



COUNCIL REPORT
Financial Services
For the March 24, 2020 Council Meeting

DATE: March 13, 2020
TO: Paul Gipps, CAO
FROM: Lisa Siavashi, Financial Services Manager
RE: Adoption of Water Rates Bylaw No. 0028.66, 2020

RECOMMENDED MOTION:

THAT Council adopt the “City of West Kelowna Fees and Charges Amendment Bylaw No. 0028.66, 2020” (Schedule 8).

RATIONALE:

At the March 10th, 2020 regular meeting, Council gave three readings to Bylaw 0028.66 Fees and Charges Amendment Bylaw Schedule 8. Amendments to the water rates bylaw were part of a revised water rate schedule, as deliberated by council, over a 4-year period, to move towards one water system.

Increases in the costs of water distribution expenses and funding infrastructure repairs and upgrades require an increase in the water user fees collected to cover these expenses.

BACKGROUND:

The 2019 water rates approved by Council marked the second step of water rate increases in a 4-year phase-in plan that would see us move to having the same level of service for all of our citizens.

In 2020, the next phase of that plan will see the following accomplished:

1. An average rate increase of 13% for Rose Valley water customers and 5.52% for Powers Creek water users,

Increases to the water rates will help to fund: the construction of the Rose Valley Water Treatment Plant; upgrades to the general water infrastructure, including PRV assessments and water main replacements.

2. Re-structuring of the agricultural billing methodology to implement a quarterly flat-rate and consumption-based model for all agricultural customers.

The metered charges for agriculture are tier based as follows: \$0.03 per cubic meter up to 7,491 cubic meters/hectare/year and \$0.10 per cubic meter for all remaining consumption. As this

allowance is for annual consumption, the metered charges will be billed to customers on their fourth quarter bill. The quarterly flat-rate would continue to be billed on the quarterly invoices.

Communication about the change in the agricultural billing methodology was originally sent to customers in January 2018. Further to this, a reminder letter was sent December 13, 2019 noting these changes. Letters have also been sent out recently informing those customers that have obtained/retained their farm class that metered charges will be billed annually along with an estimate of the annual charges based on their 2019 consumption. Approximately 41 customers that did not obtain farm class and who will be billed residential rates starting January 1st, 2020, have also been sent a letter informing them of the changes to their account.

COUNCIL REPORT/RESOLUTION HISTORY:

Date	Report Topic/Resolution	Resolution No.
Mar 10, 2020	THAT Council give first, second and third reading to "City of West Kelowna Fees and Charges Amendment Bylaw No. 0028.66, 2020" (Schedule 8)	

FINANCIAL IMPLICATIONS:

The proposed water rates are designed to meet the financial needs of the City in 2020 and will continue to be reviewed as part of our annual budget process each year and amended as required. This includes amounts to be transferred to water reserves to help fund the different capital expenditures as authorized in the 10 year Capital Plan.

ALTERNATE MOTIONS(S):

THAT Council postpone consideration of adoption of City of West Kelowna Fees and Charges Amendment Bylaw No. 0028.66, 2020.

REVIEWED AND APPROVED BY:

Warren Everton, Director of Finance/CFO
Tracey Batten, Deputy CAO/Corporate Officer
Paul Gipps, CAO

Powerpoint: Yes No

Attachments: Amended Fees and Charges Bylaw. 0028.66, 2020 and Schedule 8