

# City of Kelowna

## Regular Council Meeting

### AGENDA



Monday, April 28, 2025  
9:30 am  
Council Chamber  
City Hall, 1435 Water Street

#### Pages

1. **Call to Order**
2. **Confirmation of Minutes** 2 - 3  
Regular AM Meeting - April 14, 2025
3. **Reports**
  - 3.1 **Stormwater Utility Principles for Implementation** 30 m 4 - 36  
To consider principles for implementation to support the transition of stormwater funding to a mix of user fees and taxation.
4. **Resolution Closing the Meeting to the Public**  
THAT this meeting be closed to the public pursuant to Section 90(1) (e) (i) of the Community Charter for Council to deal with matters relating to the following:
  - Acquisition of Land
  - Legal Advice
5. **Adjourn to Closed Session**
6. **Reconvene to Open Session**
7. **Termination**



**City of Kelowna  
Regular Council Meeting  
Minutes**

Date: Monday, April 14, 2025  
 Location: Council Chamber  
 City Hall, 1435 Water Street

Members Present Mayor Tom Dyas, Councillors Ron Cannan, Maxine DeHart, Charlie Hodge, Gord Lovegrove, Mohini Singh, Rick Webber and Loyal Wooldridge

Members Participating Remotely Councillor Luke Stack

Staff Present City Manager, Doug Gilchrist\*; City Clerk, Laura Bentley\*; Divisional Director, Planning, Climate Sustainability and Development Services Ryan Smith\*; Development Planning Department Manager, Nola Kilmartin\*; Acting Development Planning Manager, Adam Cseke\*; Planner Specialist, Mark Tanner\*

Staff Participating Remotely Legislative Coordinator (Confidential), Arlene McClelland\*

(\* Denotes partial attendance)

**1. Call to Order**

Mayor Dyas called the meeting to order at 8:30 a.m.

**2. Confirmation of Minutes**

Moved By Councillor Wooldridge/Seconded By Councillor Lovegrove

THAT the Minutes of the Regular AM Meeting of April 7, 2025 be confirmed as circulated.

**Carried**

**3. Reports**

**3.1 Building Podium Regulations**

Staff:

- Displayed a PowerPoint Presentation.
- Spoke to current building podium policies, guidelines, and requirements
- Spoke to the building podium design Guidelines within the Official Community Plan and Zoning Bylaw regulations.
- Commented that building podiums are a necessary design feature of tower-form buildings.
- Responded to questions from Council.

Moved By Councillor Wooldridge/Seconded By Councillor Hodge

THAT Council receives, for information, the Report from the Development Planning Department, dated April 14, 2025, related to building podium regulations.

**Carried**

**4. Resolution Closing the Meeting to the Public**

Moved By Councillor Lovegrove/Seconded By Councillor Wooldridge

THAT this meeting be closed to the public pursuant to Section 90(1) (a) (c) (f) (k) and Section 90(2) (b) of the Community Charter for Council to deal with matters relating to the following:

- Personal Information regarding Officer Appointment
- Employee Relations
- Law Enforcement
- Proposed Provision of a Municipal Service
- Confidential Information from Federal and Provincial Governments

**Carried**

**5. Adjourn to Closed Session**

The meeting adjourned to a closed session at 9:24 a.m.

**6. Reconvene to Open Session**

The meeting reconvened to an open session at 12:10 p.m. without the City Manager or City Clerk in attendance.

**7. Termination**

The meeting was declared terminated at 12:10 p.m.

\_\_\_\_\_  
Mayor Dyas

lb/acm

\_\_\_\_\_  


City Clerk

# Report to Council



**Date:** April 28, 2025  
**To:** Council  
**From:** City Manager  
**Subject:** Draft Stormwater Utility Principles for Implementation  
**Department:** Utility Services

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## **Recommendation:**

THAT Council receives for information the Report from the Utility Services Department dated April 28, 2025, related to Draft Stormwater Utility Principles for Implementation;

AND THAT Council directs staff to prepare a finalized report on Stormwater Utility Principles for Implementation and report back to Council with recommendations.

## **Purpose:**

To consider principles for implementation to support the transition of stormwater funding to a mix of user fees and taxation.

## **Council Priority Alignment:**

Climate & Environment

## **Background:**

In line with the City core value of “innovate to make things better”, staff are investigating a fit-for-Kelowna solution that provides opportunities to incentivize property owners to better meet the City’s stormwater management goals. With around 80% of impervious (i.e., hard) surfaces in Kelowna on private property, encouraging responsible stormwater practices among property owners would address a critical gap in the City’s stormwater management efforts. Staff are looking at the creation of a stormwater utility funding model to help facilitate some of these strategies.

The adoption of stormwater utilities by other Canadian cities demonstrates a viable path forward to ensure a dedicated, non-property taxation revenue structure that is based on user impact to stormwater management services. Funding stormwater on a utility basis provides flexibility to improve our stormwater practices into the future.

This strategy does not require new taxation. It is intended to be a shift from property tax, based on assessed value, to user fees and credits based on a property's impact on the stormwater system. This initiative isn't just about addressing challenges, it's about creating a legacy of responsible stewardship and resilience which is equitably assigned.

This multi-year project includes three phases that provide staff and Council multiple opportunities to respond to community feedback before committing to any funding strategy changes. This report outlines the results of Phase 2: Alignment with community values, with a look forward to Phase 3: Implementation and change management.

On [September 25, 2023](#) (Item 5.4), Council received a report from Utility Services outlining the development of five drivers to be considered when examining any potential funding framework changes. These drivers (Figure 1) were used to evaluate multiple stormwater utility rate structures in search of a fit-for-Kelowna solution. Staff returned to Council on [November 18, 2024](#) (Item 4.8), to propose a preferred rate structure option based on public engagement feedback, the tiered-equivalent rate structure. Feedback from Council during the same presentation resulted in the addition of "Full Transparency" as a sixth decision-making driver for future phases.

