



REGIONAL DISTRICT OF CENTRAL OKANAGAN
REGULAR BOARD MEETING
AGENDA

Thursday, May 13, 2021
Woodhaven Board Room
1450 K.L.O. Road, Kelowna, BC

Pages

1. CALL TO ORDER

Chair to acknowledge that this meeting is being held on the traditional territory of the syilx/Okanagan peoples.

In accordance with the Provincial Health Officer Order regarding gatherings and events, the public is currently not permitted to attend Board meetings in-person.

As an open meeting, a live audio-video feed is being broadcast and recorded on rdco.com.

Roll Call

2. ADDITION OF LATE ITEMS

3. ADOPTION OF THE AGENDA

(All Directors - Unweighted Corporate Vote - Simple Majority - LGA 208.1)

Recommended Motion:

THAT the agenda be adopted.

4. ADOPTION OF MINUTES

4.1. **Regional Board Meeting Minutes - April 26, 2021**

1 - 8

(All Directors - Unweighted Corporate Vote - Simple Majority - LGA 208.1)

Recommended Motion:

THAT the Regional Board meeting minutes of April 26, 2021 be adopted.

4.2. **Public Hearing Minutes - April 26, 2021**

9 - 11

(All Directors - Unweighted Corporate Vote - Simple Majority - LGA 208.1)

Recommended Motion:
THAT the Public Hearing minutes of April 26, 2021 be received.

5. CORPORATE SERVICES

- 5.1. **Okanagan Regional Library - Establishment of Service and Loan Authorization Bylaws** 12 - 16

(All Directors – Unweighted Corporate Vote – Simple Majority – LGA 208.1)

Recommended Motion:
THAT the Regional Board receive for information the Okanagan Regional Library report dated May 5, 2021 regarding the requirement to rescind third readings and give third reading to the amended service establishment and loan authorization bylaws.

- 5.1.1. RDCO Okanagan Regional Library Service Area Establishment Bylaw No. 1477, 2021 17 - 20

Rescind 3rd reading, Give 3rd reading as amended

(All Directors - Unweighted Corporate Vote - 2/3 Majority - LGA 342)

Recommended Motion:
THAT 3rd reading of Regional District of Central Okanagan, Okanagan Regional Library Borrowing Service Area Establishment Bylaw No. 1477, 2021 be rescinded;

AND FURTHER THAT Regional District of Central Okanagan, Okanagan Regional Library Service Area Establishment Bylaw No. 1477, 2021 be given third reading as amended.

- 5.1.2. RDCO Okanagan Regional Library Loan Authorization Bylaw No. 1478, 2021 21 - 22

Rescind 3rd Reading, Give 3rd reading as amended

(All Directors - Weighted Vote - Majority - LGA 210)

Recommended Motion:
THAT 3rd reading of Regional District of Central Okanagan, Okanagan Regional Library Borrowing Loan Authorization Bylaw No. 1478, 2021 be rescinded;

AND FURTHER THAT Regional District of Central Okanagan, Okanagan Regional Library Loan Authorization Bylaw No. 1478, 2021 be given third reading as amended.

- 5.2. **CAO Verbal Report**

6. FINANCIAL SERVICES

6.1. RDCO BDO Audit Report - Year Ended December 31, 2020 23 - 43

M. Rilkoff, Director of Financial Services and BDO Auditor, Markus Schrott

(All Directors - Unweighted Corporate Vote - Simple Majority - LGA 208.1)

Recommended Motion:

THAT BDO's Regional District of Central Okanagan Final Audit Report for the year ended December 31, 2020 be received.

6.2. RDCO Financial Audited Statements - Year Ended December 31, 2020 - Approval 44 - 106

M. Rilkoff, Director of Financial Services and BDO Auditor, Markus Schrott

(All Directors - Unweighted Corporate Vote - Simple Majority - LGA 208.1)

Recommended Motion:

THAT the Regional District of Central Okanagan Financial Statements – year ended December 31, 2020 be approved.

7. COMMUNITY SERVICES

7.1. Zoning Amendment Bylaw No. 871-262 - Extension Request 107 - 113

D. Leask & S. Macdonald (owners) 4345 Maxwell Road, Central Okanagan West Electoral Area

(Custom Vote: Electoral Areas, Peachland and West Kelowna Fringe Area - 1 Director, 1 Vote - Simple Majority)

Recommended Motion:

THAT the Regional Board approve a one-year extension for Application File: Z20/04 to consider a site-specific amendment to Zoning Amendment Bylaw No. 871-262.

