



# Water Rate Structure

## Agriculture and South East Kelowna

Nov 14 2019

# Engagement Goals

Process began in Fall 2017:

- Informed users to help understand the purpose and principles of water rate design
- Engaged stakeholders in the rate design process
- Educated about utility and user roles in water resource stewardship
- Outlined the value and importance of efficient water use and water conservation

# Engagement Process

- ▶ Online survey
- ▶ Newsletter mail-out
- ▶ Face to face meetings
- ▶ Stakeholder workshop
- ▶ Public Open House

**427**



online survey responses

**223**

SEKID  
customers

**109**

City of Kelowna Water Utility  
customers



**29%**

Agriculture water customers

**95**

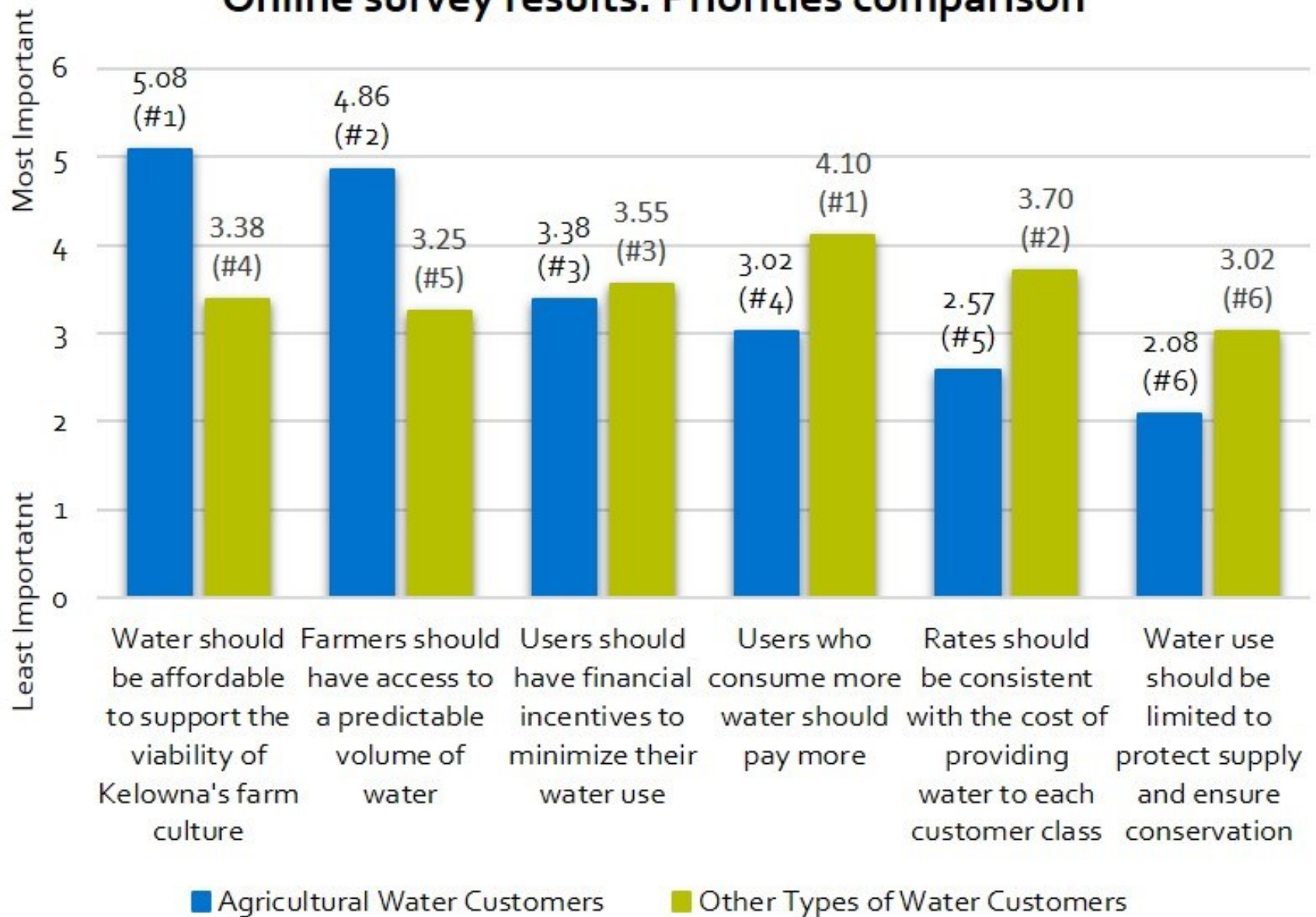
Customers of  
other water  
purveyors

# What We Heard

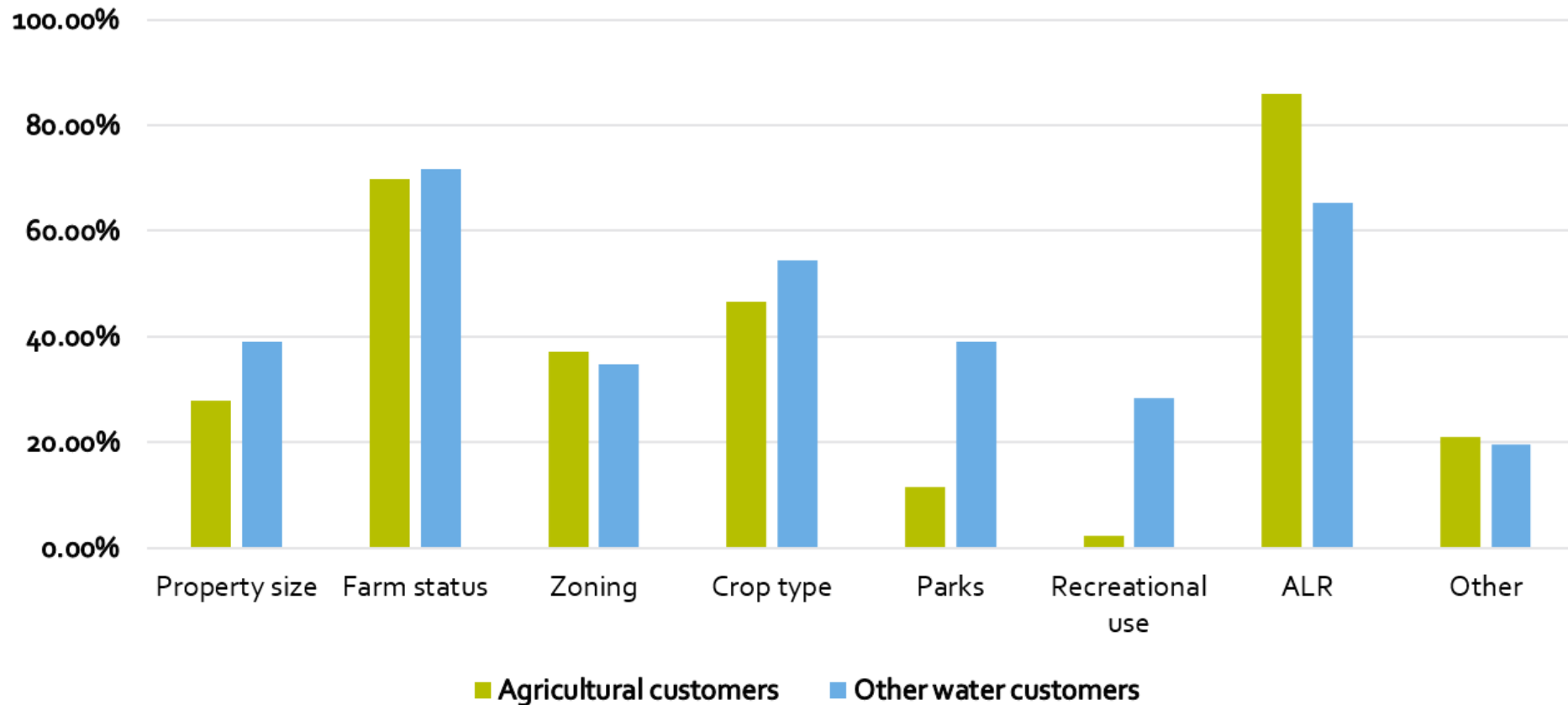
- Farmers concerned about water security and costs of water
  - Expanded into concerns about how rates will be set and water will be governed
- Support for charging lower water rates for properties actively being farmed (Farm Status)
- “Conservation” a higher concern for non-farmers, farmers concerned about “wasting water”



# Online survey results: Priorities comparison



# Criteria to qualify for lower rates



Since May  
2018.....

## 1. Developed Water Supply policy to:

- set priorities, direction and limitations of water delivery to ensure fairness and responsible management of the resource
- guide staff in finalizing an agricultural water rate structure, the development of a Water Shortage Plan, and for long term water supply planning
- guide future councils on setting Agricultural water rates;

# Water Supply Policy

*Adopted Oct 28, 2019. Key Points*

- Pricing of water for agricultural purposes will reflect the community's support and will be set to be competitive with agricultural water rates in the Okanagan Valley.
- The non-potable system will be maintained and operated to meet the Canadian Water Quality Guidelines for the Protection of Agricultural Water Uses during the irrigation season.