Figure 1: Stormwater funding decision-making drivers



In addition, these drivers and the concept of a stormwater user fee align with the ongoing development of the City's Fees and Charges Policy recently presented to Council.

With clarification on the preferred rate structure option, Council directed staff to return in a workshop format with Principles for Implementation.

*Previous Council Resolution*

Resolution	Date
AND THAT, future public engagement on a potential stormwater utility be based on rate structure options 4 and 5 as presented in this Report.	September 25, 2023
AND THAT Council direct staff to prepare principles for bylaw development that align with the tiered equivalent rate structure option as presented in the report from Utility Services dated November 18, 2024;	November 18, 2024

### Discussion:

Transitioning from property tax-based funding to a user-fee model based on imperviousness aims to establish a billing structure that aligns with the factors that contribute to stormwater runoff quantity and quality. This approach aligns with Kelowna's broader plans, such as the Water Security Plan. It also introduces incentives for meaningful private property behaviour change. Draft principles for consideration are outlined below. These principles can be used to guide actions and decisions during the development and implementation of the proposed stormwater fee structure.

1. **A Kelowna-specific vision for stormwater management can drive change for Water Security:** Moving to a stormwater user-fee model provides a means of empowering and incentivizing property owners to better meet the City's unique stormwater management needs, supporting a culture and legacy of responsible water resource protection.
2. **Incentive programs should be attractive and focus on stormwater quality:** A well-structured credit program empowers property owners to mitigate stormwater impacts and aligns with broader *Water Security* goals.
3. **Ensure billing classes align with concepts of fairness and equity:** Finalizing property classifications to ensure contributions reflect actual stormwater impacts.
4. **Impacts to tax-exempt properties should be considered:** Developing tailored exemptions, credits, or phased implementation plans for agricultural and tax-exempt properties ensures balance while encouraging best practices.
5. **Streamline administration to reduce resourcing requirements:** Integrating stormwater fees into existing systems reduces administrative complexity, leveraging automation for efficiency.

### Conclusion:

Staff have prepared draft Stormwater Utility Principles for Implementation. These principles align with multiple Council and corporate objectives, with especially strong alignment with the Water Security Plan. Should Council wish to proceed, staff will prepare a finalized report on Stormwater Utility Principles for Implementation and report back to Council with recommendations.

### Internal Circulation:

Communications  
Financial Planning  
Revenue

### Considerations applicable to this report:

#### ***Legal/Statutory Authority:***

The user-fee model outlined in previous reports to Council is the best funding option if the fee is to be based on impermeable area and implement a supporting credit system. Financial incentives to support effective stormwater management on private property cannot be readily used with property tax funding.

***Consultation and Engagement:***

Should Council wish to continue with Phase 3 (Implementation and Change Management), targeted engagement with industrial, commercial, institutional, higher density residential, agricultural, and tax-exempt property owners/interest groups will occur. The objective of this engagement will be to inform the development of the planned credit and incentive programs and consider implementation strategies that will lessen impacts to tax exempt and agricultural properties. This engagement would occur after staff brings back the Report on Stormwater Utility Principles for Implementation.

***Communications Comments:***

Should Council resolve to adopt the final Stormwater Utility Principles for Implementation, the Get Involved Kelowna project webpage will be updated to include these principles and outline next steps. The existing Get Involved Kelowna webpage will also be used to host resources for the targeted engagement in Phase 3.

***Financial/Budgetary Considerations:***

Should staff return with a finalized report on Stormwater Utility Principles for Implementation, staff will recommend approving phase 3 budget, at that time.

To support the administration of the stormwater user fee and credit program, annual administration costs are estimated at \$200K. If Council proceeds with implementation, these ongoing costs would be introduced in the Preliminary 2026 Financial Plan.

The City plans to offer financial incentives, such as credits, to properties that reduce their impact on the stormwater system. To offset the revenue loss from the credit program an additional long-term budget item will be required once implemented. This budget will be equivalent to approximately 10% of annual revenue and funded by stormwater fees.

If Council proceeds with implementation, there will still be years where stormwater fee revenues would be assisted by general taxation. This tax assistance will reduce the necessity for large reserves and smooth out periods of increased capital costs when large, transformative stormwater management and flood protection projects occur (e.g., Mill-to-Mission Creek Diversion upgrades completed in 2024).

