

# Q&A Sewer Cost Recovery – Town of View Royal

View Royal's sewer system consists of approximately 50 kilometres of pipeline and 17 pump stations which are electronically monitored on a continual basis. All sewage from View Royal flows through the Capital Regional District (CRD) sewage system through the Craigflower pump station at Shoreline Drive and then on to the wastewater treatment plant.

Starting in 2020, the Town of View Royal sewer utility invoice reflects 100% of the cost of sewer collection, treatment, and disposal, including costs relating to the CRD's sewer system. Property owners may have noticed that the CRD sewer tax was missing on their 2020 property tax bill. The CRD levy on your annual property tax bill no longer includes CRD sewer costs. These costs are now based solely on a property's metered water consumption (rather than on the assessed value of the property) and charges will appear only on your View Royal sewer utility invoice.

## **What is the sewer user fee?**

The sewer user fee is an annual levy charged to all residents connected to View Royal's sewer system. This charge is the recovery of the annual operating and maintenance costs for the sewer system, including amounts billed by the Capital Regional District (CRD) for their sewer system. There is no flat fee component to the sewer user fee and the minimum sewer user fee levied is \$100.00 for all sewer users.

## **Why are CRD sewer charges on my View Royal utility invoice?**

Starting in 2020, the CRD sewer cost is based solely on your metered water consumption (rather than on your assessed property value) and charges will appear only on your View Royal utility invoice.

This revenue neutral shift redistributes the total cost of operating and maintaining the CRD's component of the sewer system to reflect each user's impact on the system.

Basing sewer charges on water consumption is considered a best practice, and a more equitable system than basing on assessed property value. In addition, this system will enable you to potentially reduce your sewer costs by reducing the amount of water you use.

## **What does the sewer utility invoice pay for?**

The Town of View Royal's annual sewer utility invoice pays for the operation and maintenance costs related to the use of the sanitary sewer collection system and sewer pump stations owned and operated by the Town of View Royal.

Beginning in 2020, View Royal will also recover the operating costs, capital contributions and debt costs relating to the sewer trunk mains, pump stations and wastewater treatment plant owned and operated by the CRD that move sewage from the View Royal collection systems to the regional treatment centre and outfall. In the past CRD costs have been recovered through the CRD sewer tax, which was collected on the annual property tax notice.

Click [here](#) to view the September 15, 2020 Committee of the Whole agenda and video recording that includes the presentation regarding new sewer user fee options.

Click [here](#) to access Bylaw 1058-2020 Sanitary Sewer Rates.

### **Why is sewer usage based on water consumption?**

Because the level of water consumption related to a particular property is generally considered a good indicator of the level of sewer services related to that property, water consumption is a generally accepted measure to determine sewer user fees.

All non-residential user sewer fees are based on actual water consumption for six winter months (November through April). This ensures that water used for irrigation and car washing is not counted when calculating sewer user fees, as this water does not enter the sewer system. Winter water consumption is annualized (multiplied by two) for billing purposes because the sewer utility invoice covers a full year (12-month) billing period.

Basing sewer charges on water consumption is considered a best practice, and a more equitable system than basing on assessed property value. In addition, this system will enable you to potentially reduce your sewer costs by reducing the amount of water you use.

### **What are the sewer user rates?**

<b>User class</b>	<b>Consumption base</b>	<b>Consumption volume</b>	<b>View Royal sewer user fees, per cubic metre</b>	<b>CRD sewer user fees, per cubic metre</b>
<b>Residential</b>	Annualized winter water consumption (6 months x 2)	All consumption	\$0.8348	\$1.3751
<b>Non-residential</b>	Annualized winter water consumption (6 months x 2)	First 1,000 m3	\$0.8348	\$1.3751
		Next 10,000 m3	\$0.9183	\$1.5126
		Remaining m3	\$1.0435	\$1.7189
<b>Institutional</b>	Full-year water consumption (12 months)	First 1,000 m3	\$0.8348	\$1.3751
		Next 10,000 m3	\$0.9183	\$1.5126
		Remaining m3	\$1.0435	\$1.7189

## **How are the sewer rates calculated?**

Sewer user fees are required to recover the cost of providing sanitary sewer collection, conveyance, treatment and disposal of sewer for properties in View Royal. Part of this system is owned by the Town of View Royal, which discharges sewer from View Royal properties to CRD's trunk mains that carry the sewer to the CRD's McLoughlin Point wastewater treatment plant.