7.1.1. PowerPoint 114 - 135

7.2. BC Healthy Communities - PlanH Program Public Health Policy Grant Application 136 - 140

To complete a regional agricultural strategy

(All Directors - Unweighted Corporate Vote - Simple Majority - LGA 208.1)

Recommended Motion:

THAT the Regional Board approves submitting a grant application under the BC Healthy Communities – PlanH program to complete a Regional Agricultural Strategy.

7.3. Investment Agriculture Foundation - Local Government Partnership Program Funding Application 141 - 144

To complete a regional agricultural strategy

(All Directors - Unweighted Corporate Vote - Simple Majority - LGA 208.1)

Recommended Motion:

THAT the Regional Board approves submitting a funding application under the Investment Agriculture Foundation – Local Government Partnership Program to complete a Regional Agricultural Strategy.

8. ENGINEERING SERVICES

8.1. Approval of Water Agreement w/ City of Kelowna - 4370 June Springs Road 145 - 151

(All Directors - Weighted Vote - Simple Majority - LGA 210)

Recommended Motion:

THAT the Regional Board agrees to continue the provision of water services to 4370 June Springs Road;

AND FURTHER THAT the Board approves entering into a Water Service Agreement with the City of Kelowna for the property located at 4370 June Springs Road in Electoral Area East.

8.1.1. PowerPoint 152 - 159

9. NEW BUSINESS

9.1. Rise and Report from the Governance & Services Committee Meeting

9.1.1. Building Inspection Service Review

9.1.1.1. Building Service Review

(All Directors - Unweighted Corporate Vote - Simple Majority - LGA 208.1)

9.1.1.2. RDCO Building Regulation Bylaw No. 1482, 2021

1st and 2nd Readings

(Weighted Stakeholder Vote - Electoral Areas - Majority - LGA 209)

9.1.1.3. RDCO Development Application Fees and Charges Bylaw No. 1483, 2021

1st and 2nd Readings

(Weighted Stakeholder Vote - Electoral Areas - Majority - LGA 209)

9.1.1.4. Building Inspection Policy Review

(All Directors - Unweighted Corporate Vote - Simple Majority - LGA 208.1)

10. DIRECTOR ITEMS

11. ADJOURN

Minutes of the REGIONAL BOARD MEETING of the Regional District of Central Okanagan held at the Regional District offices, 1450 KLO Road, Kelowna, B.C. on Monday, April 26, 2021

Directors: J. Baker (District of Lake Country)
M. Bartyik (Central Okanagan East Electoral Area)
C. Basran (City of Kelowna)
W. Carson (Central Okanagan West Electoral Area) (*attended electronically*)
M. DeHart (City of Kelowna)
C. Fortin (District of Peachland) (*attended electronically*)
G. Given (City of Kelowna)
C. Hodge (City of Kelowna) (*attended electronically*)
G. Milsom (City of West Kelowna) (*attended electronically*)
B. Sieben (City of Kelowna) (*attended electronically*)
L. Stack (City of Kelowna) (*attended electronically*)
L. Wooldridge (City of Kelowna) (*attended electronically*)
J. Coble (Westbank First Nation) (*via electronic attendance*)

Absent: S. Johnston (City of West Kelowna)

Staff: B. Reardon, Chief Administrative Officer
T. Cashin, Director of Community Services (*attended electronically*)
D. Dudzik, Senior Planner
B. Lange, Environmental Planner
M. Rilkoﬀ, Director of Financial Services (*attended electronically*)
M. Drouin, Manager-Corporate Services (recording secretary)

1. CALL TO ORDER

Chair Given called the meeting to order at 7:21 p.m.

It was acknowledged that the meeting is being held on the traditional territory of the syilx/Okanagan Peoples.

In accordance with the most recent Provincial Health Officer Order regarding gatherings and events, the public is currently not permitted to attend Board meetings in-person. A live audio-video feed was broadcasted and recorded on rdco.com

2. ADDITION OF LATE ITEMS

There were no late items for the agenda.

3. ADOPTION OF THE AGENDA

(All Directors - Unweighted Corporate Vote - Simple Majority - LGA 208.1)

#86/21 BAKER/BARTYIK

THAT the agenda be adopted.

CARRIED Unanimously

4. ADOPTION OF MINUTES

- 4.1. Regional Board Meeting Minutes – April 8, 2021 (*All Directors - Unweighted Corporate Vote - Simple Majority - LGA 208.1*)

#87/21 HODGE/BAKER

THAT the Regional Board meeting minutes of April 8, 2021 be adopted.

