

# REGIONAL DISTRICT OF CENTRAL OKANAGAN

## Utility Acquisition Policy

Board Presentation – November 10, 2011



URBANSYSTEMS.

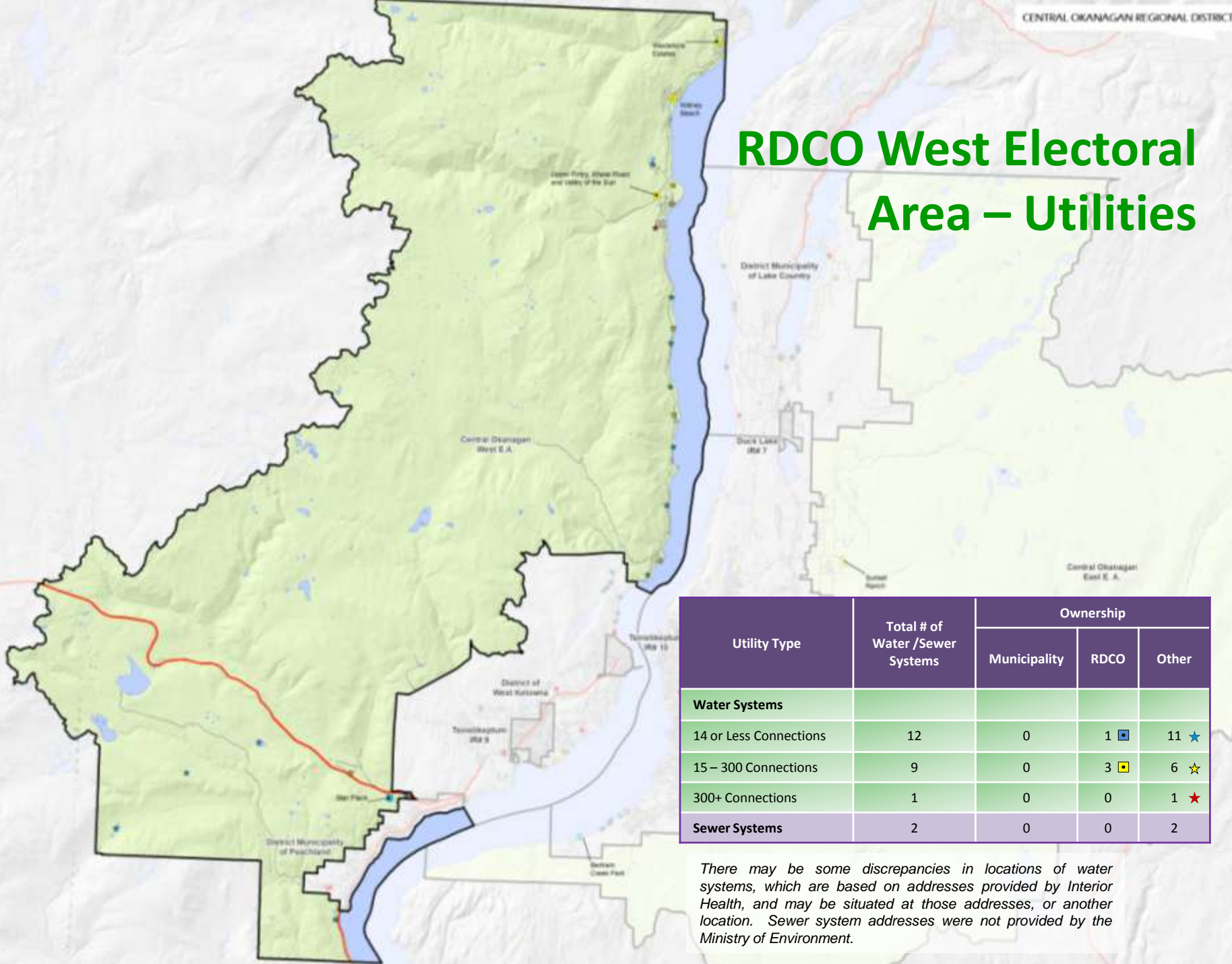
# Background



- Within RDCO boundaries are utilities not owned by RDCO or member municipalities.
- Various governance arrangements – Improvement Districts, private utilities, strata corporations.







