

## City of Sumas Request for Council Action

Meeting Date: August 25, 2025

**Subject:**

City of Abbotsford: System Capacity Contributions Follow-up Letter, Invoice, & Payment Proposal

Department: Finance

Prepared By: Mollie Bost

**Agenda Location:**

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

**Brief Summary:**

The City of Sumas was notified that in 2023 & 2024, the total system capacity contributions (sewer discharge) to Abbotsford, were in excess of our contractual agreement. Per the agreement each excess "Equivalent Residential Unit" (ERU) will be charged at a rate equal to the current JAMES plan DCC rate.

Attached you will find a letter from the City of Abbotsford, and an invoice for the excess system capacity contributions in the amount of \$375,59865 CAD (≈\$270,145 USD). In consideration of the large amount due, the City of Abbotsford has indicated that they are open to a payment plan with an interest rate equal to the current prime rate in BC, Canada (4.95%).

With the support of the Finance Committee, a payment proposal was developed for Council review, and is also attached to this memo. If Council agrees, with a motion to approve moving forward with the proposal, the proposal can be sent to the City of Abbotsford for their review and approval.

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

**Staff Recommendation:**

Staff is recommending to make a motion to approve moving forward with the payment proposal, to then be presented to the City of Abbotsford.

**Senior Staff Review:**

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

**Budget Implications:**

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



August 1, 2025

File: 5500-01

Sent via email

Sunny Aulakh  
Public Works Director, City of Sumas  
433 Cherry Street  
P.O. Box 9  
Sumas, WA 98295

Dear Mr. Aulakh:

**Re: City of Sumas – Follow up to the recent meeting**

Thank you for meeting with us on June 2<sup>nd</sup>, to discuss the system capacity contribution, surcharge events, and proposed expansion of the growth area in the City of Sumas.

Regarding the system capacity contribution, please find enclosed the invoice we discussed for the System Capacity Charge, in accordance with Schedule G of the Sumas Waste Water Agreement.

We will follow up with you in the near future to discuss amendments to the wording in Schedule G to the Agreement. As we discussed, the current wording is unclear and could lead to the interpretation that capacity should be double-charged. We intend to propose changes to clarify that charges for capacity will only be charged once for each increase in capacity above the ERU threshold existing at that time.

Regarding the surcharge events, we have followed up with an email on June 2<sup>nd</sup> with information that captures seven surcharges since 2021. Please review your records and advise if these events can be mitigated by pumping operations on your end.

Regarding the expansion of the growth area, we understand that the City of Sumas is currently undertaking a study, and a draft will be ready by December of this year. We would appreciate receiving an update on the draft plan when it is available, as we are planning to initiate our Master Plan process in Q4 this year. Your growth projection will provide key data to inform future planning of infrastructure within the City of Abbotsford and our regional wastewater treatment system, and any cost sharing that may be required to support growth.

In the meantime, please let me know if you have any questions.

Yours truly,

*Stella Chiu*

Stella Chiu, P.Eng.  
Director, Utilities Infrastructure

c. Randy Millard, Director of Finance  
Nathan Koning, General Manager, Engineering & Regional Utilities



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
<i>System Capacity Contribution</i> * <i>Please see the attached calculation.</i> * <i>Prepared in accordance with Schedule "G" of the Sumas Wastewater Agreement.</i>			
		Total Amount.....	\$ 375,598.65

GST #: 89725 6350 RT0001

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



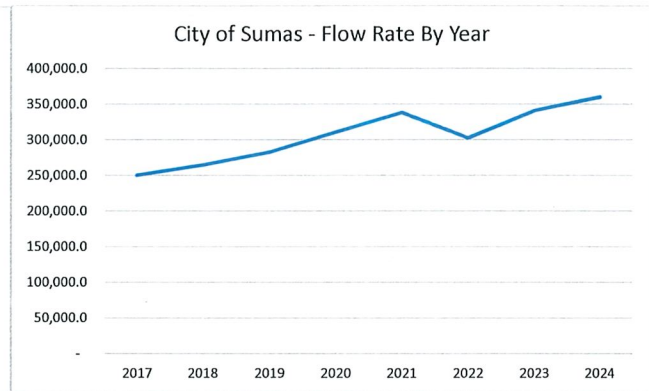
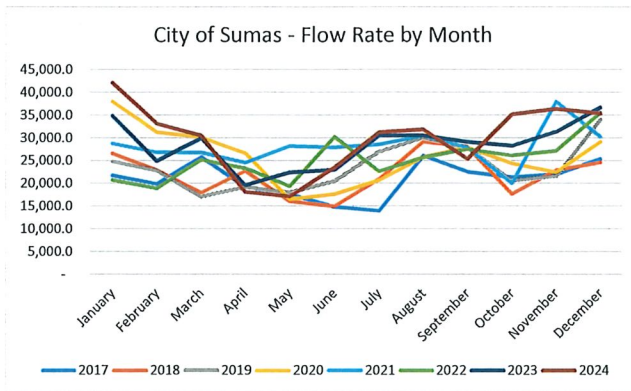
Number 90093757  
Customer No. 101491  
Date: 06/04/2025

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](mailto:accountsreceivable@abbotsford.ca) with questions about payments or your account. Cheques should be made payable to the City of Abbotsford.

