



COUNCIL REPORT

To: Mayor and Council

Date: February 10, 2026

From: Ron Bowles, Chief Administrative Officer

Subject: **2026 Utility and Financial Fee Amendments Bylaw 0028.85, 2026**

Prepared by: Karen Goodridge-Nagle, Revenue Supervisor

Reviewed by: Lisa Siavashi, Acting Chief Financial Officer

RECOMMENDATION:

THAT “City of West Kelowna Fees and Charges Amendment Bylaw No. 0028.85, 2026” be read a first, second, and third time.

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.

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 review budgeted financial information to determine the water and sewer user rates. This analysis considers both current operating costs and the 10-year capital plan. While every effort is made to keep expenditures reasonable, rate adjustments are sometimes necessary to address the city’s growth and the ongoing needs of aging infrastructure.”

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 2026 budget has increased accordingly. For 2026 the budget includes the addition of a new Full Time Equivalent (FTE) position for the sewer

fund. This will be the first position added to this fund since incorporation. Therefore, a 4.65% increase (\$5.10 per quarter / \$20.40 per year) is necessary for 2026.

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 required to address these obligations, as well as the community's growth and the capital investments needed to maintain the City's utility systems.

Since 2024, operating costs for both water treatment plants have risen sharply due to higher prices for chemicals and contract services. Chemical use and sludge removal remain key cost drivers. For 2026, 1.4 new FTEs are being added: a Water Treatment Operator trainee at Rose Valley (which was part of the original staffing plan for the Rose Valley Water Treatment plant) and the conversion of a seasonal Watershed operator to a year-round position.

Budget development for the Rose Valley Water Treatment Plant remains in its early stages as the facility enters its third year of operation. In contrast, the aging Powers Creek plant is experiencing escalating maintenance and repair costs as its infrastructure continues to deteriorate.

User rates for each system are determined independently, based on their respective operating budgets and required contributions to reserves for major capital projects and equipment replacement. All water user fee revenues stay within the water utility, and any year-end surplus remains dedicated to water system needs.

After analyzing the needs of the systems, the average rate increase needed for Rose Valley water customers for 2026 is 1% (\$1.78 per quarter / \$7.12 per year, and 11.37% (\$25.62 per quarter / \$102.48 per year) for Powers Creek customers.

In 2026, Rose Valley water rates will no longer include the contribution for the Water Treatment Plant Project construction in the flat water charges. If customers did not prepay the related debt, the payment will instead be added to their property tax bill in May 2026. The current calculated annual debt payment per parcel is \$168.89, which is a decrease from the previous estimate of \$180. More details will be shared with the public and Council during the parcel tax bylaw review in March.

In late 2026, all water rates will be reviewed and analyzed as part of the Water Rate Study and workshops will be held with Council and the public.

Garbage Rates (Schedule 9)

The solid waste service for West Kelowna is delivered as a regional service in partnership with the City of Kelowna, the District of Lake Country, the District of Peachland, and the Regional District of Central Okanagan. Contract changes will occur effective May 1, 2026, with BC Recycling taking over collection of recyclables. With this change, the City will also lose the recycling rebate which has helped to cover the solid waste budget. Although there will be a decrease in contractor pick up fees, with the loss of the recycling rebate and increases in tipping fees at the landfill in Kelowna, the garbage rate should be increased 4.3% or \$2/quarter or \$8 annually.

FINANCIAL IMPLICATIONS

The proposed sewer, water and garbage rates are designed to meet the financial needs of the City for 2026 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	\$ 5.10	\$ 5.10
Water	25.62	1.78
Garbage	2.00	2.00
Total Quarterly Utility Increase	\$ 32.72	\$ 8.88
Total Annual Utility Increase	\$ 130.88	\$ 35.51

Alternate Recommendation:

THAT Council direct staff to modify “City of West Kelowna Fees and Charges Amendment Bylaw No. 0028.85, 2026” by [Council to provide direction].

PowerPoint: Yes No

Attachments:

City of West Kelowna Fees and Charges Amendment Bylaw No. 0028.85, 2026