MACKENZIE
BRITISH COLUMBIA

2026 Utility Services

Water, Sewer, Garbage

March 23, 2026

AGENDA

- Overview of Utility Services
- Preliminary Reserve Fund Balances
- Water, Sewer, Garbage (Residential & Commercial)
  - Revenue and Expenses
  - Bylaw Rate Increase Scenarios
- Impact of Rate Increases to Customers
- Capital Projects
- Impact of Capital Projects on Reserves
- Next Steps

OVERVIEW OF UTILITY SERVICES

- Funded through user fees
  - Bylaw rates are adopted by council
  - Updated annually
  - Not impacted by property taxes
- Rates increase annually to cover operational costs and transfer to reserve for capital projects and infrastructure replacement/rehabilitation
  - Parcel tax is another option to fund utility services
  - Requires a parcel tax roll review panel
- Provide exemption – cost is subsidized by other users
- Residential customers billed annually on property tax notice
- Commercial customers billed bi-monthly
  - Proposed rates to take effect May 1st

PRELIMINARY RESERVE FUND BALANCES

Reserve Name	Est. Value at Dec 31, 2025
Capital Reserve Funds	
Vehicle & Equipment Replacement *residential garbage truck and carts Annual Transfer to Reserves – funded through user fees $97,540	498,988
Vehicle & Equipment Replacement *commercial garbage truck and carts Annual Transfer to Reserves – funded through user fees $85,517	116,518
Water Capital *capital projects and equipment/systems for water operations Annual Transfer to Reserves – funding through user fees and varies each year	1,181,519
Sewer Capital *capital projects and equipment/systems for sewer operations Annual Transfer to Reserves – funding through user fees and varies each year	1,133,122

PRELIMINARY RESERVE FUND BALANCES

Reserve Name	Est. Value at Dec 31, 2025
Capital Reserve Funds	
Northern Capital Planning Grant *one-time grant from Province of BC *capital and long-term planning purposes	740,994
Growing Communities Fund *one-time grant from Province of BC *capital and long-term planning purposes *April 2023 council approved the funds to be used for critical infrastructure projects such as water and sewer	1,936,995

WATER SERVICES

Revenue

2026 Provisional Budget	2025 Final Budget	Budget Change
981,678	1,000,655	(18,977)

*rate increases not applied in values above

- Decrease in Transfers
  - No carry over operational projects funded by prior year surplus
  - General operating fund not required to subsidize water budget

Expenses

2026 Provisional Budget	2025 Final Budget	Budget Change
983,445	1,000,655	(17,210)

- Decrease in contracted services and materials & supplies
  - One-time projects completed

WATER SERVICES

Rate Increase Scenarios

Residential

Rate Increase	2026 Proposed Bylaw Rate	2025 Bylaw Rate	Change
9%	558.04	511.96	46.08/yr or 3.84/mth
10%	563.16	511.96	51.20/yr or 4.27/mth
11%	568.28	511.96	56.32/yr or 4.69/mth

Commercial

Rate Increase	2026 Proposed Bylaw Rate (minimum charge bi-monthly)	2025 Bylaw Rate (minimum charge bi-monthly)	Change (4 billing cycles) (May – Dec)
9%	83.31	76.43	27.52/yr or 6.88 bi-monthly
10%	84.07	76.43	30.56/yr or 7.64 bi-monthly
11%	84.84	76.43	33.64/yr or 8.41 bi-monthly

WATER SERVICES

Rate Increase Scenarios

Rate Increase	2026 Proposed Annual Transfer to Reserves	2025 Annual Transfer to Reserves	Change
9%	335,809	250,000	85,809
10%	343,874	250,000	93,874
11%	351,938	250,000	101,938

- Increase in transfer to reserve
  - 2025 amount reduced to fund potential operational projects
  - Surplus at end of the year over the optimal level will get approval to move to reserves

