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**CITY OF KELOWNA**

**MEMORANDUM**

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**Date:** January 31, 2005  
**File No.:** 1822-02  
**To:** City Manager  
**From:** Wastewater Manager  
**Subject:** Abandoning arbitrary sewer credits

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**RECOMMENDATION :**

THAT, effective on January 1, 2006, the practice of allowing sewer use credits based on arbitrary or estimated irrigation water used, be abandoned,

AND THAT those customers that are presently utilizing such a credit be advised that a lump-sum credit will no longer be provided on this basis after the end of 2005,

AND THAT Bylaw 3480 be amended to remove the wording allowing sewer credits based on landscaped area and add wording establishing conditions under which sewer credits will be allowed based on measured water use,

**BACKGROUND :**

The Sewer Utility charges our Industrial-Commercial-Institutional (ICI) customers on the basis of the metered water they use for their business. In most cases the water used is fairly representative of the sewer discharged from a property. In some cases, customers have a substantial amount of landscaping, which they irrigate, and this would cause their sewer rates to increase when in fact the irrigation water is not being "returned" to the sewer system. In other cases, customers run a processing facility that uses water in their product and, again, is not returned to the sewer system. The conventional way to credit our customers for water that is not returned to the sewer is to allow them to install an additional "Sewer Credit meter" that measures the irrigation or process water and allows that usage to be deducted from the overall water used by their business.

Many years ago, some Utility customers were allowed to apply to the City to receive a credit for their irrigation use, and this was based on a formula using the customers' winter water use and their area of landscaping, with certain conditions. This is a complicated formula to apply in our billing, particularly now that the billing is contracted, and the billing is not based on actual usage. Our Utility billing provider must separate and manually calculate and mail 95 utility bills due to this special arrangement. In addition, when the use of the building or property changes there is no check or provision to re-evaluate the suitability of the billing. In some cases, customers are receiving a sewer credit based on a measured "landscaped area" when the area is not being irrigated and therefore the credit may not be due. A properly installed sewer credit meter is deemed as the most representative method to provide a sewer credit in a manner fair to all customers.

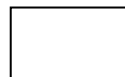
It is proposed that Sewer Credit meter becomes the only means of providing our ICI customers with a credit (a discount in their sewer billing) for the water they use for irrigation or for a water-based product. The conditions of allowing a Sewer Credit meter will be as follows:

- For an application to be considered for a credit meter the water used through the credit meter must be exclusively for irrigation or in an internal process where the water used that will not return to the sewer must be equal to or greater than 20% of the total amount of water supplied to the customer in an average month.
- In the circumstance where a sewer credit meter is allowed for internal use, the process must be such that the water used in the product must not be able to return to sewer. (i.e. there can be no return lines, overflow drains or any other way that the credited water might get into the sewer). An inspector approved by the City must verify that this is the case before a credit is considered.
- The credit meter must be installed immediately before the irrigation pipe leaves the building or discharges to the product, to minimize any opportunity for water to be used off the same water line in a fixture that might discharge to sewer.
- The credit meter must be installed by the City or its authorized representative. The credit meter must be of the same type and of the same required size as the City standard water meter and the costs of installation, maintenance and repair are the responsibility of the customer. A non-standard or improperly placed meter will not be read and subsequently a credit will not be provided.

The customers that are presently credited for sewer use based on any formula other than actual metered volume will be notified and advised that this practice will be eliminated at the end of 2005. These customers will be offered the opportunity to install a Sewer Credit meter if their particular application meets the conditions specified above. This should allow our customers suitable time to make any plumbing changes and install a Credit meter prior to the old formula being phased out.

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W.J. Berry, P.Eng.  
Wastewater Manager



Approved for inclusion:  
John Vos  
Director of Works & Utilities