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TO:

Corporate Report

NO: R251

COUNCIL DATE: December 1,

2003

REGULAR COUNCIL

Mayor & Council DATE: November 28,

2003

FROM: General Manager, PROJECT 1200-241

Engineering FILE:

SUBJECT: Metering of New Residential Homes – Cost Recovery

RECOMMENDATIONS

- 1. That the cost of supplying and installing meters of size one inch (25 mm) and below for new residential homes be recovered from the developer.
 - 2. That staff bring forward the necessary by-law amendments.

INTENT

To seek Council approval to recover the cost of supplying and installing meters for new single family and duplex residential construction.

DISCUSSION

Under current policies and By-laws, all new building construction is required to be metered.

Prior to 2001, the City supplied all meters smaller than 50mm and applied a meter rental charge of approximately \$1.00 per month to each customer. In 2001, this rental charge was abandoned in favor of having meters over 25mm in size supplied by the consumer while smaller meters, required for most single family and duplex residential construction, supplied by the City at no direct cost to the individual consumer.

With the high levels of development in 2003, it is estimated that the City's Water Utility will spend approximately \$300,000 this year in the supply and installation of small meters for new single-family construction. The cost of supplying these new meters is borne by the utility, therefore – existing users. With the abolition of the meter rental charge in 2001, the rationale for the City to provide small meters for new construction now no longer exists.

We believe that the new consumer should pay for all costs associated with new construction including the cost of the meter. The average cost of supply and installation of a small meter for a single family or duplex residential home is, on average, \$150.

Unlike larger commercial and industrial meters, it is appropriate for the City to continue to supply and install the meter and recover the cost of the meter installation from the consumer to ensure proper installation, ease of long-term maintenance and lower costs associated with one bulk contract for all new residential meters. The fee will be collected at the time of subdivision or building permit.

This new proposed procedure has been presented to the Development Advisory Committee. Concern was expressed by the DAC that this meter cost for new development represents an inequity between new development that has to pay for a meter and existing households who have a retrofit meter paid for by the voluntary water metering program. This concern is understandable; however, the retrofit program is two-thirds funded by the Federal-Provincial infrastructure program. Under the program, this funding assistance cannot be applied to meters for new development. An additional factor is that the cost to provide the meter at \$150 is lower than almost all other municipalities. This policy of charging for meters for new development is also consistent with most other utilities in the Greater Vancouver Regional District which charge new customers between \$225 and \$500 for their new meters.

CONCLUSION

Starting on January 1, 2004, it is recommended that the City's Water Utility recover the cost of the supply and installation of meters for new single family and duplex residential construction at a cost of \$150 per meter.

Paul Ham, P.Eng. General Manager, Engineering

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