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From: ()
 Sent: June 4, 2009 12:25 PM
 To: Raymond Fung
 Cc: weston.j@parl.gc.ca; joan.mcintyre.mla@leg.bc.ca; MayorandCouncil
 Subject: RE: Water and Sewer Rate Increase: real inflation

(1)

Dear Raymond Fung,

Thank you for your detailed response. I am convinced other residents would have appreciated these explanations when receiving various pamphlets from City Hall. It certainly clarifies the issue.

"Residents in homes that came with a meter have always paid for their water on a metered basis, hence the term existing metered customer."

(...) For newer homes that were metered through new development, the base fee was a new charge that had not existed prior to 2007. To ease the transition for this group of customers, Council agreed to phase in the base charge over a number of years. Further, the sewer utility charge structure (sanitary and storm drainage) was similarly converted to a two part rate structure in 2008 with the same phasing of the base charge.

The primary reason for the larger percentage increases in the base water, base sewer, and base drainage fees you raised in your email is because you were an existing metered customer (i.e., not a part of universal metering), and 2008 was the last year in which the base component was phased in. In other words, you started paying the full base charges in 2009."

Then being an existing metered customer, I fail to understand how the comparison with the flat rate (For example, the total charges you paid for water and sewer in 2008 on a metered basis were \$225 and \$300 respectively. Both these amounts are lower compared to the annual flat rates for water of \$403 and for sewer of \$413 in 2006) does become relevant regarding inflation, mostly linked to this new fee or base charge apparently.

A more meaningful comparison would run total bills for 2007 and 2008 with respectively (undiscounted values) \$469 for 238m3 and \$629 for 247m3, or a 34% total cost increase for only 4% more water usage. As it stands, for a similar water usage, 2009 looks like reaching the \$800 level... and that would be close to a doubling in two years. (Back in 2006 before the quarterly billing was in place, over 458m3 were used for about \$600 total undiscounted cost. That year saw exceptional heavy landscaping work on our property).

Moreover I am quite not sure about using the term "phasing in" when increases run into virtually 100% types in the last year of the "phasing in". My argument suggesting that existing metered customer's conservation effort yielded only an increase in their bill stands. Sure the increase could have been worse had customers been careless (or had high water usage in relation to construction) with their water consumption, but this is hardly news.

With respect to garbage and recycling charges, they have not risen since 1998, but it is anticipated that they will be increased in 2010 to reflect a new contract period.

I therefore take notice that other increases are coming down the pipe for residents, pun intended. But as long as politicians from all stripes **tell** us inflation is well under control...

Regards,

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From: Raymond Fung [mailto:rfung@westvancouver.ca]
Sent: Monday, June 01, 2009 12:49 PM
To: ()
Cc: weston.j@parl.gc.ca; joan.mcintyre.mla@leg.bc.ca; Mayor and Council
Subject: RE: Water and Sewer Rate Increase: real inflation

() having addressed the issues in your email of April 16, 2009 in a separate reply, I now offer a response to your remarks from May 5, 2009.

To start, please allow me to clarify the definition of new metered and existing metered customer. New metered customers was a term coined at that time to describe the residents who received their meters under the universal metering project in 2005/2006. It did not necessarily apply to new development, and more typically, these meters were installed in older homes, which were previously charged for water according to an annual flat rate. Newer homes, say 10 years old or more recent, that had a meter installed at the time of construction as a requirement of a building permit or subdivision process were not a part of the universal metering project. Residents in homes that came with a meter have always paid for their water on a metered basis, hence the term existing metered customer.

Prior to 2007, the utility charge structure included both metered and annual rates. After the universal metering project was completed, the municipality discontinued the annual flat rate and implemented a two part rate structure that would apply to all customers. This rate structure comprises a base charge, to cover a portion of the utility's fixed costs; and a cubic metre charge, to cover the utility's variable and remaining fixed costs. For newer homes that were metered through new development, the base fee was a new charge that had not existed prior to 2007. To ease the transition for this group of customers, Council agreed to phase in the base charge over a number of years. Further, the sewer utility charge structure (sanitary and storm drainage) was similarly converted to a two part rate structure in 2008 with the same phasing of the base charge.