Rate Increase	2026 Proposed Revenue	2025 Revenue	Change
9%	1,038,418	1,000,655	37,763
10%	1,046,482	1,000,655	45,827
11%	1,054,546	1,000,655	53,891

SEWER SERVICES

Revenue

2026 Provisional Budget	2025 Final Budget	Budget Change
750,454	743,989	6,465

*rate increases not applied in values above

- Increase in Transfers
  - Carry over operational projects funded by prior year surplus

Expenses

2026 Provisional Budget	2025 Final Budget	Budget Change
750,907	743,989	6,918

- Increase in contracted services
  - Carry over projects not completed in 2025

SEWER SERVICES

Rate Increase Scenarios

Residential

Rate Increase	2026 Proposed Bylaw Rate	2025 Bylaw Rate	Change
9%	348.35	319.59	28.76/yr or 2.40/mth
10%	351.55	319.59	31.96/yr or 2.66/mth
11%	354.74	319.59	35.15/yr or 2.93/mth

Commercial

Rate Increase	2026 Proposed Bylaw Rate (minimum charge bi-monthly)	2025 Bylaw Rate (minimum charge bi-monthly)	Change (4 billing cycles) (May – Dec)
9%	68.99	63.29	22.80/yr or 5.70 bi-monthly
10%	69.62	63.29	25.32/yr or 6.33 bi-monthly
11%	70.25	63.29	27.84/yr or 6.96 bi-monthly

SEWER SERVICES

Rate Increase Scenarios

Rate Increase	2026 Proposed Annual Transfer to Reserves	2025 Annual Transfer to Reserves	Change
9%	285,328	225,000	60,328
10%	290,294	225,000	65,294
11%	295,261	225,000	70,261

- Increase in transfer to reserve
  - 2025 amount reduced to fund potential operational projects
  - Surplus at end of the year over the optimal level will get approval to move to reserves

Rate Increase	2026 Proposed Revenue	2025 Revenue	Change
9%	776,828	743,989	32,839
10%	781,794	743,989	37,805
11%	786,761	743,989	42,772

GARBAGE SERVICES

Residential

Revenue

2026 Provisional Budget	2025 Final Budget	Budget Change
261,215	258,578	2,637

*rate increases not applied in values above

- Increase in Sales of Service/User Fees
  - Based on Nov/Dec 2025 billing usage

Expenses

2026 Provisional Budget	2025 Final Budget	Budget Change
261,125	258,578	2,637

- Increase in wages/benefits
  - Contractual obligations
  - Increased hours for staff training

GARBAGE SERVICES

Rate Increase Scenarios

Residential - Weekly

Rate Increase	2026 Proposed Bylaw Rate	2025 Bylaw Rate	Change
1.5%	215.92	212.73	3.19/yr or 0.27/mth
2.0%	216.98	212.73	4.25/yr or 0.35/mth
2.5%	218.05	212.73	5.32/yr or 0.44/mth

Residential – Bi-Weekly

Rate Increase	2026 Proposed Bylaw Rate	2025 Bylaw Rate	Change
1.5%	182.91	180.21	2.70/yr or 0.23/mth
2.0%	183.81	180.21	3.60/yr or 0.30/mth
2.5%	184.72	180.21	4.51/yr or 0.38/mth

GARBAGE SERVICES

Rate Increase Scenarios

Residential

Rate Increase	2026 Proposed Annual Transfer to Reserves	2025 Annual Transfer to Reserves	Change
1.5%	98,562	105,485	(6,923)
2.0%	99,854	105,485	(5,631)
2.5%	101,145	105,485	(4,340)

- $97,540 base amount for reserves to cover depreciation of truck and bins – any value above is additional funds

Rate Increase	2026 Proposed Revenue	2025 Revenue	Change
1.5%	262,237	258,578	3,659
2.0%	263,528	258,578	4,950
2.5%	264,820	258,578	6,242