**Considerations not applicable to this report:**

***Legal/Statutory Procedural Requirements:***

***Existing Policy:***

Submitted by: J. Hager, Design Technician

Reviewed by: K. Van Vliet, Manager, Utility Services

Approved for inclusion: M. Logan, General Manager, Infrastructure





# Stormwater Utility Principles for Implementation Council Workshop

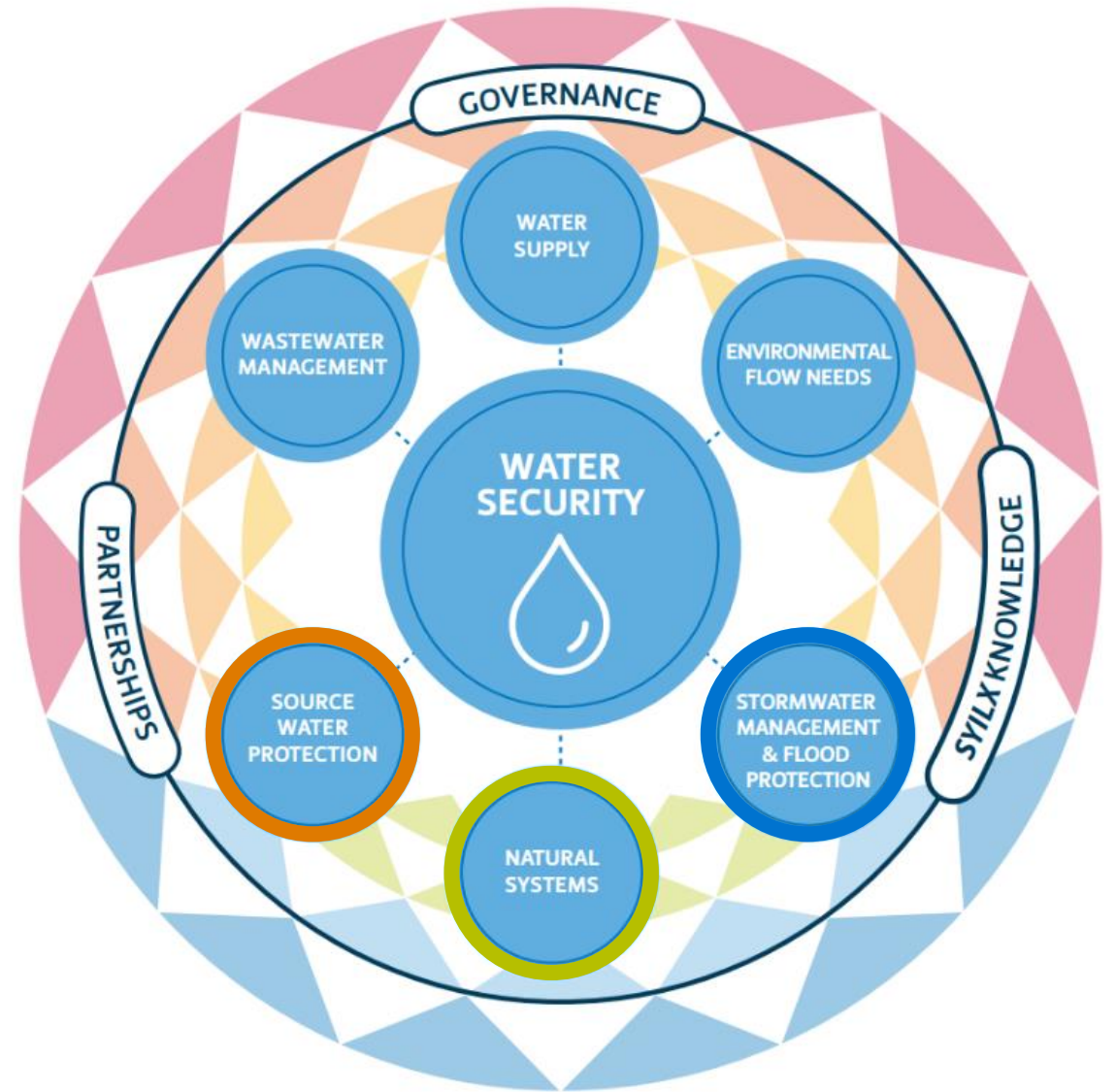
April 28, 2025



# Water Security Plan

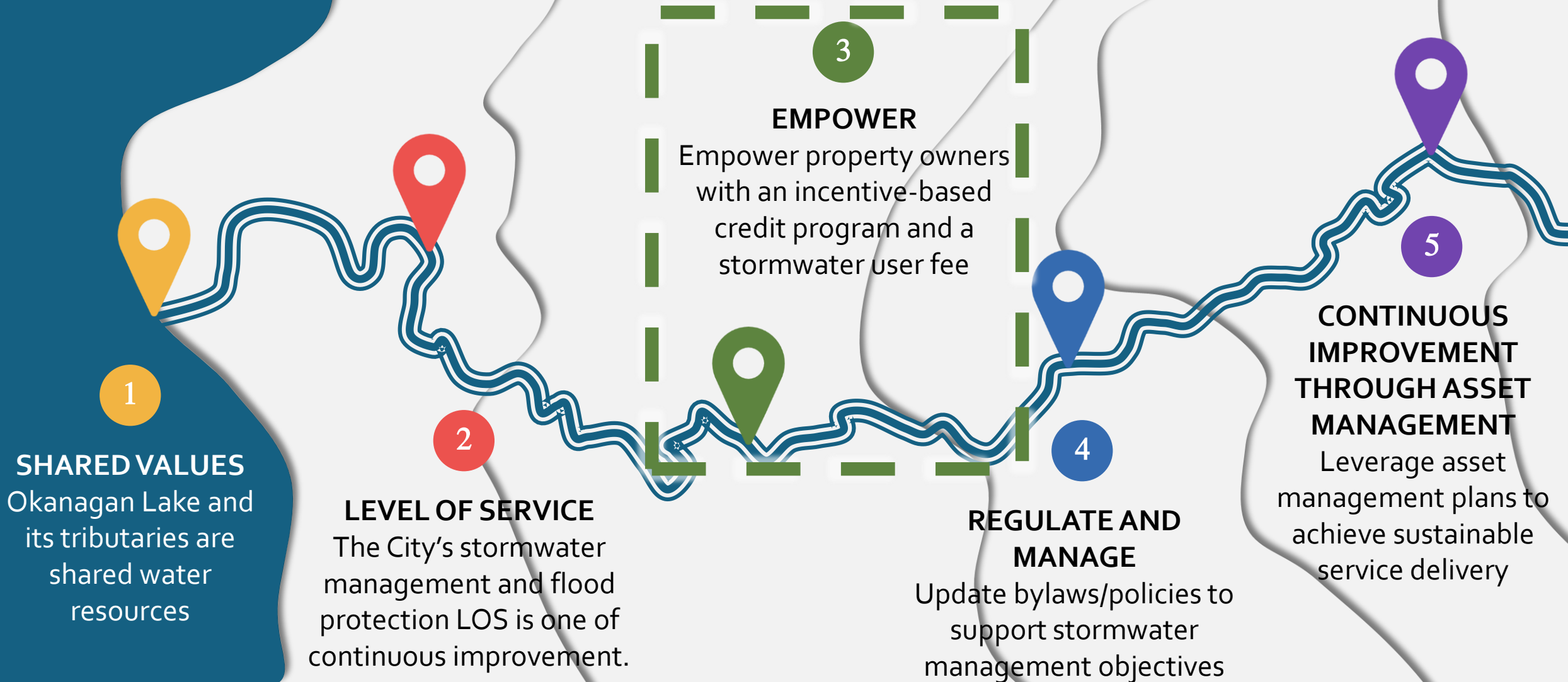
**Principle 3:** “Stormwater is effectively managed without negatively impacting riparian areas, infrastructure, property, or Okanagan Lake.”