# RDCO West Electoral Area – Utilities

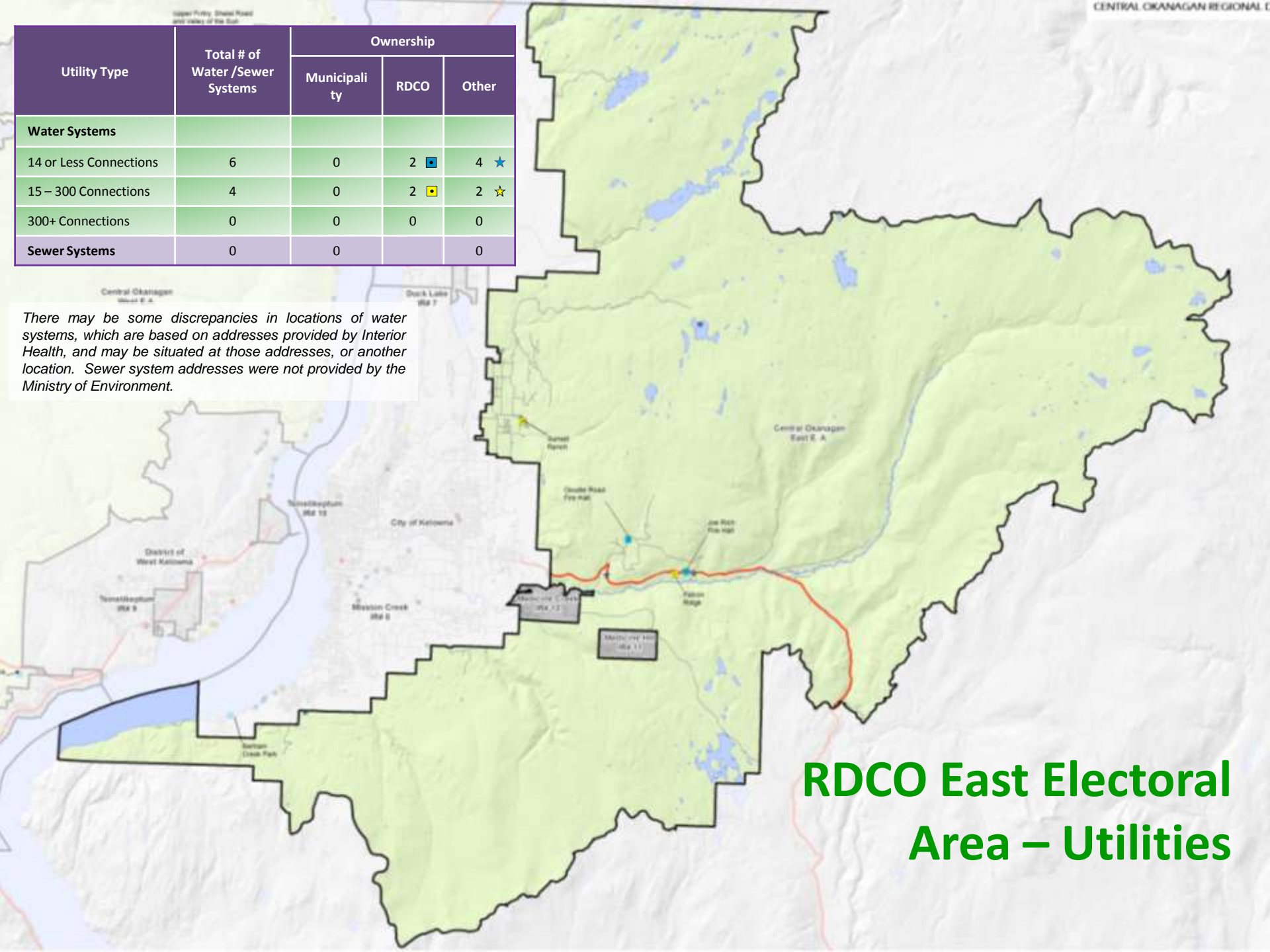


Utility Type	Total # of Water /Sewer Systems	Ownership		
		Municipality	RDCO	Other
<b>Water Systems</b>				
14 or Less Connections	12	0	1	11
15 – 300 Connections	9	0	3	6
300+ Connections	1	0	0	1
<b>Sewer Systems</b>	2	0	0	2

*There may be some discrepancies in locations of water systems, which are based on addresses provided by Interior Health, and may be situated at those addresses, or another location. Sewer system addresses were not provided by the Ministry of Environment.*

Utility Type	Total # of Water /Sewer Systems	Ownership		
		Municipality	RDCO	Other
<b>Water Systems</b>				
14 or Less Connections	6	0	2 	4 
15 – 300 Connections	4	0	2 	2 
300+ Connections	0	0	0	0
<b>Sewer Systems</b>	0	0		0

