

# Report to Council



**Date:** February 12, 2024  
**To:** Council  
**From:** City Manager  
**Subject:** Water Supply Level of Service Policy  
**Department:** Utility Services

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**Recommendation:**

THAT Council receives, for information, the report from the Utility Services Department, dated February 12, 2024, regarding the Water Supply Level of Service Policy;

AND THAT Council adopts the revised Council Policy No. 383, now titled Water Supply Level of Service , as outlined in the Report from the Utility Services Manager, dated February 12, 2024.

**Purpose:**

To approve updates to Council Policy No. 383, retitled as Water Supply Level of Service.

**Background:**

*Previous Council Resolution*

Resolution	Date
THAT Council direct staff to proceed with developing a policy regarding water supply for customers of the Kelowna Water Utility consistent with the recommendations outlined in this report, AND THAT staff be directed to bring forward a draft Policy on Water Supply for customers of the Kelowna water utility at a future regular PM Meeting of Council.	October 7, 2019
THAT Council adopts Council Policy No. 383 being the Water Supply Policy as outlined in the Report from the City Manager dated October 28, 2019.	October 28, 2019

The Council Policy No. 383 adopted in October, 2019 was to guide staff in finalizing an agricultural water rate structure, updates to the Water Regulation Bylaw, development of a Water Shortage Plan that included drought management, and to set parameters for long term water supply planning. This policy

was particularly needed to identify the new non-potable water system in the City, and how the potable and non-potable water systems would be handled differently in the City.

Council's guiding principle for water supply is that all residents and water users in the City must have a safe, affordable, resilient and sustainable supply of high-quality drinking water and a reliable supply of water for agriculture. The purpose of this policy is to clearly state the base level of service for the City Water Utility and address responsible management of the resource. The draft revision to Council Policy No. 383 is presented by staff as Attachment 1 to this report.

Statements in this policy were developed to reflect Council driven responses to customer challenges to current practice, guiding principles around responsibilities as a community, and limitations of our existing supply and infrastructure managed through the City Water Utility. The policy emphasizes base levels in four general areas: General Practice, Fire Protection, Potable Supply Limitations and expectations, and Non-Potable Supply for rural water use in southeast Kelowna. These policy statements drive further detailed requirements for several bylaws currently under review:

- Subdivision, Development and Servicing Bylaw No. 7900
- Water Regulation Bylaw No. 10480
- Utility Billing Customer Care Bylaw No. 8754
- Kelowna Development Cost Charge Bylaw No. 12420
- Fire and Life Safety Bylaw No. 10760

**Discussion:**

**General Practice:**

Utility Services has identified the need to both add and revise water supply policy statements about potable supply and non-potable supply, how decisions are prioritized, and how the City utility works to support the many different irrigation water supplies used within the City.

**Fire Protection:** Utility Services is adding clarity to its minimum requirements for water supply for firefighting. The clarifications come in response to concerns from staff practice to address the series of legislative changes (Bills 44, 46 and 47) by the Province which impact land use planning in British Columbia and the City of Kelowna. This policy is one of several updates necessary because of this provincial housing legislation. Establishing a clear minimum level of service for water supply for community-based firefighting provides staff with flexibility to develop new, and more innovative bylaw amendments to adapt to the new infill legislation and ensure that water supply meets community expectations and supports public safety.

**Potable Supply:** The potable supply will be operated and maintained to be clean and safe. This includes protections against contamination following treatment by assuring the use backflow prevention technology where needed.

Most importantly is that the City Potable water system cannot supply water for agricultural irrigation. While there are many agricultural properties within the City boundary that are supplied by purveyors, there are some that continue to rely on their own privately held water licenses off creeks, wells, shared water systems or water user groups. Water quality and quantity in these supplies are known to fluctuate. Staff are often asked to connect to the Potable system as their infrastructure deteriorates, or as water

levels decline. The Potable water utility infrastructure is simply not sized for nor has the storage necessary for seasonal agricultural irrigation supply. The cost of upgrading the potable water supply to provide more water for equivalent sized unserved commercial properties costs in the order of \$100,000 per acre of land. Additionally, potable water is relatively expensive to produce and will become much more expensive as higher levels of treatment are required in the future. The best value for agricultural irrigation is to continue to use those alternate sources of water, and for agricultural property owners continue to manage and invest in renewal of their supply.

**Non-Potable Supply:** This supply will be operated and maintained to meet federal agricultural water quality guidelines for agriculture, and provide for fire protection outside the irrigation season.

The area of agricultural land supplied by the Non-Potable Water System will not exceed 1,925 hectares. This provides reasonable protection against the risk of water shortage and adequate water to meet the City Water Utility environmental obligations. This provides Council's way to contain expansion similar to how improvement district letters patent is used to define their limits of service.

**Conclusion:**

The Water Supply Level of Service Policy for Kelowna Water Utility customers identifies the base level of service provided for water supply within the City. The policy helps the public and staff clearly communicate the limitations of water supply in the City, and where services such as Non-Potable irrigation supply, drinking water supply, fire protection, environmental flows and other important factors are at play when decisions are made.

**Internal Circulation:**

Finance  
Parks  
Planning and Development Services  
Revenue

**Considerations applicable to this report:**

Legal/Statutory Authority:  
Legal/Statutory Procedural Requirements:  
Existing Policy:

**Considerations not applicable to this report:**

Financial/Budgetary Considerations:  
External Agency/Public Comments:  
Communications Comments:

Submitted by:

**Submitted by:** R. MacLean, Utility Planning Manager

**Approved for inclusion:** M. Logan, Infrastructure General Manager

Attachment 1: Council Policy No. 383 Water Supply Level of Service  
Attachment 2: Water Supply Level of Service Policy Presentation

cc: Divisional Director, Financial Services  
Divisional Director, Partnership & Investments