Sewer rates are calculated by starting with the budgeted costs for both View Royal and CRD sanitary sewer systems, including the costs to operate and maintain the systems and to service debt or build reserves to spread out the cost of capital infrastructure over time. Once we know the total amount that needs to be recovered, we factor in the total consumption provided by the CRD and as described by the Sewer Rates Bylaw No. 1058, to arrive at the base rate used for all Tier 1 levels of consumption (up to 1,000 cubic metres). Tier 2 rates (between 1,000 and 11,000 cubic metres) are 110% of the Tier 1 rate and Tier 3 rates (all consumption over 11,000 cubic metres) are 125% of the Tier 1 rate.

Each sewer user is classified according to the property's actual use code, determined by BC Assessment, and the consumption is multiplied by the applicable rate(s) to calculate the annual View Royal and CRD sewer user fees.

A minimum charge of \$100 applies to each sewer user account.

## **How is the sewer user rate calculated for residential property owners?**

The sewer utility invoice for residential properties is calculated using the winter water consumption between November and April. The sewer user fees cover View Royal's cost of sewer operations and infrastructure replacement and our participation in regional sewer treatment.

The annual sewer user fees for residential users is calculated by multiplying the annualized consumption (6 winter months' consumption times 2) by the residential rates prescribed by the bylaws adopted by Council. The amount required to recover the costs for View Royal's sewer system is calculated separately from the amount required for CRD's sewer system.

The average residential home assessed at \$730,000 consumes approximately 77 m<sup>3</sup> of water in the winter months (November through April). In 2019, this property owner contributed to the costs of collecting, conveying, treating and disposing of sewage through a CRD tax levy of \$263.54 plus a View Royal sewer utility invoice of \$138.08 for a total of \$401.62.

In 2020 a residential property with 77 m<sup>3</sup> winter water consumption will pay an estimated \$340 for the same sewer services (\$62 less), regardless of assessed property value.

## **I own a Strata unit. How does this impact me?**

Strata properties with a single water service receive one sewer utility invoice for the entire strata complex. Individual unit owners in these strata properties do not receive individual

invoices. The strata corporation is invoiced and the costs are redistributed to individual strata unit owners through the strata fees.

Strata properties may have individual water services to each separate unit. In this case, each individual strata property owner will receive a separate sewer utility invoice based on their individual consumption.

### **Why is the sewer user fee calculation based on annualized water flows?**

In an effort to apportion the costs of services based on actual usage, the sewer user fee is entirely consumption-based. Allocating the costs associated with maintaining the sewer infrastructure according to actual usage is a significant step in more fairly distributing the costs.

Residential and non-residential sewer user fees are based on winter water consumption – the water used in the six months between November and April – to avoid charging for water that does not place a burden on the sewer system, like water used in irrigation or for washing vehicles. Winter water consumption is annualized (multiplied by two) for billing purposes because the sewer utility invoice covers a full year (12-month) billing period.

Institutional sewer user fees are based on full-year consumption – water used in the full 12-months ending in April of the billing year.

Both Non-institutional and Institutional users who use more water will pay for a larger share of maintaining the sanitary sewer system. To encourage water conservation, the rate per cubic water metre increases with consumption.

### **When are sewer user fees due?**

Typically, sewer user fees are due 45 days after the invoice date. The 2020 Sewer Utility Invoice issued in October is due on December 23, 2020, providing extra time to pay in this first year under the restructured sewer user fees. If you have not received your invoice by October 31, please contact the Finance Department at 250-708 -2270 or email [finance@viewroyal.ca](mailto:finance@viewroyal.ca).

Any sewer utility invoice unpaid by December 31<sup>st</sup> of any year it is due shall be deemed taxes in arrears on the land or real property on which the fee is imposed. *Special exemption from this transfer to taxes in arrears is allowed in 2020 only for strata corporations and for users whose 2020 sewer utility invoice is 150% or more than the total amount paid in 2019 for sewer user fees and sewer related taxes.*

### **If I suspect a sewer problem who do I contact?**

Any inquiries regarding sewer problems or repairs, etc. should be referred to the Town of View Royal Engineering Department at 250-708-2258 or by email to [engineering@viewroyal.ca](mailto:engineering@viewroyal.ca)

**If I suspect a water leak who do I contact?**

Any inquiries regarding water leaks, etc. should be referred to the CRD Water Department at 250-474-9600.

**What if we had a water leak at our property?**

If you experienced a water leak during the consumption period used to calculate your sewer utility invoice, view the [Sewer User Fee Adjustments due to Water Leaks Policy \[PDF - 21 KB\]](#) and [Application Form](#).