**Principle 4:** “The community is resilient to lake and creek flooding.”



*The six water sectors outlined in the City's Water Security Plan*

# ROADMAP TO EFFECTIVE STORMWATER MANAGEMENT AND FLOOD PROTECTION



# Agenda

- Background and process
- Draft guiding principles
- Implementation timeline
- How will we communicate?
- Financial/budgetary considerations
- Conclusion & next steps

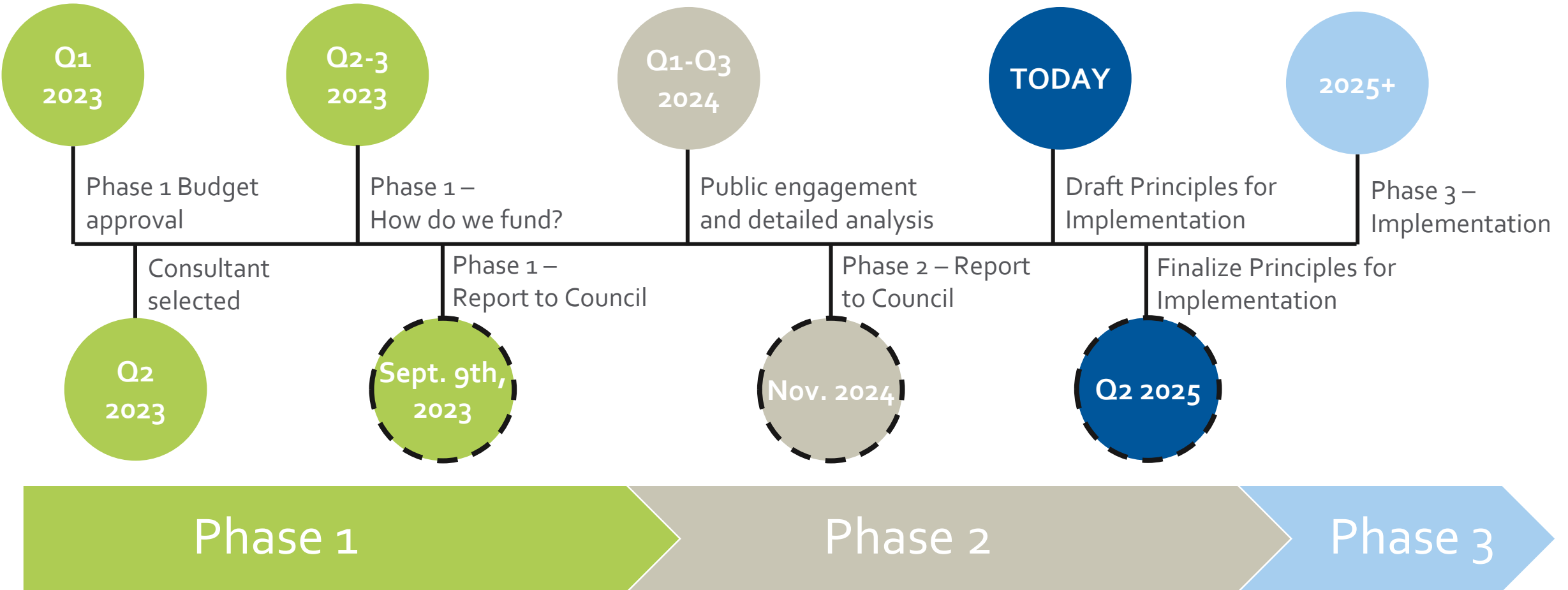


# Purpose

To facilitate a Council workshop on principles for implementation to support the transition of stormwater funding to a mix of user fees and taxation.



# Phased approach



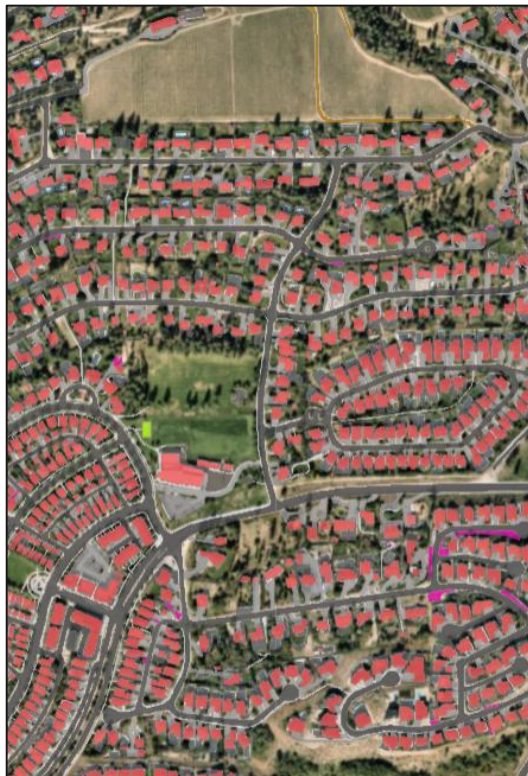
 Council decision opportunities



# Imperviousness



Rural  
Southeast  
Kelowna



Suburban  
Kettle Valley



Fully urbanized  
Midtown Urban  
Centre

**80% OF IMPERVIOUS  
AREAS IN THE CITY ARE  
ON PRIVATE PROPERTY**

Focus of the  
proposed credit  
program

# Decision-making drivers



*"This is about how we fund, not what we fund."*



# Lessons from other municipalities

The dedicated stormwater utility fee has helped create significant **improvements to flood protection and asset management programs** for stormwater infrastructure.

