedule H
- 100% of the actual cost of operations and maintenance activities on water infrastructure serving only YVR, as shown on the plan attached as Schedule H

(Note: water infrastructure includes water mains, pressure reducing valve stations, valves, hydrants, sponge vaults and appurtenances)

3. The attached plan is attached as Schedule H.
4. This Bylaw takes effect on August 1, 2002.
5. This Bylaw is cited as "Waterworks And Water Rates Bylaw No. 5637, Amendment Bylaw No. 7405".

FIRST READING

SECOND READING

THIRD READING

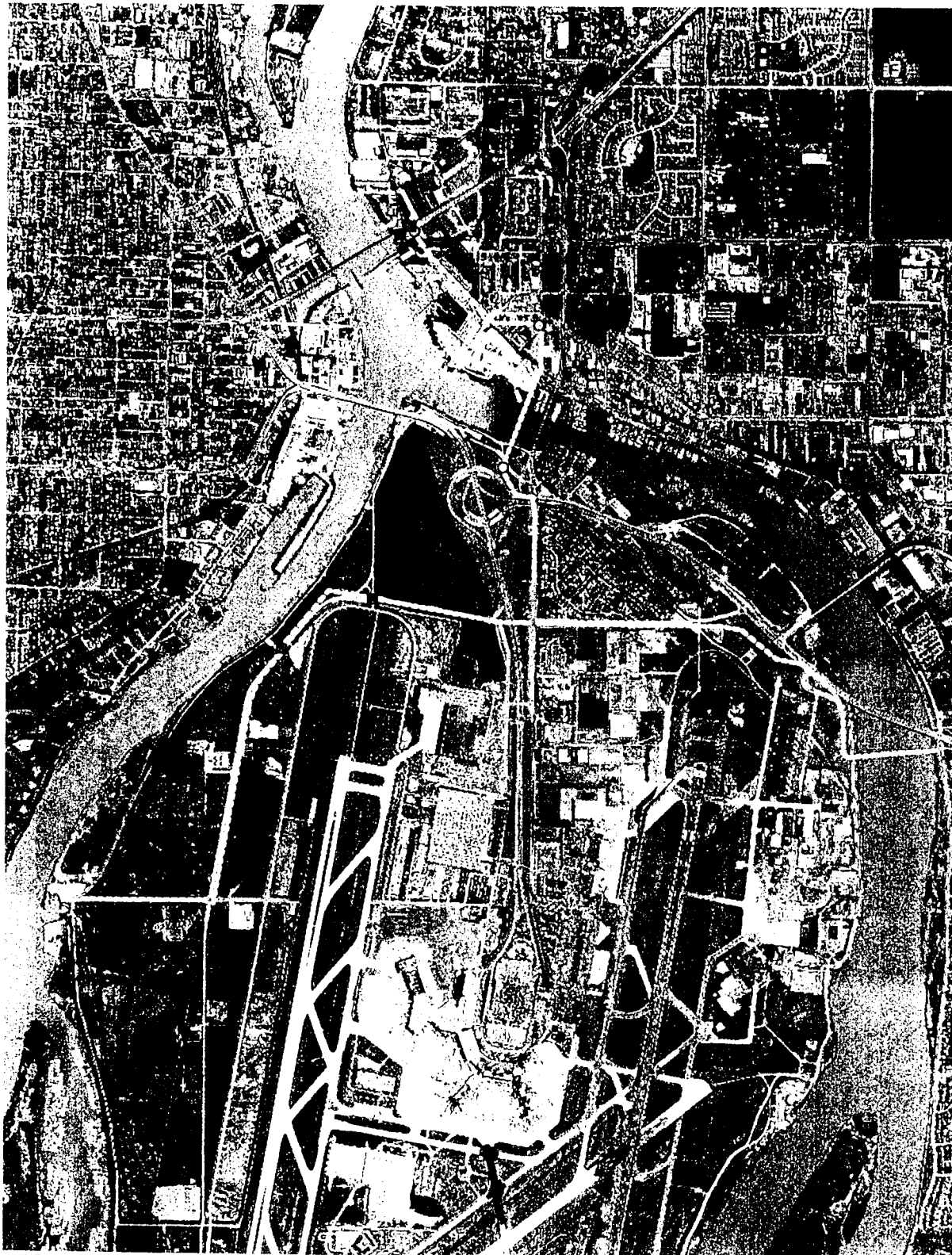
ADOPTED

_____ _____ _____ _____	<b>CITY OF RICHMOND</b>  <b>APPROVED for content by originating dept.</b>  <b>APPROVED for legality by Solicitor</b>
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MAYOR

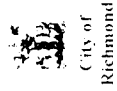
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CITY CLERK



VALVE CHAMBERS  
 ■ PRV  
 ○ SPONGE VAULT  
 WATER MAINS  
 YVR  
 SHARED

0 400 800 Meters



Airport Water Mains