



COUNCIL REPORT

To: Mayor and Council

Date: March 26, 2024

From: Ron Mattiussi, Interim CAO

Subject: **Utility Fee Amendments Bylaw No. 0028.81, 2024**

Report Prepared By: Lisa Siavashi, Financial Services Manager / Deputy CFO and
Warren Everton, Director of Finance / CFO

RECOMMENDATION to Consider and Resolve:

THAT Council adopt “City of West Kelowna Fees and Charges Amendment Bylaw No. 0028.81, 2024”.

STRATEGIC AREA(S) OF FOCUS

Financial planning and rate setting are integral components in achieving the objectives of Council’s Strategic Priorities: Invest in Infrastructure, Pursue Economic Growth and Prosperity, Strengthen Our Community and Foster Safety and Well-Being. Careful management of the City’s revenues, expenses, capital and reserves ensures a healthy and progressive community.

EXECUTIVE SUMMARY

The City has been on a trend of increasing water rates in anticipation of the Rose Valley Water Treatment Plant coming online as well as for upgrades to the Powers Creek Treatment Plant and broader system. 2024 will be the first full year of operation for the new Rose Valley facility, and as expected the City will start to accumulate actual operating data to compare to budget.

Over the last number of years staff annually reviewed anticipated costs for the operations of new water plant and recommended a phased in fee structure. For 2024, the operating flat rate is slightly lower than previously forecasted, with an increase to \$420 from \$403 per year. The overall increase for the Rose Valley system in 2024 is 3.2% or an estimated \$8 per quarter for a single-family residence.

Powers Creek water rates are proposed to increase 4.5% or an estimated \$11.25 per quarter for a single-family residence. This increase is mostly needed to cover increased reserve transfers, contract obligations, and utility and insurance costs.

For 2024 the proposed increase for the sewer rates is 2% or \$2.02 per quarter for a single-family residence. This small increase is due to a relatively static budget for 2024 apart from the required contractual increases and transfers to reserve.

Solid Waste service costs for 2024 require an increase of 5.4% or \$2.39 per quarter for the standard bins due to an 8% increase in costs from our contract provider. The City of West Kelowna participates in this contract together with the City of Kelowna, the Regional District of Central Okanagan, District of Lake Country, and the District of Peachland.

BACKGROUND

At the March 12, 2024, regular meeting, Council gave three readings to Bylaw Amendment 0028.81. Staff presented the new utility fees proposed for 2024 for Water, Sewer and Garbage Removal services. This bylaw is now before Council for consideration of adoption.

FINANCIAL IMPLICATIONS

The proposed sewer and water rates are designed to meet the financial needs of the City for 2024 and will be reviewed as part of our annual budget process and amended as required. During the review of the 10-Year Capital Plan, it was noted that the reserve balances and funding levels, in both systems, were not sufficient to cover the plan in future years.

Staff will continue to review the timing of capital requests and operating needs year over year as well as prepare a new rate schedule for Council to review in 2025.

The combined financial implications for the average residential customer are:

	Powers Creek	Rose Valley
Sewer	\$ 2.02	\$ 2.02
Water	\$ 11.25	\$ 8.00
Garbage	\$ 2.39	\$ 2.39
Total Quarterly Utility Increase	\$ 15.66	\$ 12.41
Total Annual Utility Increase	\$ 62.64	\$ 49.64

COUNCIL REPORT / RESOLUTION HISTORY

Date	Report Topic / Resolution	Resolution No.
March 12, 2024	THAT “City of West Kelowna Fees and Charges Amendment Bylaw No. 0028.81, 2024” be given first, second and third reading.	

Alternate Recommendation to Consider and Resolve:

That Council direct staff to amend the bylaw under consideration.

REVIEWED BY

Trevor Seibel, Deputy CAO

APPROVED FOR THE AGENDA BY

Ron Mattiussi, Interim CAO

PowerPoint: Yes No

Attachments: B0028.81 Fees and Charges Amendment Bylaw