GARBAGE SERVICES

Commercial

Revenue

2026 Provisional Budget	2025 Final Budget	Budget Change
245,854	254,005	(8,151)

*rate increases not applied in values above

- Decrease in Sales of Service/User Fees
  - Based on Nov/Dec 2025 billing usage

Expenses

2026 Provisional Budget	2025 Final Budget	Budget Change
257,064	254,005	3,060

- Increase in Collection & Disposal
  - Tipping fee rate increase
  - Bin repairs

GARBAGE SERVICES

Rate Increase Scenarios - Commercial

3-yard bin 1 pickup/week

Rate Increase	2026 Proposed Bylaw Rate (bi-monthly)	2025 Bylaw Rate (bi-monthly)	Change (4 billing cycles) (May – December)
4%	272.54	262.06	41.92/yr or 10.48 bi-monthly
5%	275.16	262.06	52.40/yr or 13.10 bi-monthly
6%	277.78	262.06	62.88/yr or 15.72 bi-monthly

4-yard bin 1 pickup/week

Rate Increase	2026 Proposed Bylaw Rate (bi-monthly)	2025 Bylaw Rate (bi-monthly)	Change 4 billing cycles) (May – December)
4%	329.51	316.84	50.68/yr or 12.67 bi-monthly
5%	332.68	316.84	63.36/yr or 15.84 bi-monthly
6%	335.85	316.84	76.04/yr or 19.01 bi-monthly

GARBAGE SERVICES

Rate Increase Scenarios

Commercial

Rate Increase	2026 Proposed Annual Transfer to Reserves	2025 Annual Transfer to Reserves	Change
4%	85,862	85,802	60
5%	87,501	85,802	1,699
6%	89,141	85,802	3,339

- $85,517 base amount for reserves to cover depreciation of truck and bins – any value above is additional funds

Rate Increase	2026 Proposed Revenue	2025 Revenue	Change
4%	257,410	254,005	3,405
5%	259,049	254,005	5,044
6%	260,688	254,005	6,683

IMPACT TO CUSTOMERS

Impact on the average assessed single-family residence

	2026 (174,544)	2025 (164,900)	Increase
Municipal Property Tax (8%)	1,434.44	1,318.84	115.60
Water (9%)	558.04	511.96	46.08
Sewer (9%)	348.35	319.59	28.76
Garbage Weekly (1.5%)	215.92	212.73	3.19
Total	**2,556.75**	**2,363.12**	**193.63**

Overall increase of 193.63 or 16.14/month

- bi-weekly garbage service would see an increase of 160.62 or 13.39/month

IMPACT TO CUSTOMERS

Impact on the average assessed single-family residence

	2026 (174,544)	2025 (164,900)	Increase
Municipal Property Tax (8%)	1,434.44	1,318.84	115.60
Water (10%)	563.16	511.96	51.20
Sewer (10%)	351.55	319.59	31.96
Garbage Weekly (2.0%)	216.98	212.73	4.25
Total	**2,566.13**	**2,363.12**	**203.01**

Overall increase of 203.01 or 16.92/month

- bi-weekly garbage service would see an increase of 169.84 or 14.15/month

IMPACT TO CUSTOMERS

Impact on the average assessed single-family residence

	2026 (174,544)	2025 (164,900)	Increase
Municipal Property Tax (8%)	1,434.44	1,318.84	115.60
Water (11%)	568.28	511.96	56.32
Sewer (11%)	354.74	319.59	35.15
Garbage Weekly (2.5%)	218.05	212.73	5.32
Total	**2,575.51**	**2,363.12**	**212.39**

Overall increase of 212.39 or 17.70/month

- bi-weekly garbage service would see an increase of 179.06 or 14.92/month

IMPACT TO CUSTOMERS

Impact on the average assessed commercial property

Based on 4 billing cycles for utilities	2026 (471,813)	2025 (449,616)	Increase
Municipal Property Tax-Class 6 (8%)	4,933.37	4,497.74	435.63
Water (9%) Minimum charge bi-monthly	333.24	305.72	27.52
Sewer (9%) Minimum charge bi-monthly	275.96	253.16	22.80
Garbage (4%) 3-yard bin 1 pick up per week Bi-monthly	1,090.16	1,048.24	41.92
Total	**6,632.73**	**6,104.86**	**527.87**