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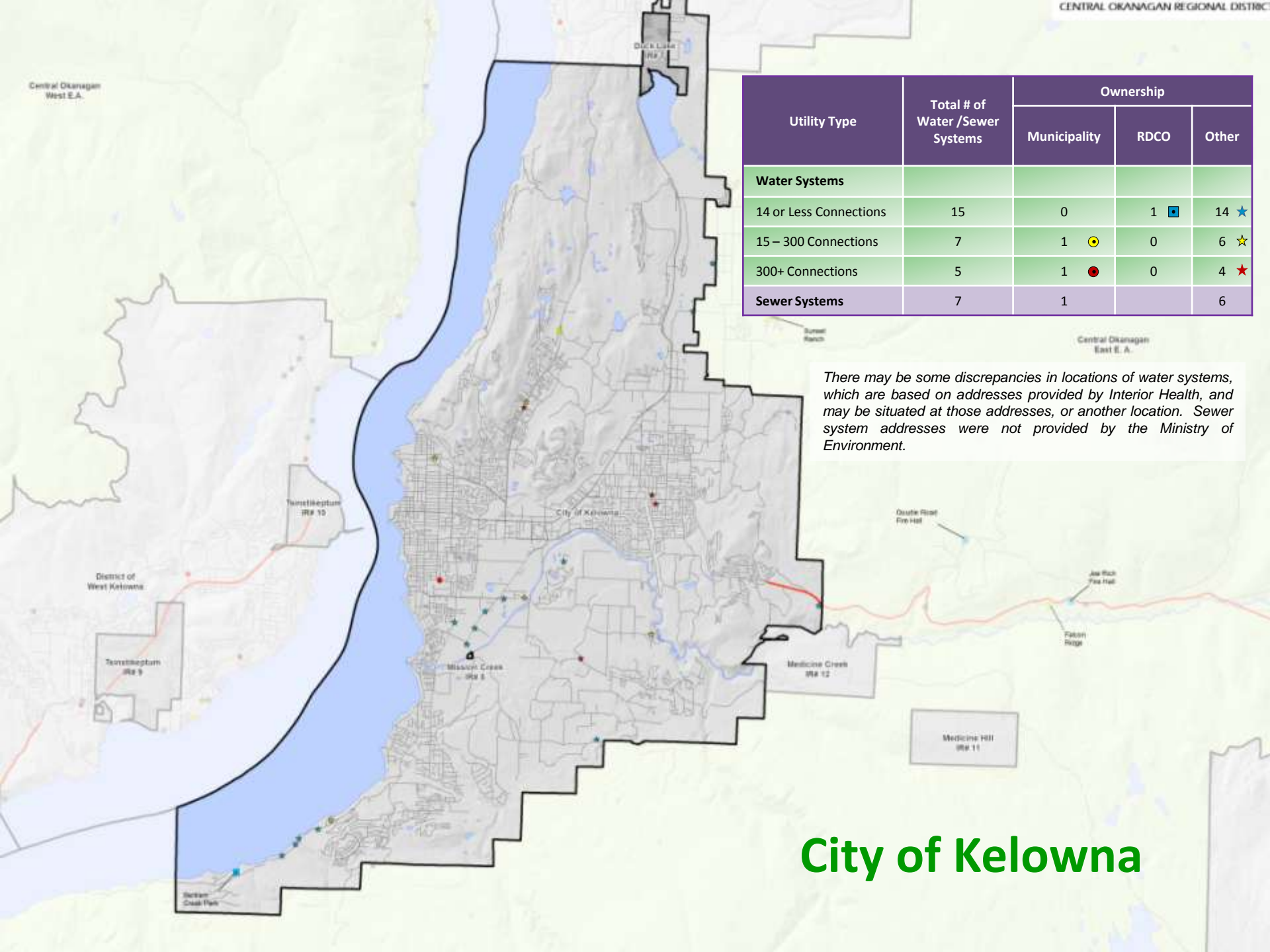
## RDCO East Electoral Area – Utilities

Central Okanagan West E.A.

Utility Type	Total # of Water /Sewer Systems	Ownership		
		Municipality	RDCO	Other
<b>Water Systems</b>				
14 or Less Connections	15	0	1 <span style="color: blue;">■</span>	14 <span style="color: blue;">★</span>
15 – 300 Connections	7	1 <span style="color: yellow;">●</span>	0	6 <span style="color: yellow;">★</span>
300+ Connections	5	1 <span style="color: red;">●</span>	0	4 <span style="color: red;">★</span>
<b>Sewer Systems</b>	7	1		6

