



City of Sumas Request for Council Action

Meeting Date: October 13, 2025

Subject:

Agreement for Services, between the City of Abbotsford and the City of Sumas, to enter into a payment plan for the Excess System Capacity assessed for 2023 & 2024.

Department: Finance

Prepared By: Mollie Bost

Agenda Location:

☐ Public Hearing ☐ Old Business ☒ New Business ☐ Staff Reports

Brief Summary:

During the years of 2023 & 2024, the City of Sumas discharged an excess amount of sewer to the City of Abbotsford. Per the current contract, the City of Abbotsford will evaluate the total amount of discharge accepted each year, and if that amount goes over the contracted amount of Equivalent Residential Units (ERU), then the City of Sumas will be billed for the excess at the current JAMES Plant Development Cost Charge (DCC) rate. The ERU evaluation resulted in an amount owed of \$375,598.65 CAD, which is approximately \$269,191.55 USD.

Due to the large sum owing, the City of Abbotsford has agreed to a payment plan which includes a down payment of \$69,515 CAD to be paid in 2025, and the remainder being paid in three (3) equal payments of \$112,291.25 in June of 2026, 2027 & 2028. The payments include an interest rate of 4.95%, which is the current prime rate in British Columbia, Canada.

The total sum that the City of Sumas will pay to the City of Abbotsford, including interest, is \$406,388.75 CAD (\$291,258.82).

Legal Review: ☒ Reviewed ☐ Not Reviewed ☐ Review Not Required

Staff Recommendation:

Staff is recommending to make a motion to approve the Mayor to sign, and enter into a payment plan agreement with the City of Abbotsford.

Senior Staff Review:

- ☒ Mayor
- ☒ Finance Director
- ☒ City Clerk
- ☐ Public Works Director

Budget Implications:

- ☒ Current Budget
- ☒ New Budget Request
- ☐ Non-Budgetary

AGREEMENT FOR SERVICES

THIS AGREEMENT made the _____ day of September 2025 (hereinafter called the "**Effective Date**").

BETWEEN:

CITY OF ABBOTSFORD

32315 South Fraser Way
Abbotsford, BC V2T 1W7

(hereinafter called the "**Payee**")

AND:

CITY OF SUMAS

433 Cherry Street/PO Box 9
Sumas, WA 98295

(hereinafter called the "**Payor**")

WHEREAS the Payor wishes to enter into a payment plan (the "**Payment Plan**") with the Payee for the repayment of \$375,598.65 Canadian Dollars upon the terms and conditions set out herein to.

THEREFORE, in consideration of the mutual covenants and agreements herein, the parties hereby agree as follows:

1. PURPOSE

This Agreement sets out the terms under which the Payor will pay the outstanding amounts owed to the Payee for 2023 and 2024 system capacity contributions as detailed in Invoice #90093757, attached to this agreement as **Schedule "A"**.

2. CURRENCY, AMOUNT OWED, AND PAYMENT TERMS

- 2.1 All amounts referenced in this Agreement are denominated in lawful money of Canada.
- 2.2 The total amount owed by the Payor to the Payee is \$375,598.65.
- 2.3 The Payor agrees to make a down payment of \$69,515.00 (the "**Down Payment**") to the Payee prior to December 31, 2025. The remaining balance of \$306,083.65 will be paid by the Payor to the Payee in three equal annual payments (the "**Payments**").

3. PAYMENT SCHEDULE AND INTEREST

3.1 The Payor will make the Payments to the Payee in the amount of \$112,291.25 each year by no later than June 30, starting in June 2026 and ending in June 2028. The Payor will charge interest on the Payments of 4.95% per year, calculated on the outstanding balance owed to the Payee. The total interest payable by the Payor to the Payee over the three years is \$30,790.10. The total amount the Payor must pay to the Payee following payment of the Down Payment, including interest, will be \$336,873.75.

3.2 For greater clarity, the Payments will be as follows:

Year	Payment Due	Principal Paid	Interest Paid	Remaining Balance
2025	\$69,515.00	\$69,515.00	\$0	\$306,083.65
2026	\$112,291.25	\$97,140.11	\$15,151.14	\$208,943.54
2026	\$112,291.25	\$101,948.54	\$10,342.71	\$106,995.00
2028	\$112,291.25	\$106,995.00	\$5,296.25	\$0.00

4. PAYMENT METHOD

The Payor shall make the Down Payment and each of the Payments to the Payee in a form as agreed upon by the Parties.

5. LATE PAYMENT

If the Payor does not pay the Down Payment or any of the Payments to the Payee by the deadlines stated above, the Payor must pay a late fee of 1% per month on the amounts overdue, until those overdue amounts are paid in full with interest.

6. ENTIRE AGREEMENT

This Agreement contains the entire agreement between the parties regarding the Payment Plan and supersedes all prior agreements or understandings, whether written or verbal.

7. SEVERABILITY

If any provision of this Agreement is found to be invalid, illegal, or unenforceable by a court of competent jurisdiction, that provision shall be deemed severed from the Agreement, and the remaining provisions shall remain in full force and effect.

8. GOVERNING LAW

Agreement shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the applicable laws of Canada. Any dispute arising out of or relating to this Agreement shall be subject to the exclusive jurisdiction of the courts of British Columbia

9. COUNTERPARTS

This Agreement may be signed in counterparts.

IN WITNESS WHEREOF the parties have executed this Agreement.

SIGNED, SEALED & DELIVERED

in the presence of

[Witness]

CITY OF SUMAS Date

Print name

[Witness]

CITY OF ABBOTSFORD Date

Print name

Schedule "A"



32315 SOUTH FRASER WAY
ABBOTSFORD, BC CANADA V2T 1W7

Contact: FINANCE Phone: (604) 864-5576

Invoice

Number	90093757
Date	06/04/2025
Folio No.	System Capacity Cont
Payment Terms	Due Upon Receipt
Customer No.	101491

1 of 1

Description	Quantity	Unit Price	Amount
System Capacity Contribution -2023	1.0 EA	27,179.03	27,179.03
System Capacity Contribution -2024	1.0 EA	348,419.62	348,419.62
System Capacity Contribution			
*			
Please see the attached calculation.			
*			
Prepared in accordance with Schedule "G" of the Sumas Wastewater Agreement.			
		Total Amount.....	\$ 375,598.65

GST #: 89725 6350 RT0001

Late payment charge: 1% per month 30 days after invoice date.



Number	90093757
Customer No.	101491
Date:	06/04/2025

Amount Due (CAD)\$ 375,598.65

City of Sumas
PO Box BOX 9
SUMAS WA 98295
USA

Please remit this portion with your payment. Payment options: Cash, Cheque or Interac. Credit card for invoices \$5000 or less. No online payments are accepted. Contact Accounts Receivable (604) 864-5576 or accountsreceivable@abbotsford.ca with questions about payments or your account. Cheques should be made payable to the City of Abbotsford.