The primary reason for the larger percentage increases in the base water, base sewer, and base drainage fees you raised in your email is because you were an existing metered customer (i.e., not a part of universal metering), and 2008 was the last year in which the base component was phased in. In other words, you started paying the full base charges in 2009.

The 2008 utility rates were complicated by the fact that due to an administrative error, the figures were published already net of the 10% discount provided for on-time payment. Thus, the rates were adjusted for the third and fourth quarters of last year to compensate. For example, the \$0.42 single family cubic rate for water had to be adjusted to \$0.51 mid-year. And the 2009 rate rose \$0.02 to \$0.53 per cubic metre. With respect to garbage and recycling charges, they have not risen since 1998, but it is anticipated that they will be increased in 2010 to reflect a new contract period.

As a resident who received a meter through new development, you are not charged a meter fee. Only those new metered customers (i.e., those that were a part of the universal metering project) who decided not to pay for that installation in full in 2007 are levied \$16 per quarter.

Finally, despite the increases to the base charges you have experienced, I suggest that a metered utility structure is more equitable for customers and encourages conservation. For example, the total charges you paid for water and sewer in 2008 on a metered basis were \$225 and \$300 respectively. Both these amounts are lower compared to the annual flat rates for water of \$403 and for sewer of \$413 in 2006.

Yours truly,

Raymond Fung, Director

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 District of West Vancouver
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From: ()
Sent: May 5, 2009 5:53 PM
To: Raymond Fung; MayorandCouncil
Cc: weston.j@parl.gc.ca; joan.mcintyre.mla@leg.bc.ca
Subject: FW: Water and Sewer Rate Increase: real inflation

Dear Raymond Fung,
 Director Engineering and Transportation Division
 District of West Vancouver

Dear Mayor and Council,

Today we received our first quarter 2009 utility statement. Here is attached the comparison between 2008 and 2009 so everyone from Municipal, Provincial and Federal representation can see real inflation at work on this example (the BC Hydro discriminatory multi tier fee would be another example).

Total bill despite **using 5 cubic meters less (from 58 to 53, or a 9.4% decrease despite one extra day)** went from \$127.79 to \$170.55 or a **33% increase**.

Base Water res single 025MM went from \$18.55 to \$35.32 or a **90% increase!**
 Metered water res single went from \$0.42 to \$0.53 per cubic meter or a **26% increase**
 Base sewer res single went from \$6.15 to \$15.09 or a **145% increase!**
 Base drainage levy res single from \$7.64 to \$18.64 or a **144% increase!**
 Meter sewer res single went from \$46.97 to \$54.02 or a **15% increase**.
 Quarterly waste and recycling remained the same... for how long?

In the brochure accompanying this bill, the meter fee question is brushed off: "*New Metered customers, who have not already paid for their meters in full, will pay for their meters in installments of \$16 per quarter*".

For how long is this \$16 fee levied? Why that extra fee was not levied despite finishing installing meters in 2006 and charging meter fees since 2007? No answer in the brochure.

That's the so called "final phase" of the North Shore News article which explanation remains obscure and frankly hard to believe: indeed my line of questioning then is still valid now. This simply looks like a tax levied on homes 10y and recent, the very homes that have by nature been able to monitor their water consumption.

But the fee hikes go beyond meters fees to sewer fees etc... From the NSN "*Both sewage and water usage fees were affected by higher than expected water conservation by West Vancouver residents.*" Yet the brochure states about Single Family Residential –Water: "This sector has the greatest potential for conservation"... **Indeed, with almost a 10% reduction in usage the bill goes up 33%: so much for water conservation benefits!**

As I wrote April 17, 2009 to Mr. Fung, a simple email explanation would have sufficed for my records. In consequence, and since I took the time to assemble relevant documents on this issue, I shall renew my

preference for a written answer to my query: West Vancouver residents deserve proper written information and documented justification for this significant utilities fee increase.

