

July 31, 2012

City withdraws offer for Area D sewer services

The City of Campbell River has withdrawn its offer to provide sewer services to Area D of the Strathcona Regional District.

“We sent a proposal to Area D last September to see if we could develop an agreement that would be beneficial to both the City and Area D,” explains Councillor Mary Storry, who holds the Council portfolio for utilities and public works. *“We appreciate the amount of effort that has gone into trying to negotiate a mutually beneficial arrangement, and since we’ve been unable to finalize an agreement that would recover all City costs, Council has determined that it’s in the best interest of Campbell River taxpayers to withdraw our offer to provide sewer services for Area D.”*

Based on discussions going back to 2006, the City sent Strathcona Regional District (SRD) a September 2011 proposal to provide liquid waste treatment as part of a draft master service agreement. The agreement also covered transit and water supply, and proposed service costs were comparable for City and Area D residents. Rather than accepting a master service agreement, the SRD requested a separate agreement for each service.

Council wanted to negotiate a fair and equitable contribution from the Strathcona Regional District to provide sewer services to residents of Area D closest to the southern boundary of Campbell River.

“The proposed rates for sewer services took into account that people living in Area D do not pay development cost charges to the City,” Storry says.

Development cost charges are a one-time levy to fund infrastructure upgrades related to new growth. These charges ensure that new development contributes to infrastructure costs, rather than relying on existing property owners to subsidize growth.

“For the City to provide sewer service to Area D, upgrades to the City’s existing sewer system would be required, and it is the City’s view that these costs should be recovered,” Storry explains.

“The citizens of Campbell River support the costs to service City lots with their property taxes. With hundreds of lots ready for development within our boundaries, Council also agreed it would be inappropriate to subsidize development outside the City,” Storry adds. *“With the loss of the industrial tax base and related property tax increases for residents, we are reviewing all existing and potential service agreements.”*

The City of Campbell River and the Strathcona Regional District have an agreement in place for Area D water system maintenance that expires in 2016. The City is in the process of updating bulk water delivery and transit service agreements with Area D.

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