CARRIED unanimously

5. CORRESPONDENCE

- 5.1. Okanagan Basin Water Board Meeting Highlights - April 9, 2021 (*All Directors - Unweighted Corporate Vote - Simple Majority - LGA 208.1*)

#88/21 STACK/BAKER

THAT the Okanagan Basin Water Board meeting highlights of April 9, 2021 be received.

CARRIED unanimously

6. CORPORATE SERVICES

- 6.1. Regional Board Voting Unit Review Update (*All Directors - Unweighted Corporate Vote - Simple Majority - LGA 208.1*)

Staff report dated April 12, 2021 provided an update on ongoing discussions with the Ministry of Municipal Affairs and consultation with member municipalities and the electoral area directors. Staff provided background on the issue including the Board's initial resolution, engagement with the Ministry of Municipal Affairs and the consultation process with stakeholder feedback.

#89/21 BAKER/DEHART

THAT the Regional Board recommend a preferred Voting Unit value of 5,500 to the Ministry of Municipal Affairs for their consideration;

AND FURTHER THAT the Regional Board supports the implementation date of this change to the Voting Unit being the Inaugural Meeting of the next Board following the 2022 general local election.

CARRIED (opposed Carson/Fortin)

7. FINANCIAL SERVICES

- 7.1. Purchase Commitments over \$100,000 during 1Q 2021 (*All Directors - Unweighted Corporate Vote - Simple Majority - LGA 208.1*)

Staff report dated April 6, 2021 outlined the purchase commitments over \$100,000 for January-March 2021.

#90/21 BASRAN/BARTYIK

THAT the Regional Board, as per section 4.6 of the RDCO Purchasing Policy, receive for information the report dated April 6, 2021 on purchase commitments which exceeded \$100,000 made during the 1st quarter of 2021.

CARRIED Unanimously

- 7.2. COVID Restart Grant Operating Reserve & Financial Plan Bylaw Amendments

Staff report dated April 19, 2021 outlined amendments to the COVID Restart Grant and amendments to last year and this year's financial plan bylaws.

- 7.2.1 COVID Restart Grant (*All Directors - Weighted Vote - Simple Majority - LGA 210.1*)

#91/21 BAKER/BARTYIK

THAT the Regional Board approve the use of \$8,000 of the COVID Restart Grant Operating Reserve for 2021 for the electronic payroll tracking software as budgeted in the RDCO 2021 – 2025 Financial Plan Amendment Bylaw 1481.

CARRIED Unanimously

- 7.2.2. 2020 - 2024 Financial Plan Amending Bylaw No, 1480, 2021, **1st, 2nd and 3rd Readings and Adoption** (*All Directors - Weighted Vote - Simple Majority - LGA 210.1*)

#92/21 BAKER/BASRAN

THAT Regional District of Central Okanagan 2020 – 2024 Financial Plan Amendment Bylaw No. 1480 be given first, second and third readings and adopted.

CARRIED Unanimously

7.2.3 2021 - 2025 Financial Plan Amending Bylaw No, 1481, 2021, **1st, 2nd and 3rd Readings and Adoption** (All Directors - Weighted Vote - Simple Majority - LGA 210.1)

#93/21

BAKER/DEHART

THAT Regional District of Central Okanagan 2021 – 2025 Financial Plan Amendment Bylaw No. 1481 be given first, second and third readings and adopted

CARRIED Unanimously

8. COMMUNITY SERVICES

8.1. Regional Growth Strategy (RGS) Five-Year Review (All Directors - Unweighted Corporate Vote - Simple Majority - LGA 208.1)

Staff report provided an overview of the stakeholder input received in consideration of a five-year review of the RGS and whether it is warranted. Staff outlined the RGS background, legislation, and consultation process.

Public comment on the need for a review of the RGS:

- One comment of support was received - K. Cappos, Kelowna
- No-one registered to speak at this meeting.

#94/21

MILSOM/HODGE

THAT the Regional Board determine a review of Regional Growth Strategy Bylaw No. 1336 for possible amendment, as per Section 452 (2) of the Local Government Act, is not required

AND THAT the Regional Board support staff efforts to actively engage with member municipalities, First Nations, Interior Health Authority and other agencies regarding continued implementation of the Regional District of Central Okanagan Regional Growth Strategy.

