

Report to Council



Date: November 2, 2020
To: Council
From: City Manager
Subject: Water Regulation Bylaw Updates
Department: Utility Services

Recommendation:

THAT Council receives for information, the report from Utility Services dated November 2, 2020, pertaining to the Water Regulation Bylaw updates;

AND THAT Bylaw No. 12110 being Amendment No.12 to Water Regulation Bylaw No. 10480 be forwarded for reading consideration;

AND FURTHER THAT Bylaw No. 12111 being SEKID Bylaws Repeal Bylaw be forwarded for reading consideration.

Purpose:

To enact proposed changes to the Water Regulation Bylaw including administration changes.

Background:

The Water Regulation Bylaw sets out the services provided, the terms and conditions associated with these services and the rates charged for use of the City's water supply and distribution system. Proposed updates to the Bylaw are necessary to:

- Update definitions
- Improve administrative application of the Bylaw
- Respond to customer requirements of the system
- Address separate deficiencies in individual Bylaw clauses
- Approve the rates for each customer class and use category
- Rescind South East Kelowna Irrigation District (SEKID) bylaws that remain in effect.

Council adopted Water Supply Policy 383 on October 28, 2019 which includes the following Policy Statements:

5. The City supports agriculture within the utility service area. 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.

6. Properties classified as Farm under the Assessment Act will be eligible for agricultural water rates.

On June 15, 2020 Council approved the Water Rates and Charges for the Water Utility with the exception of agricultural water rates and passed the following related resolutions:

R0456/20/06/15 THAT Council receive for information the report from the Utility Services Department, dated June 15, 2020, regarding Water Utility rates for 2021;

AND THAT Council direct staff to transition water rates for the Beaver Lake Industrial Area Properties such that they align with the rest of the City by 2024 as outlined in this report;

AND FURTHER THAT Council direct staff to report with an amending bylaw for reading consideration to enact the water rates outlined in this report beginning January 1, 2021.

R0457/20/06/15 THAT Council directs staff to forward the Agriculture water rates to the Agricultural Advisory Committee for their feedback and report back to Council.

On September 28, 2020 Council approved the Water Rates and Charges for Agricultural customers by passing the following resolution:

R0633/20/09/28 THAT Council receive for information the report from the Utility Services Department, dated September 28, 2020, regarding Water Utility rates for Agriculture for 2021;

AND THAT Council direct staff to report with an amending bylaw for reading consideration to enact an Agricultural water rate of \$120 per acre along with tiered rates for exceeding a property's water allotment beginning January 1, 2021, as outlined in this report.

Discussion:

The new Bylaw includes the Water Utility rates as approved in the June 15, and September 28, 2020 reports to Council.

The Bylaw also includes numerous edits and amendments to reflect the City's ownership and operation of a second, non-potable, water system that was formerly owned and operated by the South East Kelowna Irrigation District (SEKID). These changes will allow the City to rescind a number of SEKID bylaws that are currently in place for the operation and revenue collection from that system.

The amendments that reflect operation of the non-potable system are generally consistent with the past operating practices of SEKID. Of note for Council:

1. Services off the non-potable water system that needed to be winterized will be turned on before May 1 and shut off after September 30 of each year. It takes one to two weeks to complete each process and the exact timing will be coordinated by Water Operations staff considering weather and other operational needs.
2. The Allotment system is being maintained for Farm Status (Agricultural) properties, and the volume of water per hectare (based on 685 mm maximum depth of application) before tiered water rates begin is similar to the past method of charges by SEKID. The City will retain the Allotment value on all non-farm former SEKID properties that previously purchased an Allotment in the event that they obtain Farm Status. The City reserves the right to adjust the annual allotment based on anticipated storage and growing conditions.
3. Early in each year staff will evaluate the volume of water available in the upper watershed. If a shortage of water is anticipated staff will recommend to Council that the Allotment of water per hectare be reduced and other water reduction stages be implemented on the non-potable system. This should be a rare event (1 year in 10 or less frequent).
4. If a property has access to the non-potable system, the Agricultural water rate will only be available for non-potable water (Section 6.6.2). This is important to ensure that potable water is not used for farm irrigation if non-potable water is available.

The amending bylaw also includes some other minor administrative amendments.

Conclusion:

It is recommended that Council receive and approve Amending Bylaw No. 12110 to amend Water Regulation Bylaw 10480.

Internal Circulation:

Communications
Revenue Supervisor
Utility Planning Manager

Considerations applicable to this report:

Legal/Statutory Authority:

Community Charter , Section 194

Financial/Budgetary Considerations:

The 2021 Financial Plan will include the anticipated additional revenues for the new fees and rate adjustments outlined in this report.

Communications Comments:

Water Customers will be notified of the rate changes by mail, through an established Kelowna Integrated Water Project e-newsletter, in the December utility bill, and through the City's website.

Considerations not applicable to this report:

Legal/Statutory Procedural Requirements:

Existing Policy:

External Agency/Public Comments:

Submitted by:

A. Weremy, Water Operations 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

Attachments:

Schedule A

Schedule B