Regards,

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P.S.: So since your directorship also involves roads, I have to congratulate your crew for the efficient repaving of Bear Lane last month.

From: ()
Sent: Friday, April 17, 2009 12:54 AM
To: 'Raymond Fung'
Subject: RE: Water and Sewer Rate Increase

Dear Raymond Fung,

Indeed the email was written late last year and I did not send it then. After re-reading the article I still felt some points were quite unclear. Thus I just sent my comments today so there is nothing wrong with your email provider. I realize it may be a bit late. In fact I should have included a copy of the article for reference. So please find attached a copy of Jessica Barrett's article dated Dec. 12, 2008 as I saved it then, so you can appreciate where my comments came from. I imagine that my reaction to the rate increase would not have been the only one, especially after the accounting mistake, and that should the article have been misleading, a statement asking for a correction would have been issued.

I realize your schedule must be quite tight and appreciate your offer to call me at my convenience although I can assure you that a simple email would be fine for my records.

Regards,

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From: ()
Sent: April 16, 2009 7:34 AM
To: Raymond Fung
Cc: MayorandCouncil
Subject: Water and Sewer Rate Increase

Dear Mr. Fung,

A recent article in the North Shore News brought West Vancouver residents some unpleasant news on the water and sewer front, yet again after the accounting flop that saw some bills hit with a 47% increase. In my humble opinion,

there are many inconsistencies in this article and your own statements justifying a round of very selective rates increase invite clarification.

“The installation of water meters district-wide was completed in 2006. A year later per-usage water rates and base fees were implemented.”

BUT

“However, the final phase of West Vancouver's conversion to universally metered water rates means some residents will see significantly larger increases than others.

Fung said about 2,500 homes built after 1999 with requisite water meters have not been charged a full base rate for water. Rather, homeowners have only been paying for water usage.”

So what “final phase”? Was it completed in 2006 and per-usage and base fees charged in 2007 or not? If so, what prevented the District to charge full base fee and water usage back then as we were told it would be?

“Older homes retrofitted with newer water meters have been paying base fees all along, Fung said. Average water users in older homes will see much smaller increases of about \$4 for water fees and \$29 in sewer fees over 2008 rates.”

If this Base fee reflects anything unrelated to Metering issues, why wasn't it charged to all? If this base fee is indeed related to the metering issue then one would think there was very little -if any- cost to the District when home owners installed at their cost the required meters while building their homes. The cost of older retrofitting must have been paid by older home owners through the fee, and very likely by everyone's property taxes too. In addition, the new home owners have from the start behaved responsibly with the use of the resources, to clearly no reward... Now this cost will be smoothly shifted to newer home owners, those who already paid for the meter during construction. This simply looks like a disguised TAX on residences 10 years or recent.

AND

“The 2009 fee structure phases in the entire cost of base fees...”

In light of this seemingly never ending universal metering saga, can that statement be believed? Are we done yet or will there be another “accounting” problem in 2010, another “phase” we did not know about in 2011 and of course should we be gullible enough to believe we'll benefit from any savings? Or is it that all this is to provide the District with attractive substantial savings for those who will get subsidized housing thanks to our taxes?

“Both sewage and water usage fees were affected by higher than expected water conservation by West Vancouver residents.”

And naïve of us who trusted those who tell us conservation is supposed to save us money... except that for some “lucky” residents, “green” means paying more regardless of their conservation and investments efforts.

So I would appreciate if you would be kind enough to clarify the following:

- 1) **Provide me with an anonymous actual bill of an older home bill for 56 m3 of water consumption for the period April 1, 2008 –that is before the accounting correction- for comparison purpose**
- 2) **Written assurance there are no more hidden phases with regards to the universal metering project**
- 3) **Calculations showing that residents of 10 years or recent homes in West Vancouver will also see the saving benefits of the District's water and sewer management strategy.**

Looking forward to reading you,

Season's greetings

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