

Dietrich Water System Bylaw Amendment Report

Electoral Area Service Committee Meeting

October 21, 2024

1450 K.L.O. Road
Kelowna, BC, V1W 3Z4
rdco.com



Purpose

To review and discuss water system fees and charges for the Regional District owned Dietrich water system.

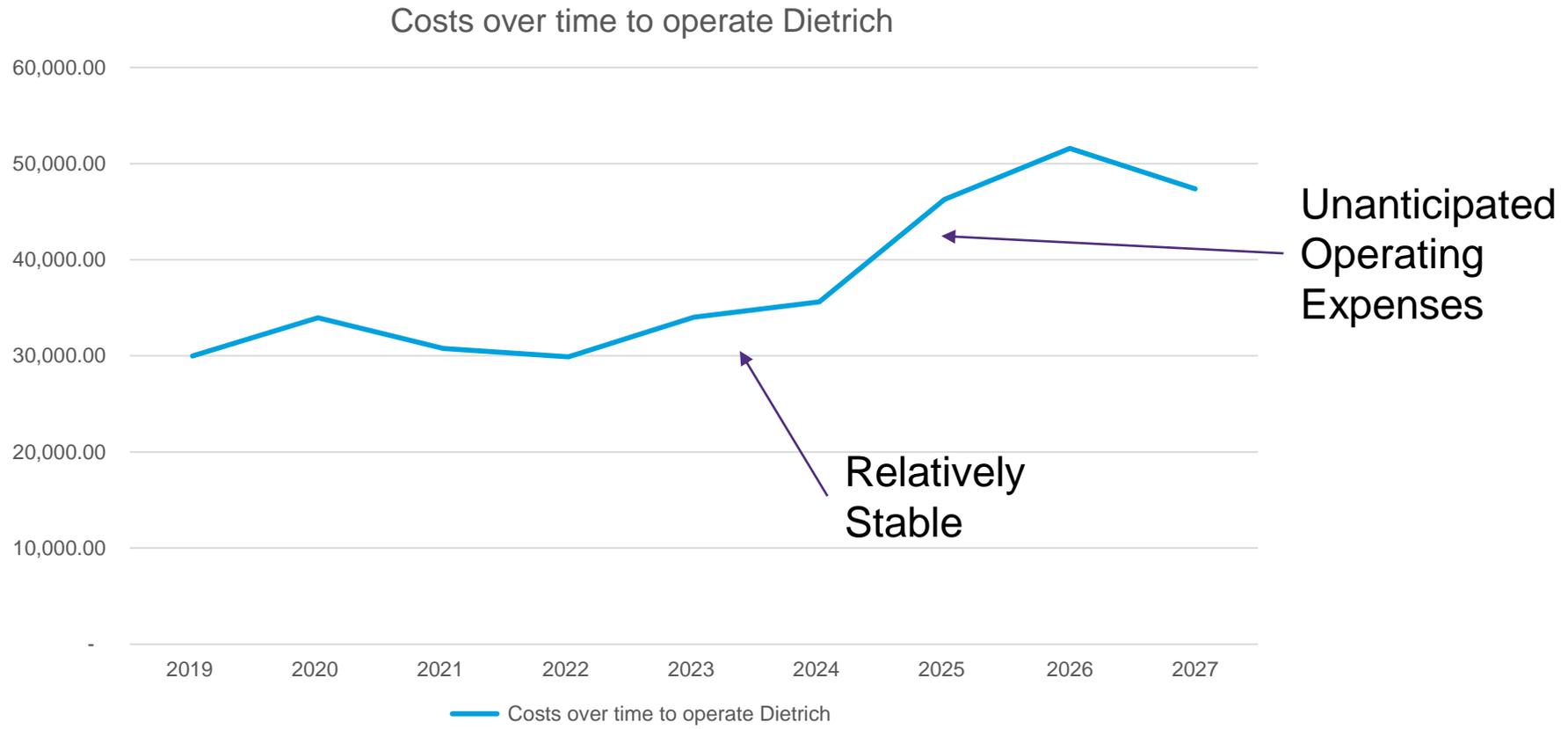
Dietrich (Trepanier) Water System:

Location:	3km Northwest of Peachland
# of Users:	Eight (8)
Date of Last Review:	September 2022

Issue & Impacts

- Fees no longer adequate to operate and maintain the water system:
 - Loss of leasing income
 - Higher than projected operating costs to maintain service levels
 - Cyber Security vulnerabilities must be addressed
 - Higher than anticipated inflation rates
 - Unanticipated Operating Projects

Changes in Costs over time



Unanticipated Operating Expenses

New for 2025 – Largest Contributors

Project / Expense	Additional Expense (2025)
Cyber Security	+\$4,000
Operating Reserve Contributions <ul style="list-style-type: none">• Additional Repairs & Maintenance (\$3k)• Unanticipated Projects (\$2.5k)• IT Infrastructure Renewal (\$200)	+\$5,690

Options

- **Option 1 - Increase rates to cover expenses**
 - Additional ~41% user cost (~\$1,841 per household for 2025)
- **Option 2 - Increase rates, divert asset renewal funds**
 - Divert portion of Asset Renewal fees towards Operating Expenses
 - Additional ~23% user cost (~\$1024 per household for 2025)

Value Comparison

Water Service Type	Estimated One-Time Expense	Estimate Annualized Expense
RDCO Community Water System	N/A	\$5,000 - \$6,000
Hauled Water – Cistern	> \$5000	\$12,000 - \$17,000
Private Drilled Well	>\$25,000	\$2,000 - \$4,000

Water service provided through the RDCO is still the most economical option available for many property owners to obtain REGULATORY COMPLIANT drinking water.

Recommendation – Option 1

- It is recommended that

- The average user cost increase by ~\$1,841 in 2025
- The Basic User Fee be increased annually thereafter by 6%
- All water system rates be reviewed in 2027

- Reasoning

- Ensures RDCO's cyber systems are safe
- Ensures Water system has adequate funding for day-to-day operations
- Restores capital funding through Asset Renewal fee



Thank you