- Water for irrigation may be sourced from either potable or non-potable supply. The City will determine the extent of the non-potable water system as well as the properties served by the system based on best overall value to the utility and consistent with the priorities outlined in Council Policy.



Since May  
2018.....

## 2. Propose agricultural water rate structure that reflects the engagement results;

- Blended rate structure based on fixed fee for allocation and escalating rate tiers for exceeding allocation
- Properties classified as Farm under the Assessment Act will be eligible for agricultural water rates
- Rates based on customer class, not land grades

# Proposed rate structure

- Eligible properties will receive a fixed fee farm allotment based on irrigated hectares
- Farm allotment volume calculated at 6,850 m<sup>3</sup>/hectare (685mm depth or 27 inches)
- Allotment can change if shortage expected
- Tiered pricing for exceeding farm allotment
  - 0-20%; 20-50%; 50% +

Since May  
2018.....

3. Develop a water allotment structure that provides water security for sustainable farming in Kelowna

- Review overall capacity of irrigation system, consider climate change
- Current freeze on additional allotment, consider options for purchase more allotment
- Consider incentive for unused farm allotment portions

Since May  
2018.....

4. Maintain water rate stability through implementation of the domestic water supply project by:

- Retain 2019 SEKID water rates and rate structure through 2020
- Amend Water Regulation Bylaw to put City of Kelowna Agricultural customers, SOMID and former SEKID customers on same water rates and rate structure

# Next Steps

- ▶ Feedback on proposed rate structure  
Nov 2019
  - ▶ Public Information Sessions
    - ▶ Nov 26, 1pm – 4:30pm; Reid Hall (Benvoulin Rd)
    - ▶ Nov 28, 4pm – 6:30pm; Capital News Centre (Gordon Dr)
  - ▶ Online Survey
    - ▶ Nov 18 – Dec 8
- ▶ Return to Council in Spring 2020 with bylaw amendments and proposed rates







*Questions?*

For more information, visit [kelowna.ca](http://kelowna.ca).