City of Sumas System Capacity Contribution Calculation									
	2017	2018	2019	2020	2021	2022	2023	2024	
January	21,819.0	26,638.5	24,801.8	38,055.2	28,835.5	20,815.8	34,886.8	42,169.5	
February	19,927.0	22,974.4	22,793.0	31,288.0	26,838.6	18,989.3	24,953.3	33,215.4	
March	25,820.9	18,051.1	17,087.7	30,165.0	26,811.4	25,215.6	29,955.4	30,551.2	
April	19,261.8	22,785.7	19,149.0	26,722.1	24,610.4	23,376.6	19,626.3	18,168.1	
May	17,647.2	16,110.3	17,994.6	16,554.3	28,217.2	19,433.8	22,438.8	17,200.3	
June	14,895.7	15,018.6	20,467.3	17,720.2	27,956.8	30,269.6	23,009.4	23,565.0	
July	13,997.7	21,008.9	26,910.5	20,751.3	28,583.2	22,699.8	30,514.2	31,258.9	
August	26,128.2	29,232.7	29,986.3	25,819.0	30,509.9	25,759.6	30,548.3	31,856.1	
September	22,572.5	28,112.0	27,994.4	27,941.9	27,919.2	27,554.9	29,144.4	25,442.4	
October	21,390.2	17,740.2	20,580.9	24,443.8	20,075.5	26,145.4	28,266.3	35,197.2	
November	21,971.8	22,929.3	21,553.4	22,527.5	37,999.2	27,167.6	31,325.3	36,415.8	
December	25,430.8	24,667.5	34,034.8	29,166.7	30,274.2	35,612.5	36,722.7	35,392.3	
Total									
Adjusted Flow Meter	250,862.8	265,269.0	283,353.7	311,155.1	338,631.1	303,040.5	341,391.2	360,432.2	
ERU	696.84	736.86	787.09	864.32	940.64	841.78	948.31	1,001.20	
ERU to exceed 944	-	-	-	-	-	-	4.31	52.89	
ERU Threshold	944.00	944.00	944.00	944.00	944.00	944.00	944.00	948.31	
DCC Rate							\$ 6,307.67	\$ 6,587.42	
Amount to be billed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,179.03	\$ 348,419.62	







# CITY OF SUMAS

433 Cherry Street/PO Box 9, Sumas, WA 98295  
P: (360) 988-5711 F: (360) 988-8855

## Payment Plan Proposal

**Re: 2023 & 2024 System Capacity Contributions – Inv #90093757**

**Prepared For:** City of Abbotsford

**Prepared By:** City of Sumas

**Date:** August 21, 2025

### 1. Overview

This proposal outlines a structured payment plan for an outstanding balance of **\$375,598.65 CAD**, with a **down payment of \$69,515 CAD** scheduled for 2025. The remaining balance of **\$306,083.65 CAD** will be paid over **three annual installments**, beginning in **June 2026**, with interest calculated at the current **prime rate of 4.95%** in British Columbia, Canada.

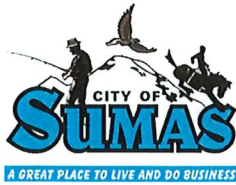
All major components are also shown in **USD equivalents**, using the current exchange rate of **1 CAD = 0.7194 USD**.

### 2. Payment Terms

Component	CAD Amount	USD Equivalent
Total Balance	\$375,598.65	~\$270,145 USD
Down Payment (2025)	\$69,515.00	~\$50,000 USD
Remaining Balance	\$306,083.65	~\$220,145 USD
Interest Rate	4.95% (fixed)	—
Payment Schedule	3 annual payments (June 2026–2028)	—

### 3. Annual Payment Calculation

- **Annual Payment:** \$111,010.91 CAD ≈ **\$79,800 USD**
- **Total Interest Paid Over 3 Years:** ~\$26,949.08 CAD ≈ **\$19,370 USD**
- **Total Paid (2026–2028):** \$333,032.73 CAD ≈ **\$239,400 USD**



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## 4. Payment Schedule

Year	Payment Due (CAD)	Payment Due (USD)	Principal Paid (CAD)	Interest Paid (CAD)	Remaining Balance (CAD)
2025	\$69,515.00	\$50,000.00	—	—	\$306,083.65
2026	\$111,010.91	\$79,800.00	\$95,862.91	\$15,148.00	\$210,220.74
2027	\$111,010.91	\$79,800.00	\$100,589.00	\$10,421.91	\$109,631.74
2028	\$111,010.91	\$79,800.00	\$109,631.74	\$1,379.17	\$0.00

## 5. Notes

- Payments are due annually in June.
- Interest is calculated using the current prime rate and may be subject to change if renegotiated.
- This plan assumes fixed interest and no prepayments.
- Currency conversion is based on the August 2025 exchange rate of **1 CAD = 0.7194 USD** and may fluctuate.