



COUNCIL REPORT

To: Mayor and Council

Date: March 11, 2025

From: Ron Bowles, Chief Administrative Officer

Subject: **Utility and Financial Fee Amendments Bylaw No. 0028.83, 2025**

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

RECOMMENDATION to Consider and Resolve:

THAT Council give first, second and third reading to “Fees and Charges Amendment Bylaw No. 0028.83, 2025”.

STRATEGIC AREA(S) OF FOCUS

Invest in Infrastructure – We will invest in building, improving and maintaining infrastructure to meet the needs of, and to provide a high quality of life for, current and future generations.

Pursue Economic Growth and Prosperity – We will work with stakeholders throughout the region to advocate for and support efforts aimed at helping West Kelowna businesses prosper. With a focus on the future, we will advance opportunities to expand our economy, increase employment, and develop the community in ways that contribute towards prosperity for all.

Strengthen Our Community – We will provide opportunities for the residents of West Kelowna to build connections, celebrate successes, embrace the community's strengths and diversity, address shared needs, and contribute to shaping the community's future.

Foster Safety and Well-Being – We will pursue through direct action, advocacy, and collaboration with local and regional service providers, investments in community health, needs-based housing, emergency preparedness, policing, and other services that foster safety and well-being in West Kelowna.

BACKGROUND

Each year staff analyze the budgeted financial information to determine the user rates needed for the water and sewer fund. This includes looking at both the current operating

costs and the 10-year capital plan. Every effort is made to keep expenditures reasonable, but adjustments are required to account for the growth demands of the city as well as for the aging infrastructure.

Financial Administration Fees (Schedule 6)

The Fees and Charges Bylaw includes a schedule with administrative fees for extra services requested by customers. Staff have analyzed these requests and compared them to neighboring communities, resulting in some additions and increases to this schedule.

The following fees have been removed as they are no longer in use: Information Booklets, Tax Certificate (manual), Utility Certificate (manual), and Wall Maps. (Property Tax and Utility Certificates are provided through online services.)

Refund Request and Bill Reprint fees, previously charged under Miscellaneous Administrative Fees, are now identified on the schedule. A new fee for Change of Owner on Utility Accounts has been added due to the extra services required for this request. This charge has become common in other municipalities and with utility companies.

Sewer Rates (Schedule 7)

The Regional District of Central Okanagan manages the wastewater treatment plant, their lift stations, and the main collector line in West Kelowna. Due to higher than anticipated costs for the RDCO contract, the 2025 budget has increased accordingly. Additionally, more staff hours are needed to work on the sewer lines, therefore, a 6.3% increase (\$6.51 per quarter / \$26.04 per year) is necessary for 2025.

Updates have been made to Schedule 7 to remove unused rate codes and to clarify rates used for short-term and long-term rental units.

Water Rates (Schedule 8)

Operations, maintenance, and capital improvements for the water utilities are reviewed to ensure compliance with all Canadian Drinking Water Quality Guidelines and Interior Health water quality requirements for West Kelowna utility customers. Adjustments are necessary to account for these factors as we address the community's growth demands and the capital costs required to maintain the City's utility systems.

Both water treatment plants experienced significant cost increases for supplies (mainly chemicals) and contract services in 2024. Budgeting for the operating expenses of the Rose Valley system is still in its early stages as we enter the second year of operations. Maintenance and repair costs for Powers Creek are rising as the treatment plant ages. The user rates for both systems are calculated based on the budgeted needs of each system, along with amounts allocated to reserves for larger capital and equipment needs.

Any funds collected through water user fees remain within the water system, and therefore any surpluses (if they were to occur) remain within the water system as well.

After analyzing the needs of the systems, the average rate increase needed for Rose Valley water customers for 2025 is 5.7% (\$15 per quarter / \$60 per year) and 9.4% (\$25 per quarter / \$100 per year) for Powers Creek customers.

Updates have been made to schedule 8 to clarify rates used for short-term and long-term rental units, as well as a new rate for parcels under construction that are using water but are not yet metered (this rate is higher than the water maintenance rate but less than the full flat rate for an occupied house).

Garbage Rates (Schedule 9)

The solid waste service for West Kelowna is provided as a regional service in collaboration with the City of Kelowna, District of Lake Country, District of Peachland, and the Regional District of Central Okanagan. Contract negotiations took place in the fall of 2023 to extend the contract until 2026, anticipating changes in recycling collection. Representatives from each local government participated in these negotiations and agreed to the increased rates. Due to the new contract, West Kelowna's garbage rates increased by 5.4% in 2024 but fortunately, for 2025, we are able to maintain the solid waste user fees at the same level.

FINANCIAL IMPLICATIONS

The proposed sewer and water rates are designed to meet the financial needs of the City for 2025 and are reviewed as part of our annual budget process and amended as required.

The combined financial implications for the average residential customer are as follows:

	Powers Creek	Rose Valley
Sewer	\$ 6.51	\$ 6.51
Water	\$ 25.00	\$ 15.00
Garbage	\$ -	\$ -
Total Quarterly Utility Increase	\$ 31.51	\$ 21.51
Total Annual Utilitiy Increase	\$ 126.04	\$ 86.04

Alternate Recommendation to Consider and Resolve:

THAT Council direct staff to modify “Fees and Charges Amendment Bylaw No. 0028.83, 2025” by [Council to provide direction].

REVIEWED BY

Mark Panneton, Director, Legislative & Legal Services

Trevor Seibel, Deputy CAO

APPROVED FOR THE AGENDA BY

Ron Bowles, Chief Administrative Officer

PowerPoint: Yes No

Attachments:

Bylaw Amendment No. 0028.83, 2025

Water Rates Schedule 2025