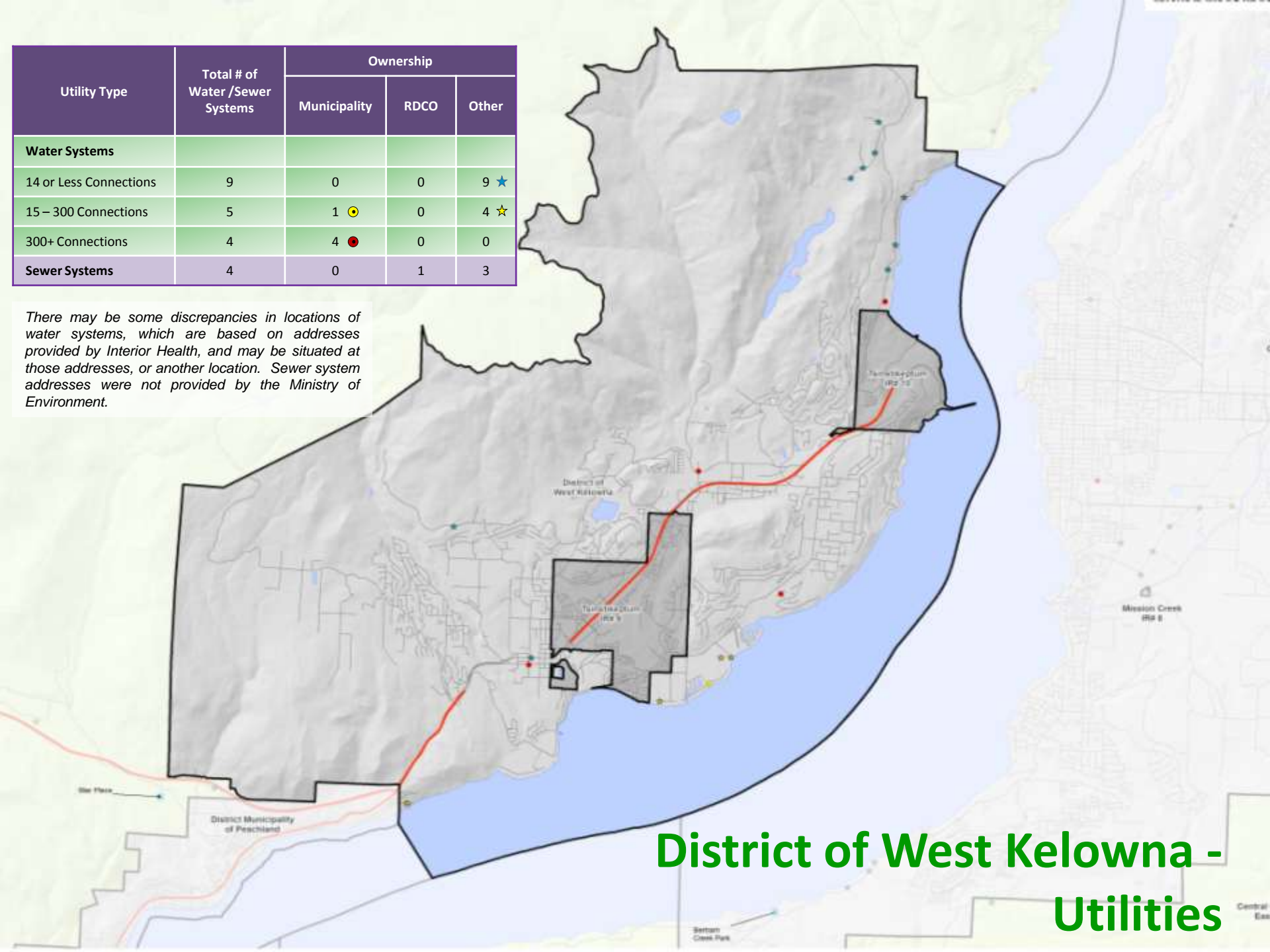
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# City of Kelowna

