

# Report to Council



**Date:** July 12<sup>th</sup>, 2021  
**To:** Council  
**From:** City Manager  
**Subject:** Water Regulation Bylaw Update  
**Department:** Utility Services

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## **Recommendation:**

THAT Council receives for information, the report from the Water Operations Manager dated July 12<sup>th</sup>, 2021, pertaining to the Water Regulation Bylaw update;

AND THAT Bylaw No. 12245 being Amendment #14 to Water Regulation Bylaw No. 10480 be forwarded to Council for reading consideration.

## **Purpose:**

To inform Council about the proposed changes to the Water Regulation Bylaw to address water rate issues for golf courses in south east Kelowna.

## **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 systems. Proposed updates have been brought forward to and adopted by Council.

The irrigation season commenced May 1st, 2021 following the annual schedule for use of the non-potable water supply system. This is the first year of metered water consumption for much of southeast Kelowna. Utility Services has been working with customers of the non-potable system to understand consumption, billings and impacts. During this process it has become apparent that there are inconsistencies in how golf courses in southeast Kelowna are charged for water use off the non-potable supply.

**Discussion:**

The Water Regulation Bylaw includes Water Utility rates for both the potable and non-potable water supply systems. The non-potable system has two rates, one for "Agricultural" users and one for properties with access to the non-potable system but with no farming practice as defined by BC Assessment. Purchased allotments for non-farm properties remain, however the lower Agricultural water rates require the property be classified as Farm Status or Developing Farm Status by BC Assessment.

In southeast Kelowna, three golf courses have access to the non-potable irrigation system. Two courses have Farm Status and are billed based on the Agricultural Rate. The third golf course does not have Farm Status and, according to Bylaw 10480 is being charged the rate of \$0.30 per cubic meter. In the past, SEKID billed their Agricultural rate for all three golf courses.

Staff have estimated the difference of the two methods could result in one course paying almost 7 times more for its irrigation water than the other two. Discussion with the course manager identified serious financial impacts and concerns for their operation at this point in their season.

Staff agree that billing should be consistent for all three users while being fair and equitable to all rate payers.

The issue is complex as two properties include both agricultural and commercial uses. As this could be a significant change and impact, staff will engage the affected users to develop a long-term rate structure that is fair and equitable.

For the remainder of 2021, staff recommend that all three golf courses be applied with the Agricultural rate classification. A proposed equitable rate for 2022 will be developed for council's consideration later this fall.

**Conclusion:**

It is recommended that Council receive and approve Amending Bylaw No. 12245 to amend Water Regulation Bylaw 10480.

**Internal Circulation:**

Communications  
Utility Billing  
Utility Planning  
Finance

**Financial/Budgetary Considerations**

The new rate will take effect upon date of bylaw adoption. Staff will perform a water meter reading at that time. Forgone revenue is estimated to be between \$30,000 to \$40,000 depending on the golf course's rate of consumption.

Considerations not applicable to this report:

*Legal/Statutory Authority:*

*Legal/Statutory Procedural Requirements:*

*Existing Policy:*

*External Agency/Public Comments:*

*Communications Comments:*

Submitted by:

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Approved for inclusion:



K. Van Vliet, Acting Director Civic Operations