-Saskatoon, SK



















Greatest benefits include **consistent, predictable and dedicated** funding for drainage projects.

-Surrey, BC

Enables long-term strategic funding capital objectives, and the shift to proactive O&M practices, **enhancing customer service.**

- Kitchener, ON

# Stormwater rate structure options

Stormwater Funding Model	Single Family Residential	Multi-residential (2-6 units)	ICI <sup>a</sup> and large multi-res <sup>b</sup>	Drivers					
				Protect Okanagan Lake	Promote good private SW practices	Predictable funding	Fair and equitable	Simple to administer	Transparent
EQUIVALENT	Average residential impervious area		Measured impervious area and credit program						
PROPORTIONAL	Average SFU <sup>c</sup> impervious area	Average multi-res impervious area							
TIERED-EQUIVALENT	Small, medium, and large tiers based on impervious area								

<sup>a</sup> ICI: Industrial, commercial and institutional land uses. <sup>b</sup> Multi-res includes lots and stratas with > 6 units. <sup>c</sup> SFU: Single-family unit

<sup>a</sup> ICI: Industrial, commercial and institutional land uses. <sup>b</sup> Multi-res includes lots and stratas with > 6 units. <sup>c</sup> SFU: Single-family unit

ADDED TO ADDRESS COMMUNITY FEEDBACK



# This is a tax shift

- ▶ Property owners have always contributed to funding stormwater management services through general taxation.
- ▶ A shift to a stormwater user fee allows for structural change, even without additional overall user cost.
- ▶ Current annual revenue of **\$4.1M for core business**, including operations and renewal.
- ▶ Annual financial needs beyond \$4.1M continue to be covered by taxation – *Partial cost recovery*<sup>a</sup>

<sup>a</sup> *Partial cost recovery* from the draft Council policy on Fees and Charges.





# Properties with 6 or fewer units

- Group into 3 tiers based on impervious area:
  - Small -  $<234\text{ m}^2$
  - Medium - standard-sized
  - Large -  $\geq 474\text{ m}^2$
- Accounts for 83% of parcels



Category	Medium low density residential	Large low density residential
Impervious area	323 m <sup>2</sup>	561 m <sup>2</sup>
Assessed value	\$1,793,000	\$4,176,000
Residential units	1	4
Current tax/reserves	\$66 (\$66/unit)	\$230 (\$58/unit)
Tiered-Eq. rate	\$58 (\$58/unit)	\$99 (\$25/unit)

# I/C/I and higher-density residential

- Fees based on actual site imperviousness.
- Target of the credit program.
- 16% of lots account for 60% of imperviousness.



Category	Industrial	Mixed use
Impervious area	18,150 m <sup>2</sup>	2,045 m <sup>2</sup>
Assessed value	\$15,803,000	\$75,210,000
Residential units	0	60
Current tax/reserves	\$2,142	\$4,453 (\$74/unit)
ICI rate	\$2,957	\$333 (\$6/unit)

# Draft principles for implementation

1. A Kelowna-specific vision for stormwater management can drive change for *Water Security*.
2. Incentive programs should be attractive and focus on stormwater quality.
3. Ensure billing classes align with concepts of fairness and equity.
4. Impacts to tax-exempt properties should be considered.
5. Streamline administration to reduce resourcing requirements.



# 1. A Kelowna-specific vision for stormwater management can drive change for *Water Security*.

Moving to a stormwater user-fee model provides a means of empowering and incentivizing property owners to better meet the City's unique stormwater management needs, supporting a culture and legacy of responsible water resource protection.



## 1. A Kelowna-specific vision for stormwater management can drive change for Water Security.

- As urban growth accelerates, so do its effects on our water resources.
- A dedicated, predictable funding source builds stability, and supports consistent progress, even without extra revenue.
- Alignment with other initiatives:
  - Water Security Plan
  - 2040 Official Community Plan
  - Council Priorities 2023-2026



*Constructed stormwater wetland on Gopher Creek.*



## 2. Incentive programs should be attractive and focus on stormwater quality.

A well-structured credit program empowers property owners to mitigate stormwater impacts and aligns with broader *Water Security* goals.

 Protect

 Predictable

 Fair/Equitable

 Empower

 Simple

 Transparent



## 2. Incentive programs should be attractive and focus on stormwater quality.

- An opportunity to empower property owners to minimize impacts on creeks, wetlands and Okanagan Lake.
- 80% of impervious area is on private property.
- Focus the credit program on stormwater quality.
- User fees are the best legal option to incentivize on-site stormwater management.



*On-site stormwater management facility at UBC-O.*





### 3. Ensure billing classes align with concepts of fairness and equity.

Finalizing property classifications to ensure contributions reflect actual stormwater impacts.



Protect



Predictable



Fair/Equitable



Empower



Simple



Transparent

### 3. Ensure billing classes align with concepts of fairness and equity.

- There is no correlation between assessed value and impervious area.
- Contributions align with actual stormwater impacts.
- Shift toward a user-pay framework like water and wastewater services.



*Green infrastructure in Modern Pl.*



## 4. Impacts to tax-exempt properties should be considered.

Developing tailored exemptions, credits, or phased implementation plans for agricultural and tax-exempt properties ensures balance while encouraging best practices.





#### 4. Impacts to tax-exempt properties should be considered.

- Tax exempt properties benefit from stormwater management services, but do not contribute via taxation.
- When serviced, tax exempt properties pay water and wastewater fees.
- Tailored exemptions, credits, or phased implementation plans can limit impacts from change.



*A fruit packing facility within the Agricultural Land Reserve*

## 5. Streamline administration to reduce resourcing requirements.

Integrating stormwater fees into existing systems reduces administrative complexity, leveraging automation for efficiency.