Overall increase of 527.87 or 43.99/month

- 4-yard 1 bin 1 pick up per week would see an increase of 536.63 or 44.72/month

IMPACT TO CUSTOMERS

Impact on the average assessed commercial property

Based on 4 billing cycles for utilities	2026 (471,813)	2025 (449,616)	Increase
Municipal Property Tax-Class 6 (8%)	4,933.37	4,497.74	435.63
Water (10%) Minimum charge bi-monthly	336.28	305.72	30.56
Sewer (10%) Minimum charge bi-monthly	278.48	253.16	25.32
Garbage (5%) 3-yard bin 1 pick up per week Bi-monthly	1,100.64	1,048.24	52.40
Total	**6,648.77**	**6,104.86**	**543.91**

Overall increase of 543.91 or 45.33/month

- 4-yard 1 bin 1 pick up per week would see an increase of 554.87or 46.24/month

IMPACT TO CUSTOMERS

Impact on the average assessed commercial property

Based on 4 billing cycles for utilities	2026 (471,813)	2025 (449,616)	Increase
Municipal Property Tax-Class 6 (8%)	4,933.37	4,497.74	435.63
Water (11%) Minimum charge bi-monthly	339.36	305.72	33.64
Sewer (11%) Minimum charge bi-monthly	281.00	253.16	27.84
Garbage (6%) 3-yard bin 1 pick up per week Bi-monthly	1,111.12	1,048.24	62.88
Total	**6,664.85**	**6,104.86**	**559.99**

Overall increase of 559.99 or 46.67/month

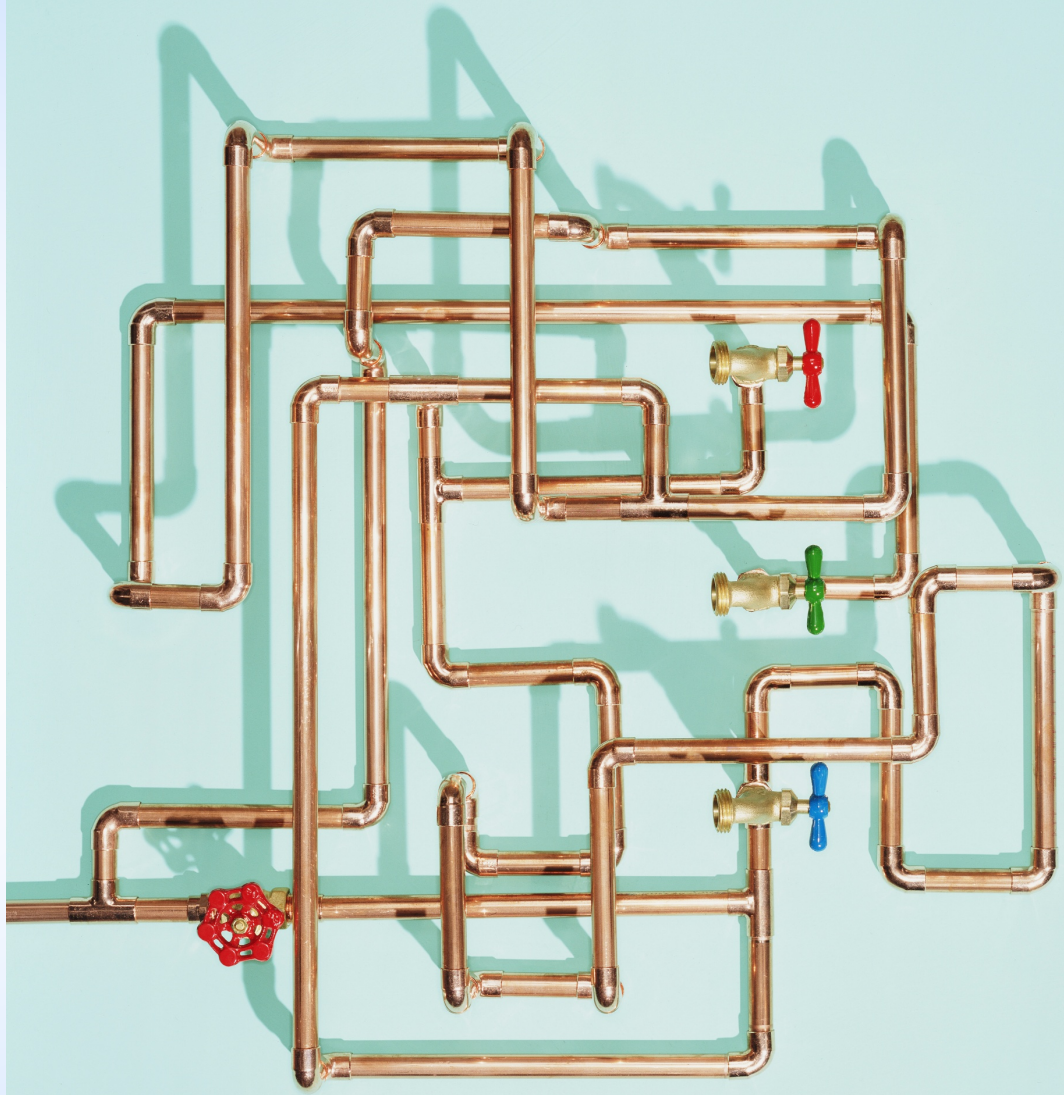
- 4-yard 1 bin 1 pick up per week would see an increase of 573.15 or 47.76/month

