

**Implications of Amending the Fees, Rates and Charges Bylaw 45-2016 to Exempt Multi-Tenant Properties from Private Hydrant Inspection and Maintenance Fees****Report Purpose**

To inform Council on the implications of amending the fees, rates and charges bylaw to exempt multi-tenant properties from paying private hydrant inspection and maintenance fees.

**Motion on the Floor:****2017/ 35**

Moved by: V. Bidzinski

THAT Administration prepare proposed amendments to the Fees, Rates and Charges bylaw 45-2016 so that multi-tenant properties are exempt from the "private hydrant maintenance" annual \$80.00 fee; and that the proposed amendments be brought back to Council by the end of the first quarter of 2017.

**Recommendation**

THAT the motion on the floor be withdrawn or defeated.

**Council History**

February 7, 2017 – Council referred motion 2017/35 to Administration to provide a report to Council on the implications of amending the Fees, Rates and Charges Bylaw 45-2016 to exempt multi-tenant properties from private hydrant maintenance fees; and that Administration review the fee for all multi-tenant facilities, not only multi-family properties, along with rationale for the current fee, Resolution #2017/36.

**Strategic Plan Priority Areas**

**Economy:** n/a

**Governance:** n/a

**Social:** n/a

**Culture:** n/a

**Environment:** n/a

**Other Impacts**

**Policy:** n/a

**Legislative/Legal:** n/a

**Interdepartmental:** Emergency Services, Utilities

**Alternative Options**

Alternative A

That the hydrant fee be modified to indicate that it does not apply to multi-tenant properties.

Alternative B

That the hydrant fee no longer be applied to multi-tenant, commercial and light industrial properties and that the fee be removed from the fees and charges.

**Summary**

In order to protect public safety it is important that hydrants are kept in working order. To meet this objective Utilities conducts spring and fall checks on both public and private

hydrants. In the case of private hydrants this inspection service costs \$80 per hydrant per year. This work is authorized by the Water System Bylaw 16-2016. This practice was adopted in 1997 and has proven effective and efficient in terms of maintaining reliable hydrants to support fire suppression efforts. This report has been prepared on the understanding that Utilities would continue to perform spring and fall inspections and the matter of debate is focused on how the expenses related to this activity are recouped.

Under the current practice the annual hydrant inspection fee and any maintenance and repair work is charged to all private property owners with hydrants on private property. This includes multi-tenant, commercial and light industrial properties; it does not include hydrants located on industrial lands.

In the event a deficiency is discovered on a private hydrant, Utilities notifies the property owner that a repair is required. The property owner has the option to directly coordinate repairs or have Utilities conduct this work on their behalf. In either case the expenses are the responsibility of the land owner.

All water utility customers in Strathcona County pay a fixed charge on utility bills. A portion of this charge goes to fire protection, which pays for fire storage in water reservoirs, fire capacity in water pipes and inspection and maintenance of public fire hydrants. This fee also supports expenses related to utility billing.

A perfect solution does not exist and reasonable arguments can be made to both modify and maintain the current approach. Multi-tenant properties contribute to the public fire protection through the fixed charge and this fact underpins the argument to waive the fee based on an equity perspective. The view to maintain the current approach is based on a private property versus public property perspective. The hydrant is situated on private property and serves to protect private property. It may be important to consider that it is uncommon for a private hydrant to be used to support the suppression of a fire on public property. In contrast it is standard practice to use both private and public hydrants to support response to fires on private property.

Below are some relevant hydrant counts:

- Strathcona County owns 1,746 hydrants.
- In addition, there are 407 multi-tenant, commercial and light industrial hydrants on private property.
- Of the 407 hydrants, there are 171 private hydrants located on multi-tenant residential properties (see Enclosure 1).

The inspection fee for 2017 is \$80 per hydrant per year. For multi-tenant properties the inspection fee represents approximately \$14,000 of revenue. For multi-tenant properties plus commercial and light industrial the inspection fee represents approximately \$33,000 of revenue.

Waiving the annual fee charged to private hydrant owners would result in an increase to the fixed water rate charged to all customers in Sherwood Park, Ardrossan and Josephburg. If Council directs a change Administration recommends no adjustment to the 2017 rate. The rate implication for 2018 would be an extra \$0.05 (multi-tenant only) or \$0.11 (multi-tenant, commercial and light industrial) on the fixed rate.

Private sector inspection fee pricing varies from \$150 to \$400 and it is important to note that these prices are for a single inspection per year. Utilities costs to conduct hydrant inspections also vary and range from \$55 to \$83 per hydrant per year.

It is also important to consider that the cost of the inspection fee is less than potential expenses related to repairing or replacing hydrants. The cost for repairs or replacement will vary based on the deficiency but a range of \$1,000 for a repair to \$15,000 for a replacement is possible. As this infrastructure ages the frequency of both repairs and replacements will increase.

### **Communication Plan**

Letter to multi-tenant properties

### **Enclosure**

1 Map showing multi-tenant hydrant locations