

# Report to Council



**Date:** March 23, 2020  
**To:** Council  
**From:** City Manager  
**Subject:** Water Bylaw Update  
**Department:** Utility Services

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## **Recommendation:**

THAT Council receives for information the report from the Utility Services Department dated March 23, 2020, regarding water rate adjustments;

AND THAT Bylaw No. 12004 being amendment No. 10 to Water Regulation Bylaw No. 10480 be forwarded to Council for reading consideration.

## **Purpose:**

To consider changes to the Water Regulation Bylaw to encourage smaller properties in southeast Kelowna to switch to non-potable water for irrigation if available.

## **Background:**

The extension of the City's potable water supply system into southeast Kelowna is nearing completion. One of the key supply assumptions when sizing the potable system was that most properties that have access to the non-potable irrigation system (the system built and operated by SEKID) will use it for outdoor irrigation. This allowed for a smaller domestic supply system to both improve water quality and reduce costs. It is financially and environmentally optimal for the project to ensure that minimal potable water is used for irrigation.

Most large farm properties already have a dedicated irrigation service to the non-potable system and a small service to the home. For these properties the new potable system is simply being tied into the small home service.

There are roughly 178 relatively small (generally under 2 acres) properties serviced by SEKID where one service connection was provided for both drinking water and outdoor irrigation. The new potable water supply is connecting to these single services. To ensure that the potable water distribution system can keep up with demand the City has found a way to encourage private property owners with access to the non-potable supply to use it to irrigate their yards.

**Discussion:**

The installation of a non-potable service includes a valve that can drain (to be winterized), a meter box and a water meter. Installation costs to the Project are expected to average approximately \$3,500 per service but could individually range between \$3,000 to \$5,000 per service depending on the specific site circumstances. In addition to this work in the street, property owners will be required to upgrade on-site works to connect their irrigation system to this new service.

Properties in southeast Kelowna will continue to pay the flat rate for water in 2020. As such there is little incentive this year for property owners to invest in a non-potable service. The incentive will be there beginning in 2021 when city residential water rates take effect. However, in order to ensure adequate potable water supply in 2020 it is important that these properties irrigate with non-potable water this year.

It is proposed that for 2020 the subject property owners be offered a fixed fee of \$500 for City supply and installation of a non-potable service, valves, meter box and meter that will bring non-potable water to the property line. Property owners would be responsible for the cost of landscape restoration as well as the cost of works on their property to use the non-potable service.

Staff are recommending this fixed fee to ensure the City only spends the time and resources installing non-potable services to properties that will actually use them.

Staff are also recommending that this low fixed fee be only available for this calendar year (2020) as an incentive to install these services as soon as possible. To provide further incentive to get these sites using irrigation water this summer staff are also recommending that property owners can apply to have the \$500 fee be refunded (as a credit to the water account) if they have done the necessary works on their property and are using (or can use) the irrigation water by July 1, 2020.

**Conclusion:**

In order to ensure that the design assumptions for potable water supply in southeast Kelowna can be met (and adequate domestic water is available) it is important to provide an incentive for all property owners that have access to the non-potable water supply system to use it for irrigation and protect the supply of sustainable clean drinking water for residents.

**Internal Circulation:**

Divisional Director, Infrastructure  
Infrastructure Delivery Dept Manager  
Revenue Supervisor  
Utility Planning Manager  
Communications Consultant

**Financial/Budgetary Considerations:**

It is estimated that installing 19 mm diameter non-potable irrigation services is likely to have a net cost of approximately \$350,000 (\$3,500 per service times 100 properties) but the net cost could be as high as \$800,000 if all customers took advantage of this incentive and the average cost was higher at \$4,500.

The net cost must be funded by the SEKID Domestic water project (Local Area Service - LAS) and not by general utility ratepayers. The SEKID project budget has \$450,000 in budget for these small irrigation services. Funds beyond \$450,000 may result in an increase in the repayment amount of the LAS.

Submitted by:

K. Van Vliet, Utility Services Department Manager

**Approved for inclusion:**

A square box containing a handwritten signature in blue ink, which appears to be 'J. Creron'.

J. Creron, Deputy City Manager

CC:

P. Aylard, Project Manager, Infrastructure Delivery

A. Schumacher, Revenue Supervisor