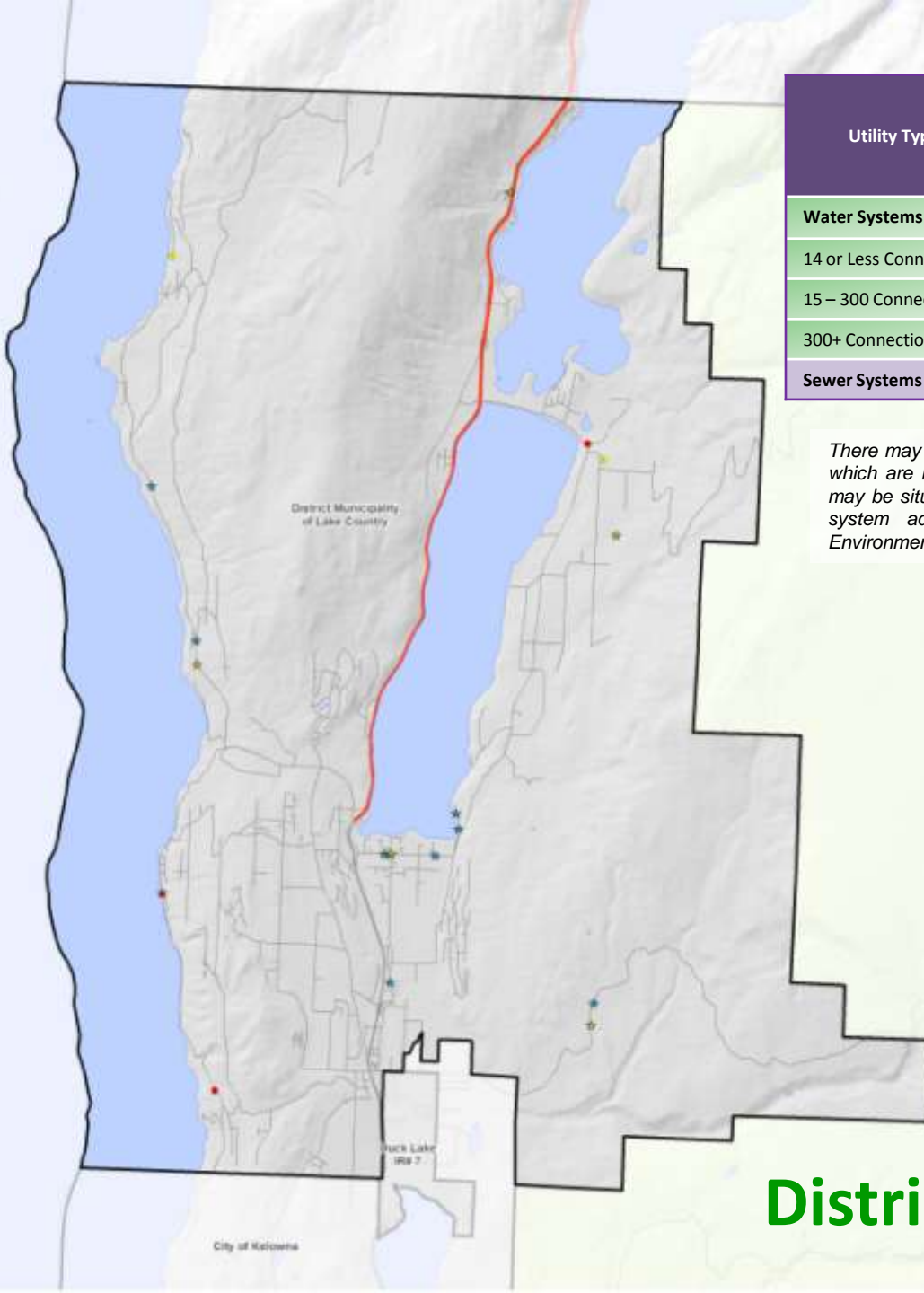


Utility Type	Total # of Water /Sewer Systems	Ownership		
		Municipality	RDCO	Other
<b>Water Systems</b>				
14 or Less Connections	9	0	0	9 ★
15 – 300 Connections	5	1 ☺	0	4 ★
300+ Connections	4	4 ●	0	0
<b>Sewer Systems</b>	4	0	1	3

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# District of West Kelowna - Utilities