CAPITAL PROJECTS

- Focus on aging infrastructure
- Capacity to complete projects
- Infrastructure replacement program being developed
  - merge, prioritize, and optimize water and sewer recommendations
  - determine best project delivery systems
  - provide funding and grant strategy

Funding Sources

- Vehicle & Equipment Replacement Reserve
- Water Reserve
- Sewer Reserve
- Northern Capital Planning Grant Reserve
- Growing Communities Fund Reserve



WATER SERVICES

Proposed 2026 Projects

CARRY OVER PROJECTS

- Gantahaz Water Treatment **Cost:** $170,695
  - Remote monitoring & controls install
  - Contingency not fully allocated
- Pressure Reducing Vaults **Cost:** $255,083
  - Little Cloudmaker

SEWER SERVICES

Proposed 2026 Projects

CARRY OVER PROJECTS

- Lagoon Outfall Chamber **Cost:** $83,200

NEW PROJECTS

- Lagoon Backup Power **Cost:** $70,000

Description:

Install a generator as a back up power source in the event of a power outage

IMPACT OF CAPITAL PROJECTS ON RESERVES

Reserve Name	Est. Value at Dec 31, 2025	2026 Estimated Annual Transfers *	2026 Estimated Allocations to Projects	2026 Estimated Remaining Balance
Capital Reserve Funds				
Vehicle & Equipment Replacement Residential Garbage	498,988	95,540		594,528
Vehicle & Equipment Replacement Commercial Garbage	116,518	85,517		202,035
Water Capital	1,181,519	281,557	(338,118)	1,124,958
Sewer Capital	1,133,122	259,407	(153,200)	1,239,329
Northern Capital & Planning Grant	740,994			740,994
Growing Communities Fund	1,936,995			1,936,995

*budgeted amount before any rate increases are applied

NEXT STEPS

Council provide staff direction on rate increase	Water Sewer Residential Garbage Commercial Garbage
Inform commercial customers of potential rate increases on Jan/Feb 2026 billing	Sent out week of March 9, 2026
Bylaws brought forward to April 13, 2026 regular council meeting	1st three readings
Bylaws included in April 27, 2026 regular council meeting	Adoption

QUESTIONS