



To: General Purposes Committee **Date:** March 30, 2020
From: Jerry Chong, CPA, CA **File:** 01-0060-20-
Director, Finance LIEC1/2020-Vol 01
Chief Financial Officer, Lulu Island Energy
Company




Peter Russell, BAsC, MSc, MCIP, RPP
Director, Sustainability and District Energy
Re: District Energy Utility Bylaws – Billing Due Date Amendment

Staff Recommendation

1. That the following bylaws be introduced and given first, second, and third readings:
 - a) Alexandra District Energy Utility Bylaw No. 8641, Amendment Bylaw No. 10175;
 - b) Oval Village District Energy Utility Bylaw No. 9134, Amendment Bylaw No. 10176;
and
 - c) City Centre District Energy Utility Bylaw No. 9895, Amendment Bylaw No. 10177.
2. That each of the following bylaws be adopted:
 - a) Alexandra District Energy Utility Bylaw No. 8641, Amendment Bylaw No. 10175;
 - b) Oval Village District Energy Utility Bylaw No. 9134, Amendment Bylaw No. 10176;
and
 - c) City Centre District Energy Utility Bylaw No. 9895, Amendment Bylaw No. 10177.

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REPORT CONCURRENCE		
ROUTED TO: Law	CONCURRENCE <input checked="" type="checkbox"/>	CONCURRENCE OF GENERAL MANAGER 
REVIEWED BY SMT 	INITIALS:	APPROVED BY CAO 

Staff Report

Origin

Buildings in district energy service areas in Richmond receive utility bills for heating and cooling services for each strata. LIEC currently issue 19 invoices to strata companies. The Alexandra District Energy Utility Bylaw No. 8641, Oval Village District Energy Utility Bylaw No. 9134, and City Centre District Energy Utility Bylaw No. 9895 specify due dates for metered utility bills.

This report presents proposed bylaw amendments to allow flexibility for extending due dates in response to emergency situations such as the COVID-19 pandemic.

This report supports Council's Strategic Plan 2018-2022 Strategy #2: A Sustainable and Environmentally Conscious City:

Environmentally conscious decision-making that demonstrates leadership in implementing innovative, sustainable practices and supports the City's unique biodiversity and island ecology.

2.1 Continued leadership in addressing climate change and promoting circular economic principles.

2.2 Policies and practices that support Richmond's sustainability goals.

This report supports Council's Strategic Plan 2018-2022 Strategy #5 Sound Financial Management:

Accountable, transparent, and responsible financial management that supports the needs of the community into the future.

5.1 Maintain a strong and robust financial position.

Analysis

Lulu Island Energy Company Ltd. (LIEC) is a service provider incorporated by Council to deliver energy services to its customers on behalf of the City. City Council sets customer rates for the ADEU, OVDEU and CCDEU service areas through service area bylaws.

2020 District Energy Utility Bill Due Date

Metered district energy utility bills are issued quarterly, with 2020 first quarter invoices scheduled to be issued in April 2020 and due in May 2020. In response to the COVID-19 pandemic, staff recommend extending the invoice due date for quarterly metered billings to accommodate those customers who may not be able to make payment at this time.

Proposed Bylaw Amendments

Existing bylaws and customer Energy Services Agreements indicate that metered utility bills are due approximately one month from the date of the invoice. Staff recommend amending the bylaws to provide the board of Lulu Island Energy Company, as the service provider under the bylaws, the authority to extend invoice due dates as required, particularly in the case of extraordinary circumstances such as the current outbreak.

Communication of Proposed Changes

If the proposed bylaw amendments are endorsed by Council, staff recommend that letters be sent to stratas. This letter will include notification of temporary suspension of the application of the late payment fee and the offer to any customers in need to apply for a corresponding extension of 90 days of the first quarter metered billings. This approach is in line with approach taken by other utility providers (BC Hydro, Fortis) as well as the City's Water, Sewer and Waste utilities.

District energy customers would be also notified through both the City's and the Lulu Island Energy Company's website.

Financial Impact

LIEC will adjust its cash flow forecast in order to ensure that there is adequate funding available to accommodate the changes in the collection of fees without impacting services and payments.

The proposed bylaw amendments also allow future extensions of billing due dates. Staff will keep Council informed of impacts if significant extensions are required due to extraordinary events.

Conclusion

Amending the bylaws provides flexibility to extend utility invoice due dates during extraordinary times. If the proposed bylaws are adopted, staff recommend extending the option to customers for 2020 first quarter metered utility billings due date to August 2020 in response to the COVID-19 outbreak.



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**Alexandra District Energy Utility Bylaw No. 8641,
Amendment Bylaw No. 10175**

The Council of the City of Richmond enacts as follows:

- 1. Alexandra District Energy Utility Bylaw No. 8641, as amended, is further amended at Part 13: Billing by deleting section 13.9 Bill Due Dates and replacing it with the following:

“13.9 Bill Due Dates

The Customer must pay the Service Provider’s bill for Services on or before the due date shown on each bill. Extensions to the bill due date may be granted at the discretion of the Service Provider.”

- 2. This Bylaw is cited as “**Alexandra District Energy Utility Bylaw No. 8641, Amendment Bylaw No. 10175**”.

FIRST READING

SECOND READING

THIRD READING

ADOPTED

CITY OF RICHMOND
APPROVED for content by originating Division <i>KR</i>
APPROVED for legality by Solicitor <i>JA</i>

MAYOR

CORPORATE OFFICER



Oval Village District Energy Utility Bylaw No. 9134, Amendment Bylaw No. 10176

The Council of the City of Richmond enacts as follows:

- 3. Oval Village District Energy Utility Bylaw No. 9134, as amended, is further amended at Part 11: Billing by deleting section 11.9 Bill Due Dates and replacing it with the following:
"11.9 Bill Due Dates

The Customer must pay the Service Provider's bill for Services on or before the due date shown on each bill. Extensions to the bill due date may be granted at the discretion of the Service Provider."

- 4. This Bylaw is cited as "Oval Village District Energy Utility Bylaw No. 9134, Amendment Bylaw No. 10176".

FIRST READING

SECOND READING

THIRD READING

ADOPTED

CITY OF RICHMOND
APPROVED for content by originating Division <i>FL</i>
APPROVED for legality by Solicitor <i>JA</i>

MAYOR

CORPORATE OFFICER



**City Centre District Energy Utility Bylaw No. 9895,
Amendment Bylaw No. 10177**

The Council of the City of Richmond enacts as follows:

- 5. City Centre District Energy Utility Bylaw No. 9895, as amended, is further amended at Part 11: Billing by deleting section 11.9 Bill Due Dates and replacing it with the following:

“11.9 Bill Due Dates

The Customer must pay the Service Provider’s bill for Services on or before the due date shown on each bill. Extensions to the bill due date may be granted at the discretion of the Service Provider.”

- 6. This Bylaw is cited as “City Centre District Energy Utility Bylaw No. 9895, Amendment Bylaw No. 10177”.

FIRST READING

SECOND READING

THIRD READING

ADOPTED

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APPROVED for content by originating Division <i>KR</i>
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