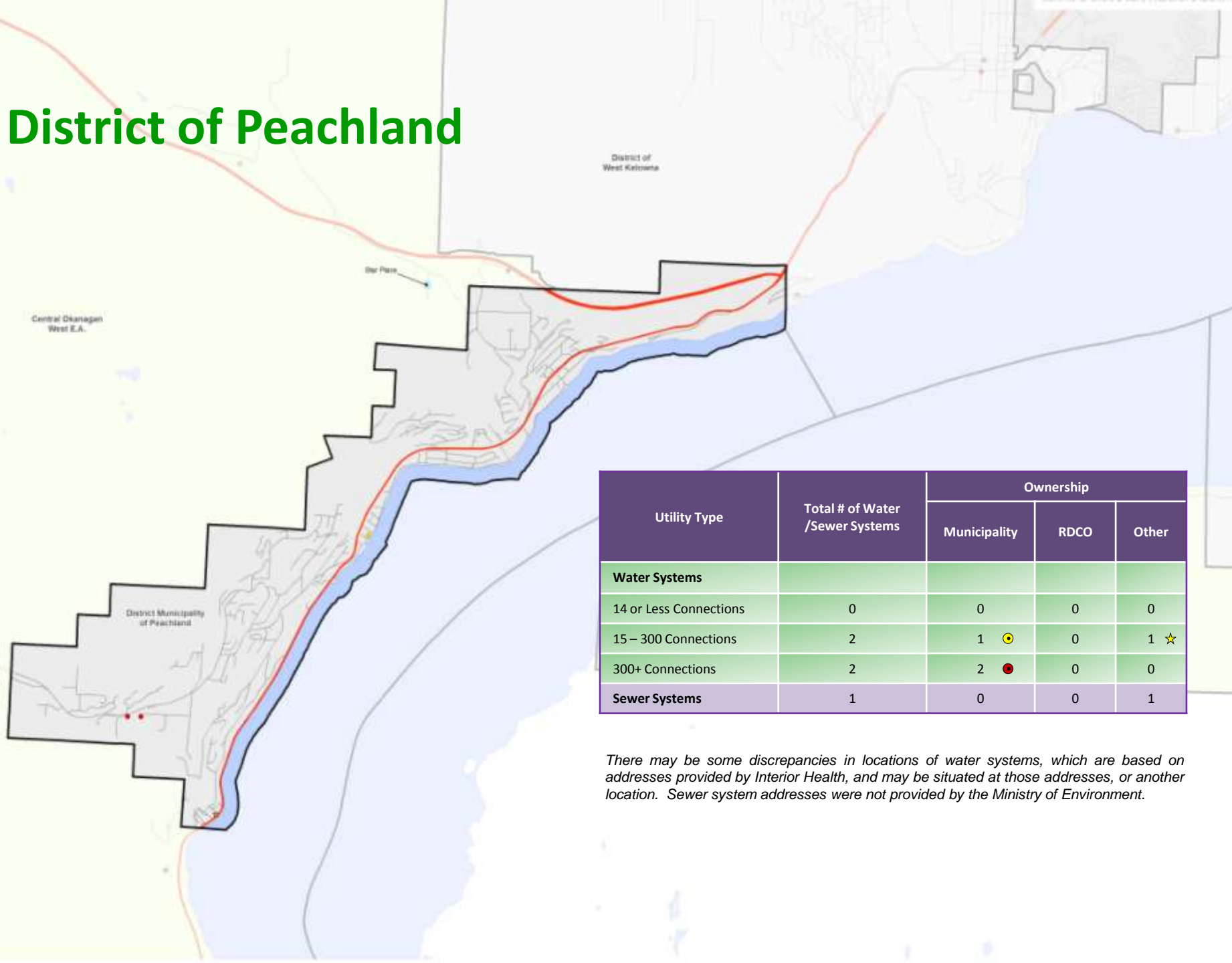


Utility Type	Total # of Water /Sewer Systems	Ownership		
		Municipality	RDCO	Other
<b>Water Systems</b>				
14 or Less Connections	10	0	0	10 ★
15 – 300 Connections	7	2 ☺	0	5 ★
300+ Connections	3	2 ●	0	1 ★
<b>Sewer Systems</b>	4	2	0	2

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# District of Lake Country

# District of Peachland



Utility Type	Total # of Water /Sewer Systems	Ownership		
		Municipality	RDCO	Other
<b>Water Systems</b>				
14 or Less Connections	0	0	0	0
15 – 300 Connections	2	1 ☺	0	1 ☆
300+ Connections	2	2 ●	0	0
<b>Sewer Systems</b>	1	0	0	1

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# Background *(continued . . .)*



- Utilities continue to approach RDCO to request consideration for acquisition.
  
- Why?
  - more stringent senior government regulations;
  - inability to access senior government grants;
  - lack of qualified operators; and
  - concern over liability.

# Framework for Managing Escheated Water Systems



1. Water system incorporated.
2. Water system escheats – no annual report for two years.
3. BC Ministries of Attorney General and Environmental collaborate.
4. BC Ministry of Environment canvasses acquisition candidates.
5. BC Ministry of Environment contracts interim operator.
6. Escheated system transferred to new owner once owner approved and agreement reached.

# Objectives of Utility Acquisition Policy



- RDCO understands the utility's condition.
- RDCO has resources necessary to own and operate utility.
- Utility is financially viable.
- Reduce RDCO risk and liability.
- Acquisition process is clear, standardized and efficient.
- Support RDCO's Strategic Plan – Vision 2020.



