
Halifax Regional Council

May 7, 2002

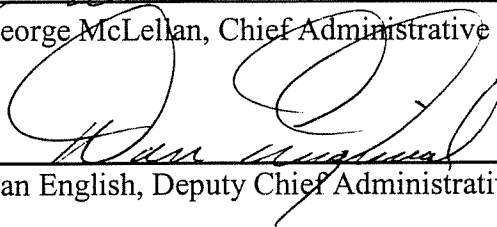
May 14, 2002

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



George McLellan, Chief Administrative Officer



Dan English, Deputy Chief Administrative Officer

DATE: April 15, 2002

SUBJECT: Wastewater Charges for Landscaping

ORIGIN

Councillor Rankin advised this item was with regards to the wastewater charge being placed on water bills for industries involved in landscaping. The Councillor advised that these industries find this inequitable and unfair as not all of the water used is discharged into the sewer system. Item No. 10.1.3(ii), January 30, 2001.

MOVED by Councillor Rankin, seconded by Councillor Streach, that a staff report be requested on the possibility of amending By-Law S-100 Respecting Sewer Charges, to exempt from Environmental Protection and Wastewater charges, municipal water supply when used for agricultural use, landscaping and where flow separation and/or metering can be achieved.
MOTION PUT AND PASSED.

RECOMMENDATION

It is recommended that Halifax Regional Council not amend By-Law S-100 Respecting Sewer Charges and continue to process all requests for rebates according to the provisions in the existing by-law.

BACKGROUND

The Sewer Charges By-law S-100 provides for the recovery of operational costs incurred by the Municipality in the maintenance and operation of wastewater and stormwater systems. This cost is referred to as the Pollution Control charge and is comprised of two components, the Environmental Protection charge and the Wastewater and Stormwater Management charge.

The Pollution Control charge is determined on the basis of water consumption and is currently set at \$ 0.6828 per cubic meter. The Environmental Protection charge is set at \$ 0.5504 per cubic meter and the Wastewater and Stormwater Management charge is set at \$ 0.2324 per cubic meter.

The revenue from Pollution Control charges in the fiscal year 2000/01 was approximately \$24,000,000. From this recovery, the Environmental Protection charge is used to develop, operate and maintain the Municipality's interceptor sewers, wastewater treatment plants and associated pumping stations and forcemains. The Wastewater and Stormwater Management charge is used to fund the cost of administering and maintaining other components of the wastewater and stormwater collection systems of the Municipality.

There is a provision for a rebate currently in By-Law S-100:

- 8 "Where the volume of liquid discharged into the public sewer is less than half of the volume of water used by the property, as established by the property owner to the satisfaction of the Engineer, a rebate of one-third of the Pollution Control charges attributable to the difference between the amount of water used and the amount of liquid discharged into the sewer shall be given."

Currently, landscaping and agricultural businesses may qualify for this one-third rebate.

Council has requested that staff consider a full rebate of the Pollution Control charges for water which is not discharged to a municipal sewer when used for agricultural use, landscaping and where flow measurement and/or separation can be achieved.

DISCUSSION

Staff met with representatives from both Terra Nova Landscaping and Atlantic Gardens to discuss their concerns with the application of Pollution Control charges to their businesses. Both of these businesses have in the past expressed concern to the Municipality regarding the application of Pollution Control charges to purchased water which is not discharged to the public sewer.

It was the opinion of these representatives that businesses involved in landscaping or agricultural activities may not discharge all of their purchased municipal water into the sewer systems. The majority of purchased water supply for landscaping and agricultural based businesses may be directed towards the maintenance of plants, grass and other vegetation as biological uptake, and therefore not returned to the sewer. As such, these businesses have expressed concern that the application of Pollution Control charges to their purchased water volumes is not equitable.

Any increase in the number of businesses which are granted a rebate of the Pollution Control charges will result in a decrease in revenue and will require an off-setting increase in the wastewater rate. If a full rebate of the Pollution Control charge is implemented, the lost revenue from the agricultural and landscaping sectors is estimated to be in the order of \$50,000 and as such, the Pollution Control rate would be required to increase by 0.2%.

It is important to note that there is the possibility of other business sectors undertaking to make the same argument for consideration of rebates from the Pollution Control charges for their businesses. A review of industries within the Municipality in which a significant proportion of their purchased water supply may not be returned to the municipal sewer systems has been undertaken. These may include such businesses as soft drink bottling plants, fish processing, food manufacturers, bakeries, breweries, milk processors, concrete manufacturing and golf courses.

Any rebate to these businesses or other water users will have an impact on the Pollution Control rate. A preliminary estimate suggests the total rebates for the businesses identified may be in the order of \$500,000. If accurate, this would require an increase of the Pollution Control rate by an additional 2%.

Additionally, staff has received inquiries from the public, requesting consideration for a rebate for water used for residential landscaping and lawn watering, contending that this water similarly is not returned to the sewer. The use of water for landscaping is common for both residential and non residential locations. If landscaping and agricultural businesses are provided a full rebate for water used for this purpose, all other water customers will bear the increased Pollution Control charge for water similarly used, which may be viewed by as an inequity in the billing process.

Any increase in the number of businesses which may qualify for additional rebates will also result in increased administration costs related to metering, processing and billing.

A recent survey of 20 municipalities across Canada indicated that more than half of the municipalities do not permit rebates for reduced wastewater discharge. At the time of this survey, two of the municipalities which currently permit rebates indicated that it was likely that these rebates would be discontinued in the near future.

As such, staff is recommending that Council not amend By-Law S-100 Respecting Sewer Charges and continue to process all requests for rebates according to the provisions in the existing by-law.

Recently, staff from the Halifax Regional Water Commission have advised that the practise of bulk water purchases from designated hydrants will be changed this year, through the construction and use of automated bulk water fill stations. Previously, bulk water haulers were charged an annual permit fee and a consumption rate based on self reporting information. In the past these bulk water sales were not subjected to Pollution Control charges as the understanding was that most of this water was not returned to the Municipality's sewers.

Bulk water sales for the year 2001 totalled an estimated 20,000,000 Imperial Gallons. If the Pollution Control charge had been applied to this amount, then the additional revenue for bulk water sales is estimated at \$50,000.

The HRWC advises that the majority of bulk water sales provides water for rural well recharge, the filling of swimming pools, and construction related activities such as dust control and establishing sod and vegetation cover. It is recognised that some purchased bulk water may return to the municipal storm or sanitary sewer system, however the ability to accurately determine the use of water and the suitability of applying Pollution Control charges for each purchase is not currently available. Given that the HRWC is changing the method of bulk water dispensing, it is appropriate that staff review the billing process for bulk water sales and report to Council upon completion of this review.

BUDGET IMPLICATIONS

There are no budget implications if By-Law S-100 is not amended.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

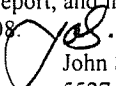
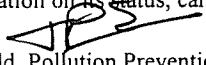
Council may choose to amend By-Law S-100 to exempt from Pollution Control charges, municipal water supply when used for agricultural use or landscaping, or any other business use where the majority of water is not returned to the sewer and where flow separation and/or metering can be achieved.

ATTACHMENTS

None.

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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