



Water Rates 2021

June 15, 2020



Cost Pressures

- ▶ Assets depreciating faster than renewal
- ▶ Operating costs rise as infrastructure ages
- ▶ Construction inflation typically higher than CPI
- ▶ Non-Potable system has substantial infrastructure deficit
- ▶ Operating costs of water system expansion

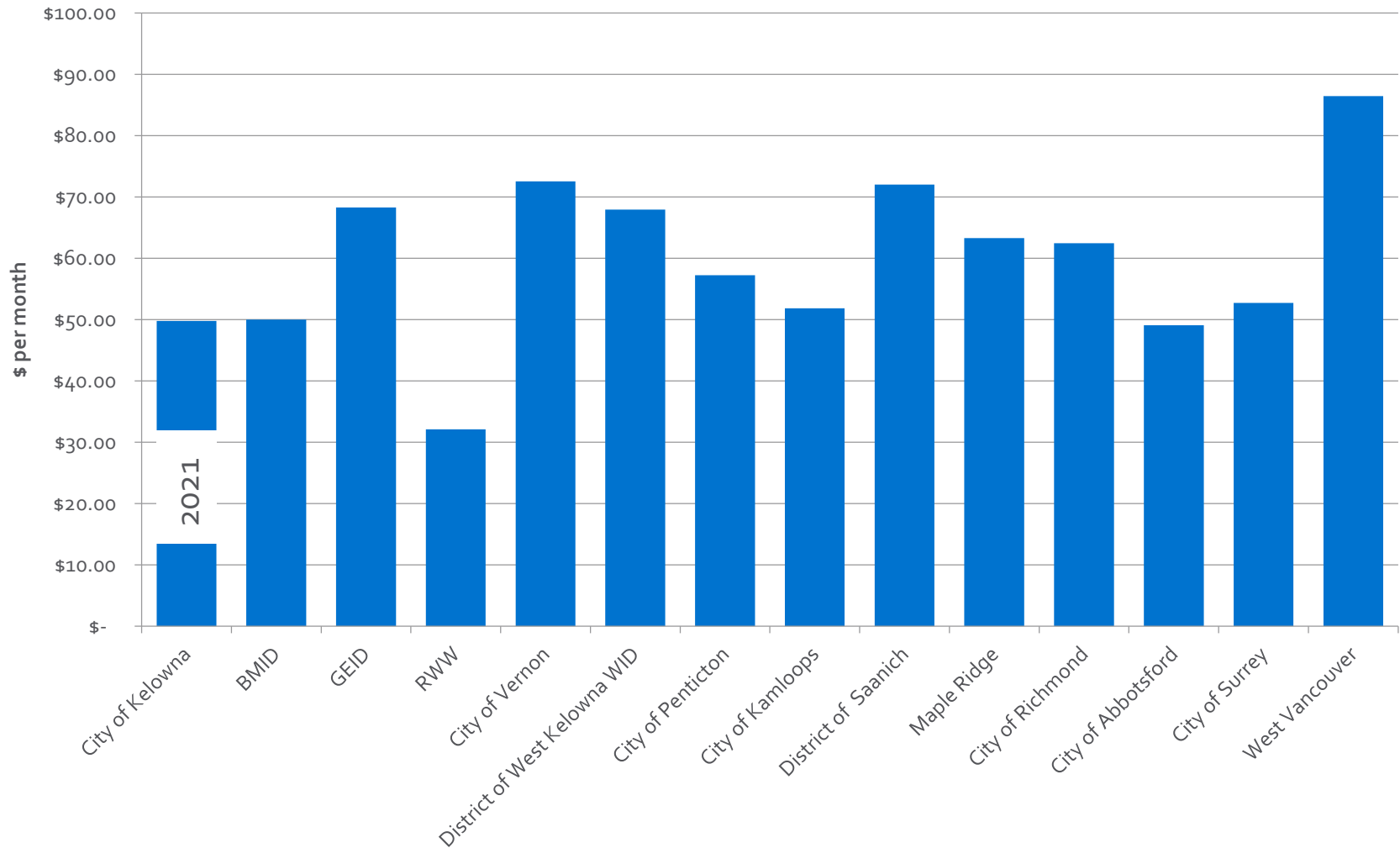
Rate Adjustments

- ▶ Recommend 6% increase for Water rates
- ▶ Recommend 0% (no change) for Water Quality Enhancement rate or Parcel Tax
- ▶ Rates take effect January 1, 2021

- ▶ Average SFD water cost increase 4.4% (\$2.09 per month)
- ▶ Kelowna maintains some of lowest water rates in country