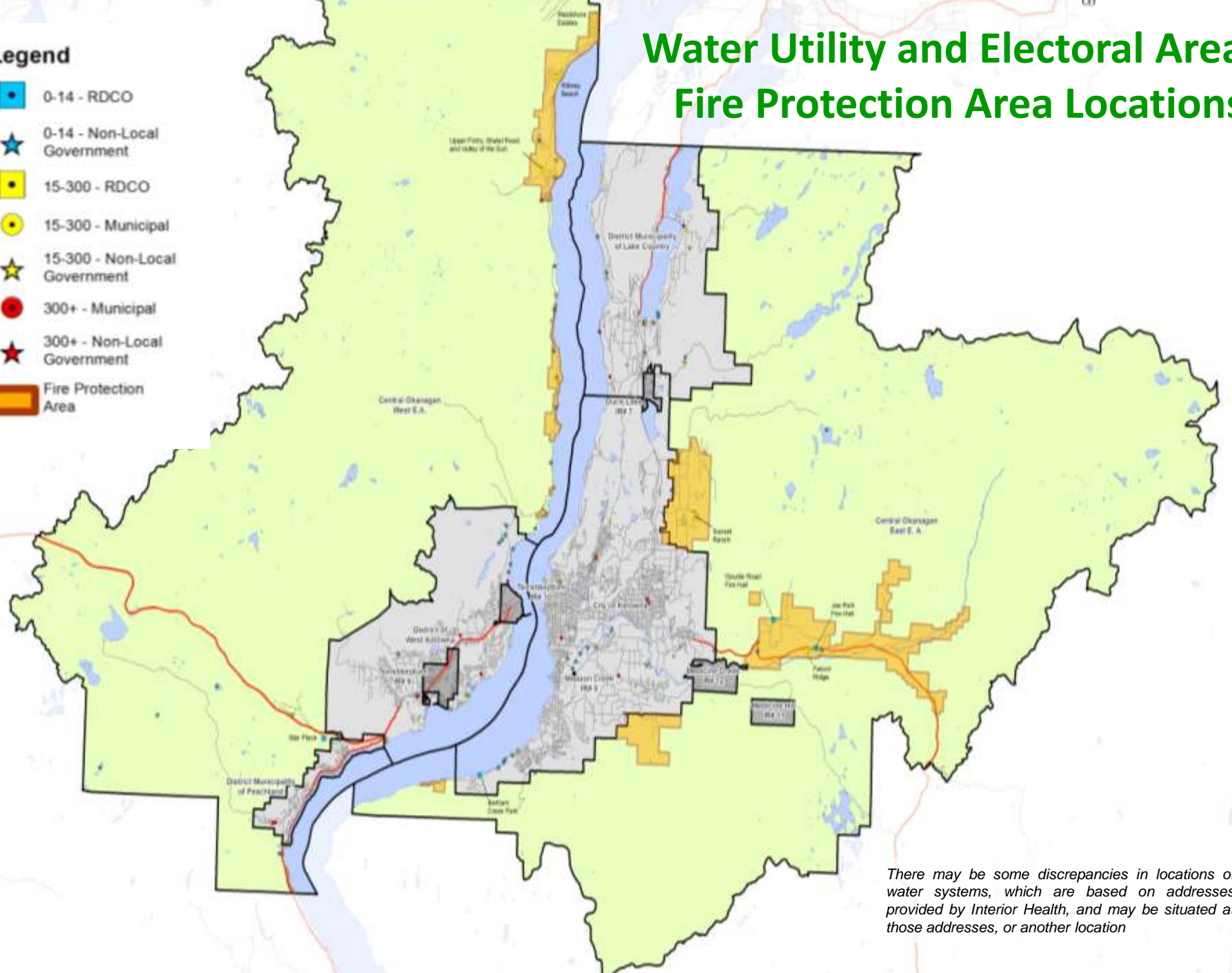
## Water Quantity and Quality

Service Delivery Component	Level of Service	
	Base	Expanded
Water Quantity	<ul style="list-style-type: none"> <li>Conform with RDCO Subdivision &amp; Development Servicing Bylaw.</li> <li>Domestic, Institutional, Commercial &amp; Industrial Uses.</li> <li>Excessive Use Discouraged.</li> <li>Within Fire Protection Areas (FPAs) Sufficient Utility Capacity Required; Preferred Outside FPAs as Well.</li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable.</li> </ul>
Water Quality	<ul style="list-style-type: none"> <li>Conform with IHA Operating Permit.</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced Quality If Customers Fund.</li> </ul>

### Legend

- 0-14 - RDCO
- ★ 0-14 - Non-Local Government
- 15-300 - RDCO
- 15-300 - Municipal
- ★ 15-300 - Non-Local Government
- 300+ - Municipal
- ★ 300+ - Non-Local Government
- Fire Protection Area

# Water Utility and Electoral Area Fire Protection Area Locations



*There may be some discrepancies in locations of water systems, which are based on addresses provided by Interior Health, and may be situated at those addresses, or another location*



## Sanitary Sewer and System Reliability

Service Delivery Component	Level of Service	
	Base	Expanded
Sanitary Sewer	<ul style="list-style-type: none"> <li>Conform with RDCO Subdivision &amp; Development Servicing Bylaw and Environmental Management Act.</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced Quality If Customers Fund.</li> </ul>
Water & Sewer System Reliability	<ul style="list-style-type: none"> <li>Designed to Account for Predictable Failures.</li> </ul>	<ul style="list-style-type: none"> <li>Additional Measures If Customers Fund.</li> </ul>

# Acquisition Process



- Part 1 Initiation
- Part 2 Preliminary Assessment
- Part 3 Comprehensive Assessment
- Part 4 Conditions of Acquisition
- Part 5 Prioritizing

# Part 1 - Initiating the Acquisition Process



- Request from Utility Customers
- Request from Utility Owner
- Support Gauged by EA Director and Board



# Part 2 - Preliminary Assessment



- Preconditions:
  - Funds are available;
  - Utility is free from legal entanglements; and
  - RDCO has capacity to conduct assessment.
  