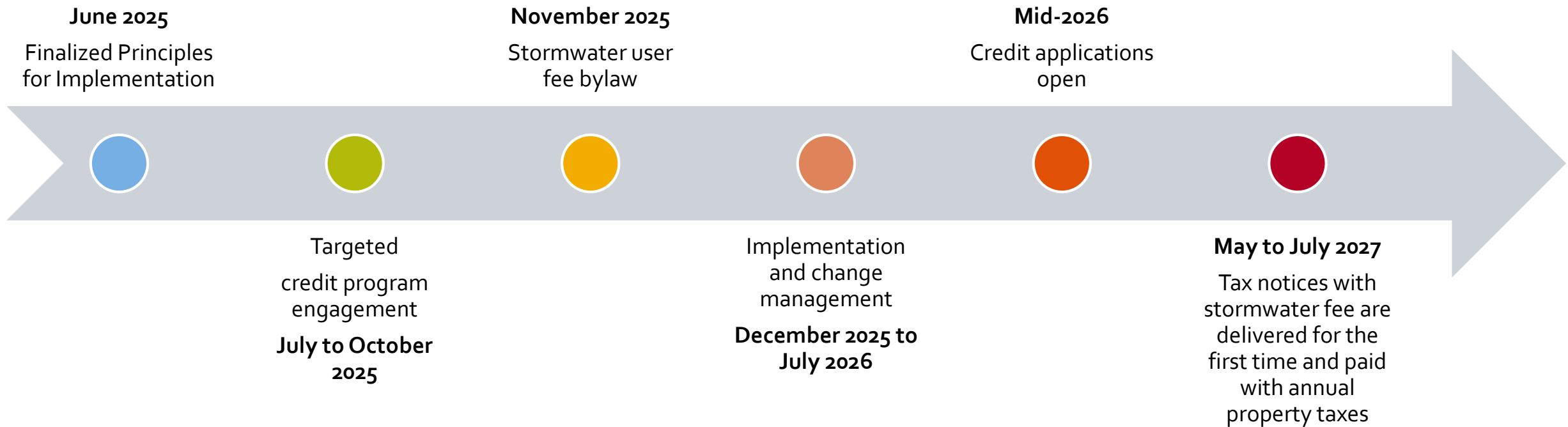
## 5. Streamline administration to reduce resourcing requirements.

- Existing systems will be leveraged to streamline administration.
- Tax notices will be used to avoid creating a new physical/online billing list.
- Online resources, FAQs in tax inserts, and AI chatbots can be leveraged.
- Automated online process for the credit program.

TAX PAYMENT AND HOME OWNER GRANT DUE DATE: TUESDAY JULY 2, 2024	
<p>A 10% penalty will be applied to any outstanding amounts (including outstanding Home Owner Grants) after the due date, as per Provincial Legislation.</p>	
<b>HOME OWNER GRANT INFORMATION</b>	<b>PROVINCIAL TAX DEFERMENT PROGRAM</b>
<p>The City of Kelowna no longer accepts Home Owner Grant applications. Home Owner Grants must be claimed through the Province of BC:</p> <ul style="list-style-type: none"><li>• Online: <a href="https://gov.bc.ca/homeownergrant">gov.bc.ca/homeownergrant</a></li><li>• By phone: 1-888-355-2700</li></ul> <p>Do I qualify?</p> <p>To qualify for the grant:</p> <ul style="list-style-type: none"><li>• You Must<ul style="list-style-type: none"><li>◦ Be the <u>Registered Owner</u> of the Residence (or a spouse or relative of the deceased owner)</li><li>◦ Be a <u>Canadian Citizen</u> or <u>Permanent Resident</u> of Canada</li><li>◦ <u>Live in BC</u></li><li>◦ Occupy property as your <u>Principal Residence</u></li></ul></li></ul>	<p>The Province of BC offers property tax deferral programs by online application only. For more information, including eligibility requirements, please contact the Province of BC:</p> <ul style="list-style-type: none"><li>• Online: <a href="https://gov.bc.ca/propertytaxdeferral">gov.bc.ca/propertytaxdeferral</a></li><li>• By phone: 1-888-355-2700</li></ul> <p><b>IMPORTANT:</b> Any utility service charges that appear on your tax notice are <b>NON-DEFERRABLE</b>. It is your responsibility to make this payment to the City of Kelowna before the tax due date.</p> <p>The Home Owner Grant must be claimed by the tax due date, if eligible, as this amount is also <b>NON-DEFERRABLE</b>.</p>
<b>PAYMENT OPTIONS</b>	<b>CHANGE OF OWNERSHIP</b>
<p><b>ONLINE BANKING:</b> Search "Kelowna" as the payee, choose taxes, and use your folio number as your account number, omitting the decimal point, but including every number. Allow sufficient time for bank processing. If you have sold your property or changed location, update the account number through your online banking as folio numbers are attached to the property; otherwise, you may pay someone else's account.</p> <p><b>CANADA POST:</b> Allow sufficient time for mail delivery. Postmarks are not considered as date of payment.</p> <p><b>CITY HALL:</b> A drop box is located at the Water Street entrance. Make cheques payable to "City of Kelowna" and include your folio number. Post-dated cheques are accepted.</p> <p><b>IF YOUR TAXES ARE PAID BY A MORTGAGE CO., BANK OR OTHER AGENT:</b> Your Home Owner Grant, if applicable, must be claimed on time to avoid penalties.</p> <p><b>PRE-AUTHORIZED WITHDRAWAL SYSTEM (PAWS):</b> The City offers a pre-authorized pre-payment plan for taxes. Payments are withdrawn from your bank account monthly on the 10th of each month except for June. The taxpayer is responsible for making the final payment and, if eligible, claiming a Home Owner Grant on time to avoid penalties.</p>	<p>If you no longer own this property, you may forward this notice to the new owner or return it to the City of Kelowna.</p> <p><b>MAILING ADDRESS CHANGES</b></p> <p>If your mailing address has changed, notify the BC Assessment Authority at <a href="https://bcassessment.ca">bcassessment.ca</a> or 1-866-835-8322</p> <p><b>INTEREST ON ARREARS AND DELINQUENT TAXES</b></p> <p>Interest is charged on the outstanding amounts of arrears and delinquent taxes at the prevailing rate from Jan. 3 of this year to the date payment is received. For convenience, interest shown on this notice has been calculated to the tax due date. The interest rate is set by the Province of BC.</p> <p><b>DELINQUENT TAXES</b></p> <p>If there are delinquent taxes outstanding (as shown on the front of this notice), this property will be subject to tax sale on the last Monday in September at 10 a.m. If the delinquent taxes with interest are received at City Hall prior to tax sale, the property will not be sold.</p>
<p>City of Kelowna, Revenue Branch, 1435 Water Street, Kelowna BC V1Y 1J4 Phone: 250-469-8757 Email: <a href="mailto:revenue@kelowna.ca">revenue@kelowna.ca</a></p>	
<b>REMINDER - IMPORTANT INFORMATION</b>	
<p>HOME OWNER GRANTS MUST BE CLAIMED THROUGH THE PROVINCE OF BC BY VISITING <a href="https://gov.bc.ca/homeownergrant">GOV.BC.CA/HOMEOWNERGRANT</a> OR CALLING 1-888-355-2700.</p> <p>YOUR PROPERTY TAX PAYMENT MUST BE RECEIVED AT THE CITY OF KELOWNA THROUGH ONE OF THE PAYMENT OPTIONS OUTLINED ABOVE.</p> <p>DO BOTH BY JULY 2, 2024 TO AVOID THE 10% LATE PENALTY.</p> <p>We are provincially legislated to apply a 10% penalty to all unclaimed Home Owner Grants and unpaid tax amounts after the property tax due date. <u>Under no circumstances can this penalty be waived.</u></p> <p>PAYMENT REMITTANCE STUB ONLY - THIS IS NOT A HOME OWNER GRANT APPLICATION</p>	