CARRIED Unanimously

4.2. UBCM Local Government Development Approvals Program Grant Application (All Directors - Unweighted Corporate Vote - Simple Majority - LGA 208.1)

Staff report outlined a grant request to UBCM to request funding to complete a Development Approval Process Improvement Strategy.

#95/21

BARTYIK/WOOLDRIDGE

THAT the Regional Board approves submitting a grant application under the Union of BC Municipalities – Local Government Development Approvals Program to complete a Development Approvals Process Improvement Strategy.

CARRIED Unanimously

8.3. Development Application - Maloney Construction (owner) c/o Ecoscape Environmental Consultants (agent)

Jason Schleppe, Senior Natural Resource Biologist (agent for the owner) was present virtually to address the Board.

8.3.1. Floodplain Exemption Application (FEX-20-01), for Maloney Construction (owner) - To be exempt from the floodplain setback provisions of Zoning Bylaw No. 871 to permit the siting of a proposed single family dwelling adjacent to 2223 Westside Place and Okanagan Lake Central Okanagan West Electoral Area (*Custom Vote: Electoral Areas, West Kelowna & Kelowna Fringe Areas*)

Staff outlined the application and reasons for non-support for the following three applications.

Jason Schleppe, Senior Natural Resource Biologist (agent for the owner) was present virtually to address the Board.

- Geotechnical engineer commented that the west side of the property is undevelopable. Either side of Westside Road has constraints.
- On Okanagan Lake side of the property the land is largely disturbed. Supports flood plain challenges.
- Encroaching on riparian area but don't believe fish habitat would be affected.
- The proposal is the best land use for this property.
- Vertical elevation of the home from the lake is substantial thereby limiting flooding of the building.
- Will work with the existing retaining wall and reinforce should the application move forward.

Director questions to the agent:

- Would a smaller footprint of the home have less of an impact? It would be immeasurable. Not quantifiable.
- Where is the road access to the property? The driveway would be on the northern end of the property and grade level to Westside Road.

Staff noted:

- MOTI has issued a permit for the property.
- Property has historically been used for recreation.
- The applicant has the right to develop the site but would need to meet current regulations.
- Concern expressed whether the lot is in fact buildable due to flood plain.

#96/21 STACK/HODGE

THAT Floodplain Exemption Application FEX-20-01 for Maloney Construction (owner) not be approved.

CARRIED Unanimously

8.3.2. Development Variance Permit Application (VP-20-03), for Maloney Construction (owner) - To vary Zoning Bylaw No. 871 by allowing a reduction of the minimum front setback. Located adjacent to 2223 Westside Road. Central Okanagan West Electoral Area (*Custom Vote: Electoral Areas, West Kelowna & Kelowna Fringe Area*)

- Public comment for those affected by the variance. Four letters of opposition received.

#97/21 STACK/HODGE

THAT Development Variance Permit Application VP-20-03 for Maloney Construction (owner) located at 2223 Westside Road not be approved.

CARRIED Unanimously

8.3.3. Development Permit Application (DP-20-08), for Maloney Construction (owner) Located adjacent to 2223 Westside Road, Central Okanagan West Electoral Area (*Custom Vote: Electoral Areas, West Kelowna & Kelowna Fringe Area*)

#98/21 STACK/CARSON

THAT Development Permit Application DP-20-08 for Maloney Construction (owner) located at 2223 Westside Road not be approved.

CARRIED Unanimously

8.4. Zoning Amendment Bylaw No. 871-264 (Z20/06) - **2nd & 3rd Readings**, for M. Basra (owner) to rezone the subject property from A1 to A1s (Secondary Suite) to allow a secondary suite, located at 4379 Black Road, Central Okanagan East Electoral Area (*Custom Vote: Electoral Areas and Kelowna Fringe Area - Simple Majority*)

#99/21 BARTYIK/HODGE

THAT Zoning Amendment Bylaw No. 871-264 be given second and third readings;

AND FURTHER THAT final adoption be withheld pending:

- receipt of a registered covenant on title recognizing the location of the subject property within an area that is actively farmed.

CARRIED Unanimously

- 8.5. Joe Rich Rural Land Use Amendment Bylaw No. 1195-24, (RLUB-20-02), ***2nd and 3rd Readings***, for P. & K. Bartha (owners) to amend the land use designation for the subject property from SH-2 Small Holdings to SH-2s Small Holdings (Secondary Suite) to allow a secondary suite, located at 8991 Highway 33 E. Central Okanagan East Electoral Area (*Custom Vote: Electoral Areas and Kelowna Fringe Area - Simple Majority*)

#100/21 DEHART/BARTYIK

THAT Joe Rich Rural Land Use Amendment Bylaw No. 1195-24 be given second and third readings;

AND FURTHER THAT final adoption be withheld pending:

- approval of the bylaw by the Ministry of Transportation and Infrastructure.