2020 SFD Monthly Water Rates

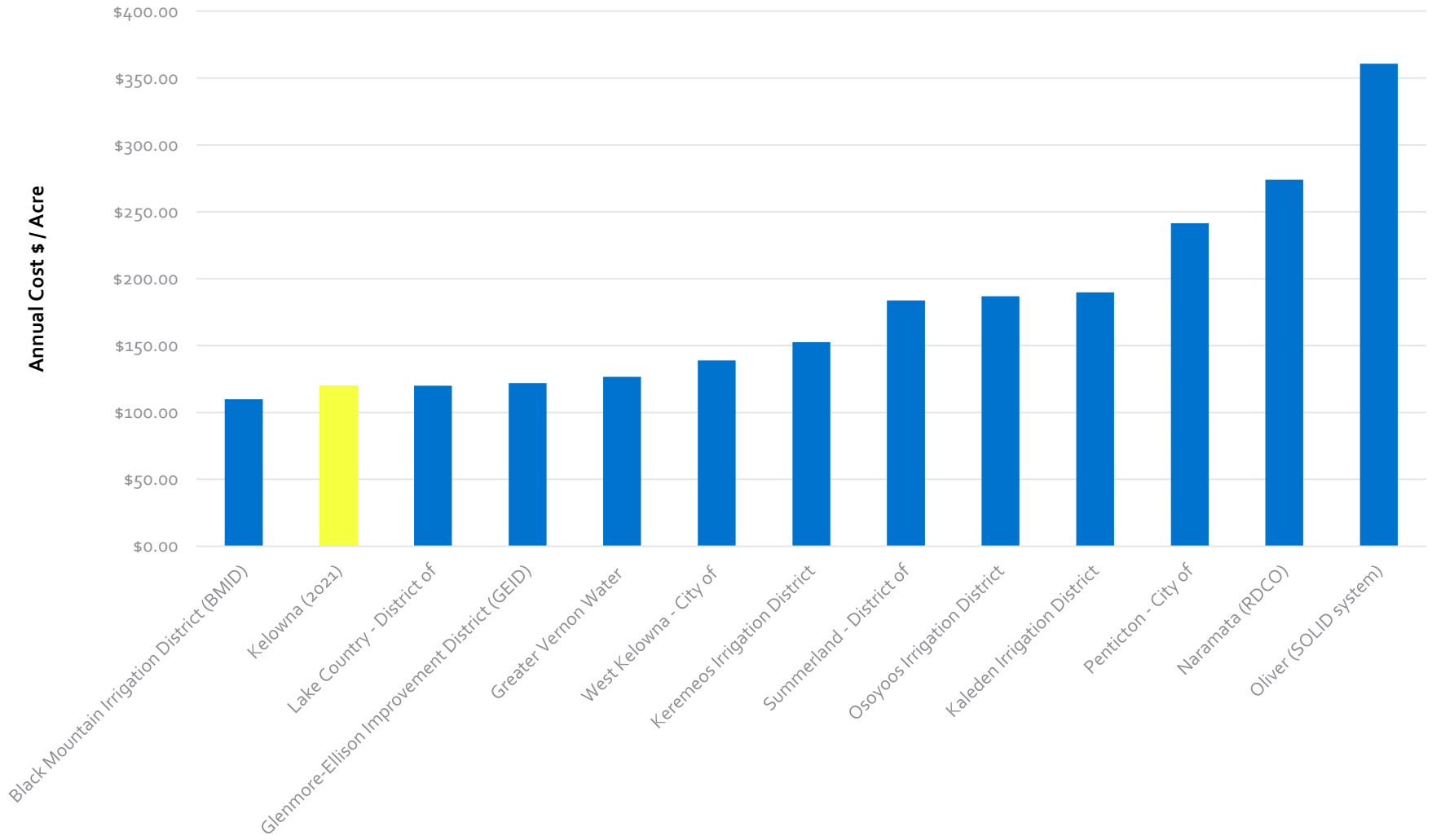
(41 cu.m./month)



Non-Potable Water Rates

- ▶ Agricultural customers pay \$120 per acre per year (applied to both potable and non-potable systems)
- ▶ Non-Farm Status pay \$0.30 per cubic metre.
 - ▶ No tier / block pricing
 - ▶ No fixed / meter fee
 - ▶ Compares with minimum potable rate of \$0.501 rising to \$2.05 per cubic metre

2020 Annual Ag water Cost per Acre (assumes uses allocation)



Other new initiatives

- ▶ Beaver Lake Industrial customers.
 - ▶ Transition to same rates as rest of City utility over 4 years.
 - ▶ Apply Water Quality Enhancement Fee in 2021
- ▶ Cellular Meter Reading Technology – opt out
 - ▶ \$40 bimonthly (\$240 per year) for manual read after offered
 - ▶ Eliminate bill adjustment for leaks as they could go undetected for 2 months due to manual reading choice



Questions?

For more information, visit kelowna.ca.