*The first tax notice to include stormwater fees will address FAQs in the tax insert.*

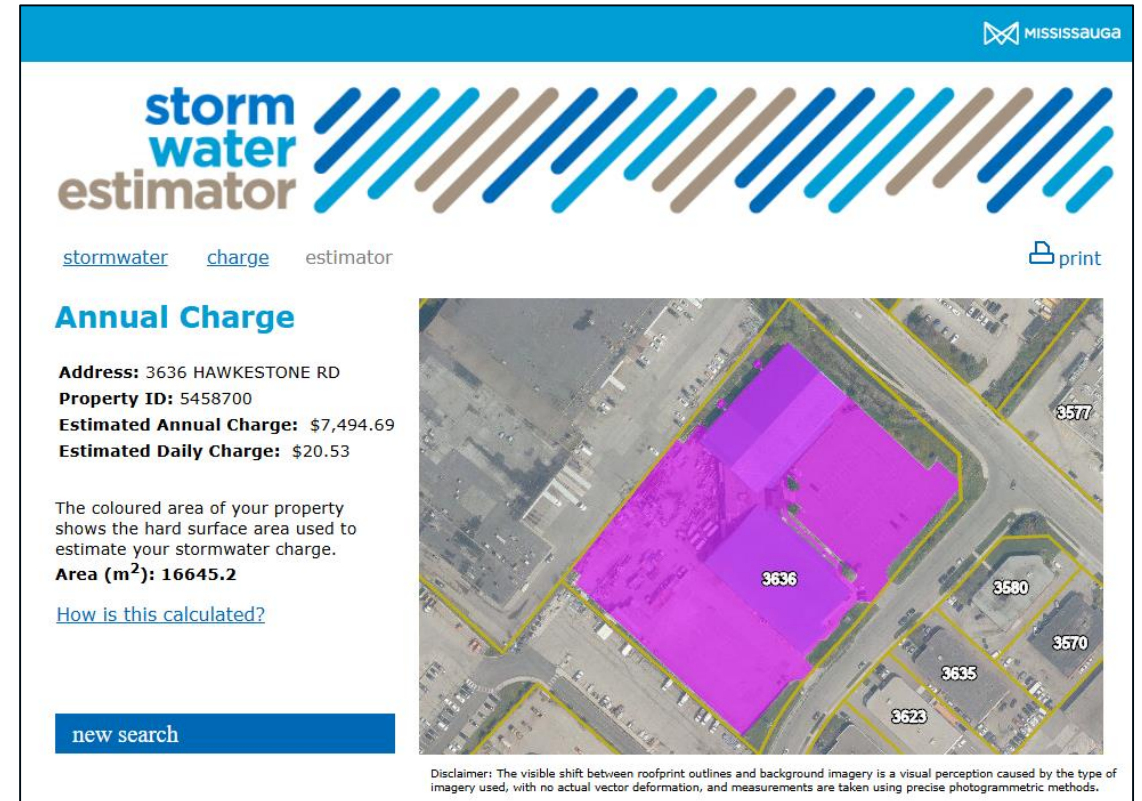
# Phase 3 – Implementation timeline





# How will we communicate the shift?

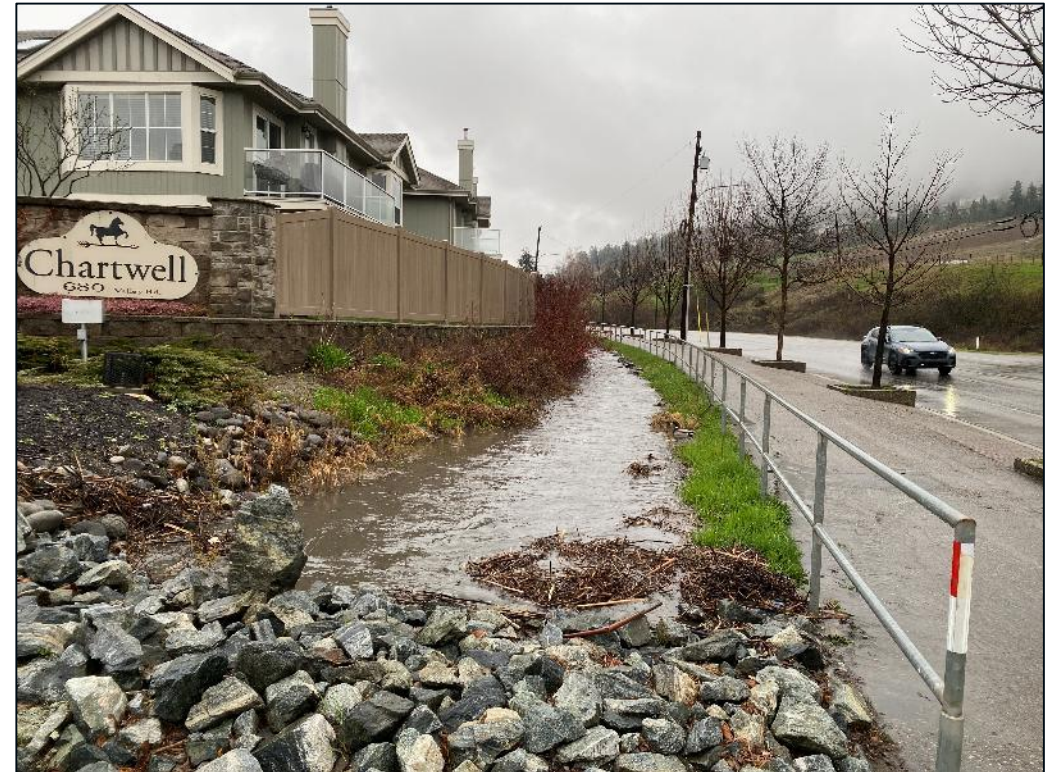
- **Pre-implementation (2025-2026)**
  - Targeted engagement with ICI, higher-density residential, tax exempt, and ag. landowners.
  - Status updates on the Get Involved project webpage.
- **Implementation (2027+)**
  - First year tax notices will include FAQs related to the change.
  - Online AI chatbot to answer the most common questions.
  - Online stormwater fee estimator.



*Municipalities like Mississauga have developed online tools to communicate their switch to a stormwater utility.*

# Financial/budgetary considerations

1. **Phase 3 estimate: \$165K**