- Location relative to local government / other utilities considered.



- If Preconditions Are in Place:
  - Define and cost utility capital improvements;
  - Estimate O+M costs;
  - Calculate preliminary fees and charges; and
  - Communicate to utility customers/owners.



# Part 3 - Comprehensive Assessment



- Infrastructure
- Financial Status
- O+M Considerations
- Land Use Plans and Growth
- Future Plans to Meet RDCO and Senior Government Requirements
- Financial Plan

# Part 4 - Conditions of Acquisitions



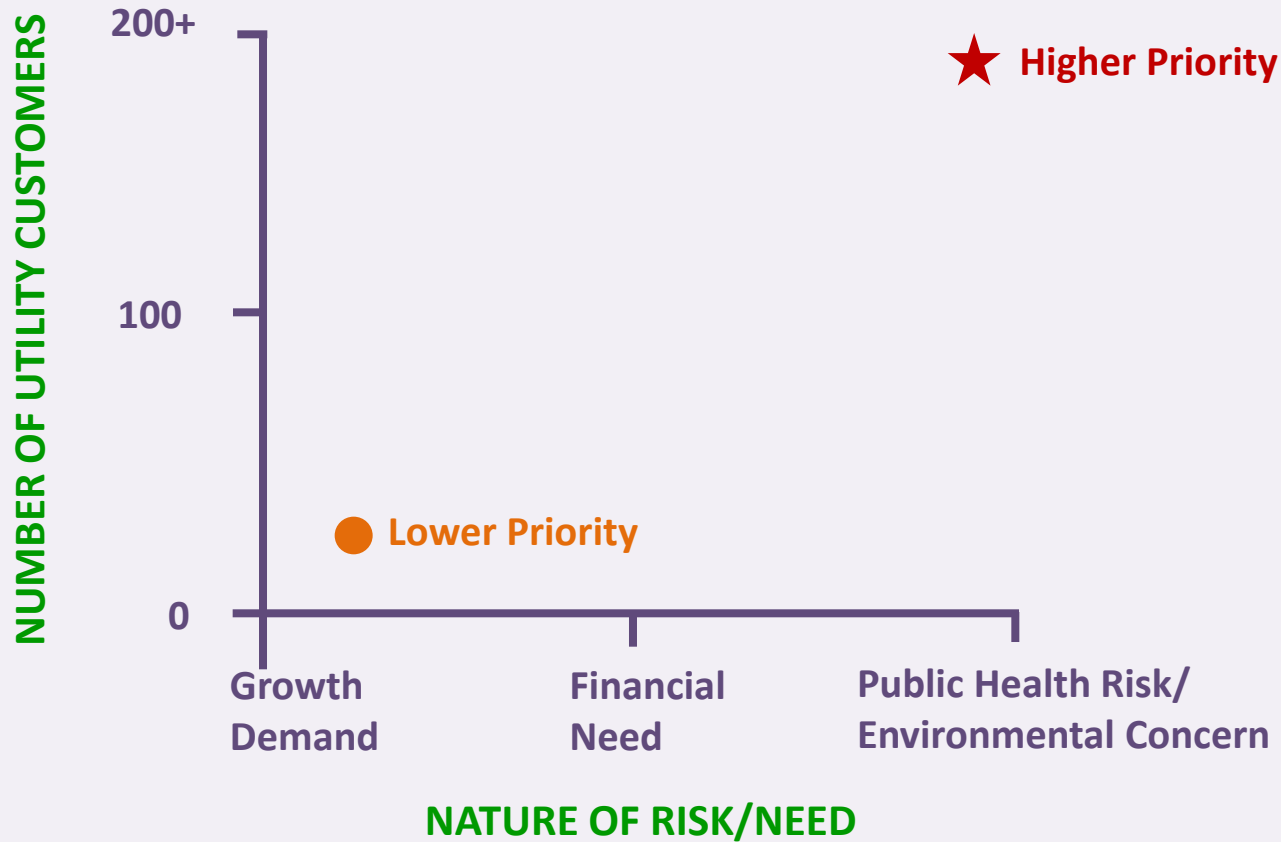
- Financial Viability
- Elector Assent
- Payment for Utilities (no more than \$1)
- Transfer of Assets
- Works Protected by Easements of Other
- Renewal Fund Established



# Part 5 - Prioritizing Acquisitions



## Priority Setting Framework





**THANK YOU!**

