

May 30, 2012

To: His Worship the Mayor  
and Members of City Council

Re: Residential Drainage Charges

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**RECOMMENDATION OF THE PUBLIC WORKS COMMITTEE - MAY 15, 2012**

1. That *The Sewer Services Bylaw* No. 5601 be amended to apply a consistent fixed daily charge to all residential storm drainage services equivalent to the rate applied to all properties less than 1,000 square meters.
2. That the City Solicitor be directed to prepare the necessary amendments to *The Sewer Services Bylaw* No. 5601 to:
  - remove reference to the completed phase-in throughout the Bylaw, including in subsection 16. (2) and Schedule “D”; and,
  - amend subsection 16(1) to be in accordance with Recommendation 1.

*PUBLIC WORKS COMMITTEE – MAY 15, 2012*

The Committee adopted a resolution to concur in the recommendation contained in the report.

Councillors: Louis Browne, Sharron Bryce, Fred Clipsham, John Findura and Jocelyn Hutchinson were present during consideration of this report by the Public Works Committee.

The Public Works Committee, at its meeting held on May 15, 2012, considered the following report from the Administration:

RECOMMENDATION

3. That *The Sewer Services Bylaw* No. 5601 be amended to apply a consistent fixed daily charge to all residential storm drainage services equivalent to the rate applied to all properties less than 1,000 square meters.
4. That the City Solicitor be directed to prepare the necessary amendments to *The Sewer Services Bylaw* No. 5601 to:
  - remove reference to the completed phase-in throughout the Bylaw, including in subsection 16. (2) and Schedule “D”; and,
  - amend subsection 16(1) to be in accordance with Recommendation 1.

CONCLUSION

To ensure that residential drainage charges are efficiently applied, and consistent with the impact a typical residential property has on the storm drainage system, *The Sewer Service Bylaw* No.

5601 (the “Bylaw”) requires an amendment to apply the base charge to all residential properties, regardless of the size of the property.

## BACKGROUND

The City of Regina implemented a drainage charge in 1992. At the time, the City had 52,500 premises classified as residential and 3,650 classified as commercial. The charge was initially implemented as a fixed bi-monthly charge, applied to all properties regardless of size, with a plan to phase in a charge differentiated based on the size of the property. The intent was to move to a charge based on the impervious area of the property, which reflected the impact of a given property on the overall drainage system.

Residential properties, regardless of their size, typically have a substantially lower proportion of impervious surface than multi-residential or commercial properties. In addition, residential properties normally do not have direct storm connections; instead, the drainage occurs across non-impervious surface (such as grass) and results in minimal impacts to the storm system. This distinction is not addressed in the current Bylaw, which applies the same rates to all classes of property.

At the time of initial implementation, all residential properties were established as “base” or minimum-sized properties, with no intent or effort made to identify residential properties that were larger than 1,000 square metres.

When services are established for billing, multi-residential and commercial properties are reviewed to ensure that the appropriate size category is applied. Residential properties are assumed to be 1,000 square metres or less.

Over the last several years, residential properties that were identified as larger than 1,000 square metres as a result of a replot or other review were placed into billing in the appropriate category as a multi-residential or commercial property of the same size. Presently, only five residential properties are being billed at a rate above base.

## DISCUSSION

In February 2012, as a result of information received from Property Tax and Assessment regarding replotted properties, approximately 142 properties in Dieppe, Churchill Place and Churchill Downs were identified as larger than 1,000 square metres. The account holders for these properties were notified by letter of the annual increase to the drainage rate for their properties which was to be \$138.70.

Numerous calls were received from customers expressing concern about the change to their drainage rates, especially since there had been no change to their properties. While the new charges were correct based on the Bylaw, the Administration determined that there was a need to review the original intent of the storm drainage charge and the financial impact on the affected customers and on the City.

The Administration has reviewed the Bylaw and determined that the rate structure currently outlined in the Bylaw does not support the intent of the drainage charge in regards to residential customers. The increasing rate structure is intended to be reflective of the impact of more impervious non-residential properties as they increase in size. In contrast, residential properties

place a much lower strain on the drainage system as they normally have more consistent profiles, less impervious surfaces and do not connect directly to the drainage system. While billing based on impervious surface remains a best practise for drainage services, it would not be cost effective to evaluate all residential properties with such a rate structure mechanism.

## RECOMMENDATION IMPLICATIONS

### Financial Implications

The annual increase in revenue from the 142 properties identified in this report would have been \$19,700, based on 2012 rates. The rate for the five residential properties, currently billed above base, would be adjusted resulting in a further \$3,000 reduction of revenue based on 2012 rates.

### Environmental Implications

None with respect to this report.

### Strategic Implications

None with respect to this report.

### Other Implications

None with respect to this report.

### Accessibility Implications

None with respect to this report.

## COMMUNICATIONS

Letters have been sent to the 142 customers whose charges were changed to notify them that the changes had been placed on hold pending this report. Individual notification will be provided to any customers whose charges are affected by bylaw changes pursuant to this report.

## DELEGATED AUTHORITY

As these changes require an amendment to the Bylaw, City Council approval is required.

Respectfully submitted,

PUBLIC WORKS COMMITTEE



Elaine Gohlke, Secretary