

To: Mayor and Council
From: Paul Gipps, CAO

Meeting Date: July 15, 2025
Meeting Type: Regular Council Meeting

Prepared by: Nick Van Dalen, Engineering Technician II
Department: Engineering and Environmental Services

Title: Water and Sanitary Sewer Regulation and Rate Amendment Bylaws
Description: A Bylaw to amend the Water Regulation and Rates Bylaw 984, 2016 and Sanitary Sewer Regulation and Rate Bylaw 1176, 2022

RECOMMENDATION

THAT the Water Regulation and Rates Bylaw 1286, 2025 be read a first, second, and third time
AND THAT the Sanitary Sewer Regulation and Rate Bylaw 1287, 2025 be read a first, second, and third time

EXECUTIVE SUMMARY

This report presents proposed amendments to the Water Regulation and Rates Bylaw 1286, 2025 and the Sanitary Sewer Regulation and Rates Bylaw 1287, 2025. The changes aim to improve administrative efficiency, align payment schedules, support infrastructure cost recovery, and respond to recent legislative and operational developments.

- Key updates to both bylaws include the introduction of standardized charges for new water and sewer service installations, replacing the current deposit and reconciliation model. This change is expected to reduce staff time while maintaining fairness to customers. Utility billing due dates are also being revised, moving to the end of the second month following each billing period to provide sufficient time for billing preparation and customer notice.
- The Capital Limit Adjustment Charge in the water bylaw, introduced through the 2023 Bulk Water Agreement with the City of Kelowna, has been updated to reflect the District's newly adopted Development Cost Charges (DCCs). This charge ensures cost recovery for in the Kelowna supply area.
- Additional changes in the water bylaw include transitioning to meter pits for all new residential water service connections, enabling more flexible servicing for pre-existing properties, and clarifying metering requirements for small-scale multi-unit housing developments permitted under provincial Bill 44.

These amendments support the District's goals of financial sustainability, operational efficiency, and alignment with current development and legislative frameworks.

DISCUSSION/ANALYSIS

Updates are proposed to both the Water Regulation and Rates Bylaw 984, 2016 and the Sanitary Sewer Regulation and Rate Bylaw 1176, 2022 to streamline internal administrative processes and align with evolving infrastructure practices, provincial legislation, and inter-municipal agreements.

1. Utility Service Installation Charges

Currently, new water and sewer service installation costs are estimated with a markup, and customers are required to pay the full deposit upfront. After installation, the actual cost is reconciled, and any overpayment is refunded. This process demands significant staff time from both the Utilities and Finance departments for

estimating, processing, and refunding.

The proposed amendments replace this deposit-based model with set charges for standard installation sizes and types based on historical installation cost data. Atypical installation sizes and types will continue to utilize the existing payment methodology. These standard fees reflect average actual costs and are not expected to result in customers paying more or less overall. This change will reduce administrative workload, simplify customer communication, and improve billing efficiency.

2. Quarterly Utility Billing Schedules

In 2022, when the District transitioned to new utility billing software, the payment due date for quarterly bills was changed to the 15th day of the second month following quarter-end. This adjustment was intended to standardize billing cycles; however, it has resulted in a turnaround time that is too short to accommodate meter reading, data validation, bill preparation, mailing, and sufficient notice for customers to make payments.

This bylaw update proposes reverting the due date to the end of the second month following each billing period. This change will provide a more manageable timeline for staff and improve customer experience.

3. Capital Limit Adjustment Charge (Bulk Water Agreement)

As part of the 2023 Bulk Water Agreement between the District of Lake Country and the City of Kelowna, a Capital Limit Adjustment Charge was introduced to recover the District's capital costs associated with providing water to another municipality. This charge functions similarly to a Development Cost Charge (DCC) by collecting a proportional contribution toward infrastructure expansion needed to service growth.

This charge was developed through inter-municipal negotiations to ensure the City of Kelowna contributes its fair share toward system improvements required to accommodate its demand. The formula used to calculate this charge—outlined in Appendix E—follows the same methodology as when originally implemented, and is based on the District's current DCC rates for water and the maximum day demand imposed by the City of Kelowna's water use.

4. Water Metering and Service Configuration

The proposed bylaw shifts toward standardizing meter pit installations for all new residential water service connections. Moving meters out of homes and into meter pits improves accessibility for maintenance, reduces liability from in-home leaks, and ensures all water usage on the private side of the service is accounted for. This will also support water conservation efforts by detecting leaks that might otherwise go unnoticed.

5. Watermain Extension Requirements for Existing Properties

Currently, property owners requesting a new service connection are required to upgrade upstream infrastructure to meet current Subdivision and Development Servicing (SDDS) Bylaw standards. In some cases, this results in prohibitively expensive upgrade requirements for isolated properties.

This update introduces flexibility for servicing pre-existing properties by allowing watermain extensions that meet SDDS standards without requiring upgrades to all upstream infrastructure. To ensure fire vulnerability risks are mitigated, the Director is designated authority to require additional onsite fire protection measures at their discretion when minimum residential fire flow requirements cannot be met through the existing system.

6. Metering for Small-Scale Multi-Unit Housing (Bill 44)

Recent provincial legislation—Bill 44: Small-Scale Multi-Unit Housing (SSMUH)—permits up to four dwelling units on lots with municipal water and sewer services. The proposed updates provide clarity on acceptable water meter configurations for freehold developments with up to four units, ensuring alignment with both legislation and operational best practices.

FINANCIAL IMPLICATIONS

☒ None ☐ Budget Previously Approved ☐ Other (see below)

COMMUNICATION

This application was completed in consultation with the Utilities and Finance departments.

ALTERNATE RECOMMENDATION(S)

1. THAT the Water Regulation and Rates Amendment Bylaw 1286, 2025 and Sanitary Sewer Regulation and Rate Amendment Bylaw 1287, 2025 be amended (as identified by Council)
AND THAT the Water Regulation and Rates Amendment Bylaw 1286, 2025 be read a first, second, and third time as amended;
AND THAT the Sanitary Sewer Regulation and Rate Amendment Bylaw 1287, 2025 be read a first, second, and third time as amended.
2. THAT the Water Regulation and Rates Amendment Bylaw 1286, 2025 and Sanitary Sewer Regulation and Rate Amendment Bylaw 1287, 2025 be deferred pending additional information identified by Council.

Respectfully Submitted.

Nick Van Dalen, Engineering Technician II

Report Approval Details

Document Title:	Water and Sanitary Sewer Regulation and Rates Bylaw Amendments.docx
Attachments:	<ul style="list-style-type: none"> - Appendix A - Water Regulation and Rates Amendment Bylaw.pdf - Appendix B - Water Regulation and Rates Bylaw Redline.pdf - Appendix C - Sanitary Sewer Regulation and Rate Amendment Bylaw.pdf - Appendix D - Sanitary Sewer Regulation and Rate Bylaw Redline.pdf - Schedule E - City of Kelowna Capital Charge Calculation.pdf
Final Approval Date:	Jul 2, 2025

This report and all of its attachments were approved and signed as outlined below:

Kiel Wilkie, Capital Project Manager - Jul 2, 2025 - 8:14 AM

Mike Mitchell, Utility Operations Manager - Jul 2, 2025 - 8:21 AM

Reyna Seabrook, Director of Corporate Services - Jul 2, 2025 - 11:58 AM

Paul Gipps, Chief Administrative Officer - Jul 2, 2025 - 12:53 PM

Makayla Ablitt, Legislative & FOI Coordinator - Jul 2, 2025 - 1:06 PM