  - Includes startup costs, engagement, and support for Comm's and Revenue.
  - **When?** Budget amendment in 2025.
2. **Annual administrative costs: \$200K**
  - To support Utility Services, Financial Services, GIS, and credit program management.
  - **When?** 2026 Preliminary Financial Plan
3. **Credit program costs: 10% of revenue**
  - To offset revenue loss from the credit program.
  - **When?** 2027 onward

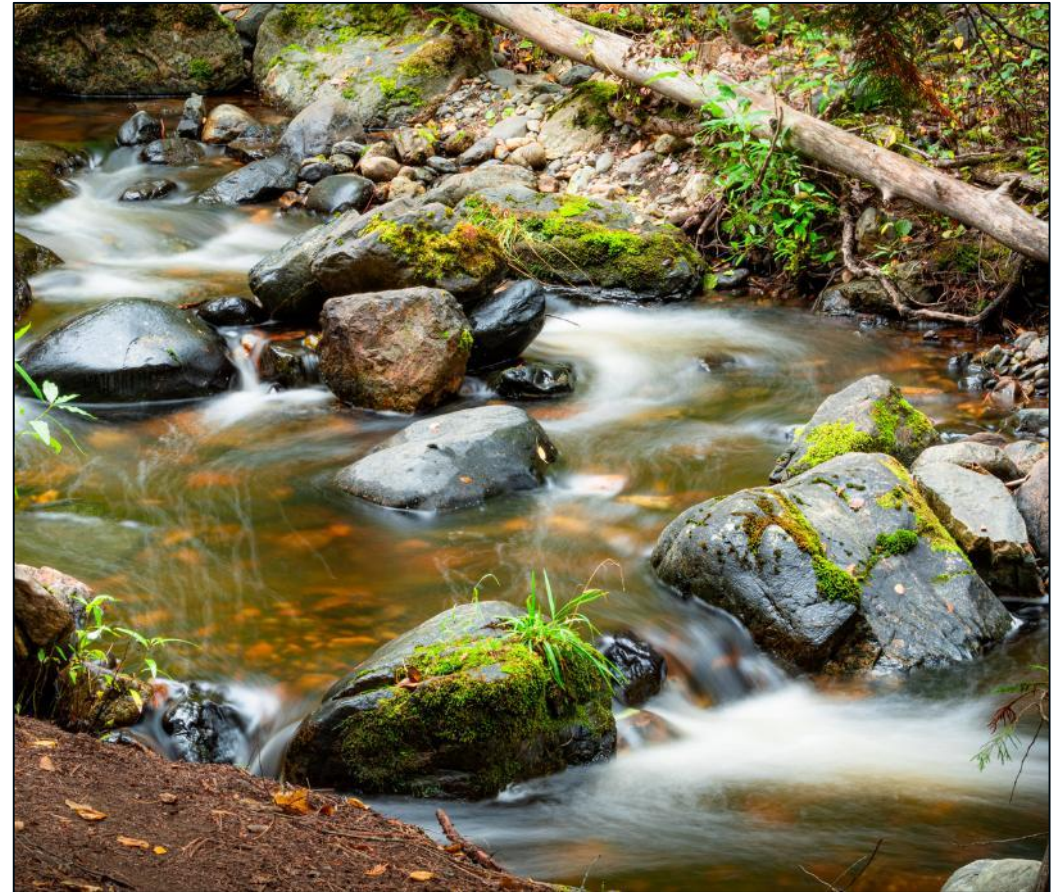


*Brandt Creek flowing during a minor storm event.*



# Conclusion & Next Steps

- Staff and Council have workshopped the proposed *Principles for Implementation*.
- Should Council wish to proceed, staff will prepare a finalized report on *Stormwater Utility Principles for Implementation* and report back to Council along with recommendations.







Questions?