CARRIED Unanimously

5. NEW BUSINESS

No new business.

6. DIRECTOR ITEMS

The public was encouraged to get vaccinated.

No items requiring Board consideration.

7. ADJOURN

There being no further business the meeting was adjourned at 8:58 p.m.

CERTIFIED TO BE TRUE AND CORRECT

G. Given (Chair)

B. Reardon (Chief Administrative Officer)

Minutes of the PUBLIC HEARING of the Regional District of Central Okanagan held in the Regional District's Woodhaven Boardroom, 1450 KLO Road on Monday, April 26, 2021

Directors: J. Baker (District of Lake Country)
M. Bartyik (Central Okanagan East)
C. Basran (City of Kelowna)
W. Carson (Central Okanagan West Electoral Area) (*via electronic attendance*)
M. DeHart (City of Kelowna)
C. Fortin (District of Peachland) (*via electronic attendance*)
G. Given (City of Kelowna)
C. Hodge (City of Kelowna) (*via electronic attendance*)
G. Milsom (City of West Kelowna) (*via electronic attendance*)
B. Sieben (City of Kelowna) (*via electronic attendance*)
L. Stack (City of Kelowna) (*via electronic attendance*)
L. Wooldridge (City of Kelowna) (*attended electronically*)
J. Coble (Westbank First Nation) (*via electronic attendance*)

Absent: S. Johnston (City of West Kelowna)

Staff: B. Reardon, Chief Administrative Officer
T. Cashin, Director of Community Services
D. Dudzik, Senior Planner
M. Drouin, Manager Corporate Services (recording secretary)

Chair Given brought the Public Hearing to order at 7:00 p.m. and acknowledged that this Public Hearing is being held on the traditional territory of the Syilx/Okanagan Peoples.

Roll call was taken as some board members were in attendance electronically due to physically distancing for COVID-19 pandemic.

In accordance with Provincial Health Officer Orders regarding gatherings and events, the public is currently not permitted to attend Public Hearings in-person. Participation by the applicant and any members of the public will be by electronic means only and confirmed no later than 4:00 p.m. on April 26. As an open meeting, a live audio-video feed is being broadcast and recorded on rdco.com.

This Special Meeting is being held for the purpose of considering amendments to the RDCO Zoning Bylaw No. 871 and the Joe Rich Rural Land Use Bylaw No. 1195.

The Public Hearing was advertised (pursuant to the *Local Government Act*) in the Kelowna Capital News on Thursday, April 15 and April 22, 2021.

In accordance with Development Applications Procedure Bylaw No. 944 'Notice of Application' signs were posted on the subject properties.

No decision will be made at the Hearing, but the entire proceedings will be considered by the Regional Board at a subsequent meeting.

The Chair introduced the following bylaw:

1. **APPLICANT:** M. Basra
(RDCO File: Z20/06) Zoning Amendment Bylaw No. 871-264
Received First Reading: January 25, 2021
(Central Okanagan East Electoral Area)

To amend the zoning from A1 Agricultural to A1s Agricultural (Secondary Suite), Lot 1, District Lot 121, ODYD, Plan 15442, located adjacent to Black Road (Central Okanagan East Electoral Area)

Staff:

Staff report outlined the application. Staff presented the amendment to the bylaw.

The owner proposes to add a secondary suite within the single detached house currently under construction. The parcel is currently zoned A1 Agricultural, which does not permit a secondary suite. The property is within the Agricultural Land Reserve however, restrictions on the use of agricultural land contained within the *Agricultural Land Commission Act* and the Agricultural Land Reserve Use Regulation do not apply to the parcel. All technical requirements will be addressed in conjunction with the zoning amendment and building permit process.

The property is located within the Ellison Fire Protection Area and is serviced by Glenmore Ellison Irrigation District and on-site sewerage disposal system.

Agency referrals were highlighted.

Letter of opposition received:

- An objection from an adjacent property owner regarding the siting of the dwelling.

Two letters of support have been received.

Board:

There were no questions by the Board.

Public:

The applicant did not have any comments to add to the report. There were no members of the public who registered to speak.

There were no further comments and the Public Hearing for this application was terminated at 7:10 p.m.

