

Water System Fees & Charges Bylaw Amendments

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Purpose

To consider amending the water system fees and charges for Regional District owned water systems

Background

- Six Water Systems – Each water system has its own unique fees and charges.
- Current Fee Structure has three parts:
 - The basic fee is a flat fee that applies to all lots where the water service is turned on.
 - Covers; administration, wages, permits, insurance, and testing.
 - The consumption fee is based on actual individual metered water consumption.
 - Covers; electricity, treatment, equipment maintenance and repairs.
 - The Asset Renewal Fees which apply to all lots serviced by a water system, notwithstanding connection status.
 - Covers; replaced of watermains, pumps and reservoirs.

Water Fee Review

- Water Fees last reviewed July/2019.
 - Fees established for next 3-year period – July 2019 to Jan 2022
 - Approved fees reflected a 2% inflationary adjustment.
- Fees no longer reflect the actual costs to operate and maintain the water systems:
 - Supply chain issues; increased operating costs
 - Higher inflation rates; +15%
 - Transition from capital costs to operating;
 - Changes to the number of users.

Specific Issues

- Killiney Beach, Westshore and Valley of the Sun: White Rock Lake Wildfire 2021 user fee discount during evacuation period:
 - Over \$110,000 in 2021 budgeted revenue not received for three water systems combined.
 - Increased operating costs during fire event (i.e., staff, lab testing, etc.).
 - Loss of approximately 30 properties connected to Killiney Beach Water System reduces ongoing revenue:
 - Reduced annual user fee revenue by approximately \$18,000.

Specific Issues - Continued

- Falcon Ridge:

- Increased costs with new water treatment equipment (i.e., filter changes).
- Planned service area expansion influencing a reduction in fee intensity.

- Dietrich:

- Higher than projected operating costs to maintain service levels.

Changes in Costs over time

Operating Costs	2018	2019	2020	2021	2022
	Actual	Actual	Actual	Actual	Budget
Killiney Beach	\$ 153,691	\$ 159,937	\$ 211,217	\$ 228,201	\$ 290,943
Falcon Ridge	\$ 45,433	\$ 62,800	\$ 79,363	\$ 83,490	\$ 88,704
Sunset Ranch	\$ 114,088	\$ 127,313	\$ 137,763	\$ 138,958	\$ 191,647
Dietricht	\$ 24,464	\$ 26,556	\$ 29,621	\$ 23,743	\$ 28,137
Westshore	\$ 161,430	\$ 203,770	\$ 262,948	\$ 199,319	\$ 275,179
Upper Fintry	\$ 96,626	\$ 98,002	\$ 113,305	\$ 115,360	\$ 132,050
All Water	\$ 595,731	\$ 678,379	\$ 834,216	\$ 789,071	\$ 1,006,660

Notable Cost Changes

- Cost increase for:
 - Salary and Wages
 - Electricity and Fuel
 - Admin O/H
- Some major repairs now included as operating expenses
- Creation of Operating Reserves
- Water meters now included as an operating expense.
- Collection fees related to bill payments increased nearly 3500%
- Wildfire Recovery Expenses, included in 2022 expenses.

Proposed Changes

Water System	Current Base User Fee (2022)		Proposed Base User Fee (2023)			
	Quarterly	Annual	Quarterly	Annual	Annual Change	Adjustment
Killiney Beach	\$ 137.00	\$ 548.00	\$ 162.00	\$ 648.00	\$ 100.00	18.2%
Falcon Ridge	\$ 212.00	\$ 848.00	\$ 225.00	\$ 900.00	\$ 52.00	6.1%
Sunset Ranch	\$ 101.00	\$ 404.00	\$ 110.00	\$ 440.00	\$ 36.00	8.9%
Dietricht	\$ 556.00	\$ 2,224.00	\$ 638.00	\$ 2,552.00	\$ 328.00	14.7%
Westshore	\$ 153.00	\$ 612.00	\$ 162.00	\$ 648.00	\$ 36.00	5.9%
Upper Fintry	\$ 210.00	\$ 840.00	\$ 223.00	\$ 892.00	\$ 52.00	6.2%

Important factors

- Water fees differ between each of the RDCO water systems, based upon:
 - Economies of scale,
 - Types and cost of water treatment,
 - Population density,
 - Age and efficiency of infrastructure,
 - Elevation of water source and users, and
 - Funding, asset replacement planning, and subsidizations

Communications

- Direct mail through water utility bills;
- Email notification to those subscribed to e-notification services at rdco.com;
- Updated rates provided at rdco.com/water;
- Notification via RDCO social media channels
- Detail in the next Water Talk newsletter; and
- Advertising in local news outlets.

Recommendation 1 of 2

All Directors – Weighted Vote – Majority (LGA s.210)

THAT the Regional Board give first, second and third readings to Regional District of Central Okanagan Killiney Beach Water System Fees & Charges Amendment Bylaw No. 1517, 2023;

AND THAT the Regional Board give first, second and third readings to Regional District of Central Okanagan Falcon Ridge Water System Fees & Charges Amendment Bylaw No. 1518, 2023;

AND THAT the Regional Board give first, second and third readings to Regional District of Central Okanagan Sunset Ranch Water System Fees & Charges Amendment Bylaw No. 1519, 2023;

AND THAT the Regional Board give first, second and third readings to Regional District of Central Okanagan Dietrich Water System Fees & Charges Amendment Bylaw No. 1520, 2023;

AND THAT the Regional Board give first, second and third readings to Regional District of Central Okanagan Westshore Estates Water System Fees & Charges Amendment Bylaw No. 1521, 2023;

AND FURTHER THAT the Regional Board give first, second and third readings to Regional District of Central Okanagan Upper Fintry, Shalal Road and Valley of the Sun Water System Fees & Charges Amendment Bylaw No. 1522, 2023.

Recommendation 2 of 2

All Directors - Weighted Vote – 2/3 Majority (LGA s.228)

THAT the Regional Board adopt Regional District of Central Okanagan Killiney Beach Water System Fees & Charges Amendment Bylaw No. 1517, 2023;

AND THAT the Regional Board adopt Regional District of Central Okanagan Falcon Ridge Water System Fees & Charges Amendment Bylaw No. 1518, 2023;

AND THAT the Regional Board adopt Regional District of Central Okanagan Sunset Ranch Water System Fees & Charges Amendment Bylaw No. 1519, 2023;

AND THAT the Regional Board adopt Regional District of Central Okanagan Dietrich Water System Fees & Charges Amendment Bylaw No. 1520, 2023;

AND THAT the Regional Board adopt Regional District of Central Okanagan Westshore Estates Water System Fees & Charges Amendment Bylaw No. 1521, 2023;

AND FURTHER THAT the Regional Board adopt Regional District of Central Okanagan Upper Fintry, Shalal Road and Valley of the Sun Water System Fees & Charges Amendment Bylaw No. 1522, 2023.



Questions?