2. **APPLICANT:** K. & P. Bartha

Joe Rich Rural Land Use Bylaw No. 1195-24
(RDCO File: RLUB-20-02)
Received First Reading: January 25, 2021
(Central Okanagan East Electoral Area)

To amend the land use designation from SH-2 Small Holdings 2 to SH-2s Small Holdings 2 (Secondary Suite) on Lot A, District Lot 4051, ODYD, Plan 34622, located adjacent to Highway 33. E. (Central Okanagan East Electoral Area)

Staff:

Staff report dated November 23, 2020 outlined the application. Staff presented the amendment to the bylaw.

The owners of 8991 Highway 33 E propose to add a secondary suite within their single detached house. The parcel is currently designated SH-2 Small Holdings 2, which does not permit a secondary suite. All technical requirements will be addressed in conjunction with the bylaw amendment and building permit process.

The property is currently developed with one single detached house and accessory structures (barns and out buildings).

The property is serviced by a private water source and the Joe Rich Fire Department.

Agency referrals were highlighted.

No letters of opposition have been received. One letter of support was received.

Board:

A question was raised regarding the size of the secondary suite. Staff noted there is no regulation in terms of size of the secondary suite.

Public:

The applicant did not have any comments to add to the report. There were no members of the public who registered to speak.

This application was terminated and the Public Hearing closed at 7:21 p.m.

CERTIFIED TO BE TRUE AND CORRECT

G. Given (Chair)

B. Reardon (Director of Corporate Services)



Regional Board Report

TO: Regional Board

FROM: Mary Jane Drouin
Manager-Corporate Services

DATE: May 5, 2021

SUBJECT: Okanagan Regional Library – Establishment Bylaw (No. 1477) and Loan Authorization Bylaw (No. 1478) – Rescind 3rd Reading

Purpose: To seek Board approval to rescind 3rd reading, and give 3rd reading to the amended Okanagan Regional Library Establishment and Loan Authorization bylaws.

Executive Summary:

The Regional Board at its March 29th meeting gave three readings to a bylaw to establish a new service to enable the RDCO to borrow funds from the Municipal Finance Authority on behalf of the Okanagan Regional Library for the construction of library facilities and a loan authorization bylaw to borrow funds for a new library in West Kelowna. Legislatively, both bylaws require approval from the Inspector of Municipalities.

Provincial staff, upon review of the submitted bylaws and in further discussion with Regional District staff, have requested minor changes to the bylaws prior to submitting the bylaws to the Inspector of Municipalities for final approval. Examples of the amended wording (below in red) have been incorporated in the bylaws.

Bylaw No. 1477

- Various sections amended to read “for the purpose *of constructing and renovating library building services owned and operated by the Okanagan Regional Library* of ~~borrowing funds on behalf of the Okanagan Regional Library for the construction and renovation of library building facilities.~~
- Amend 1(b) to read “*The service hereby established includes the construction and renovation of public library facilities within the service area.*
- Add 3. *Participating Areas – The participating areas for the service shall be the entire regional district.*
- Remove the word ‘*borrowing*’ in the citation.

Bylaw No. 1488

- Amend Whereas: ~~a service area~~ *a service for the purpose of constructing and renovating library building services owned and operated by the Okanagan Regional Library* for the purpose of construction and renovation of a library facility; ~~building and borrowing funds on behalf of the Okanagan Regional Library~~

- Amend 1(a): from “to borrow on the credit of the Regional District a sum not exceeding eight million dollars (\$8,000,000) to provide funding *lending* to on behalf of the Okanagan Regional Library for construction *and renovation* of a library facility.
- Remove the word *'borrowing'* in the citation.

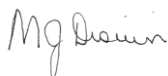
The Regional Board is being requested to rescind third readings and then give third reading to the bylaws, as amended.

Staff are hopeful for early approval of both bylaws in order that the timeline proposed by the Library for the Alternative Approval Process (AAP) in early June can be met. Once bylaw approval is received, staff will bring forward an AAP report for Board consideration.

RECOMMENDATION

THAT the Regional Board receive for information the Okanagan Regional Library report dated May 5, 2021 regarding the requirement to rescind third readings and give third reading to the amended service establishment and loan authorization bylaws.

Respectfully Submitted:



M. Drouin
Manager-Corporate Services

Approved for Board's Consideration



Brian Reardon, CAO

Attachment(s):

- Regional Board Report – March 25, 2021
- RDCO Okanagan Regional Library Service Area Establishment Bylaw No. 1477, 2021
- RDCO Okanagan Regional Library Loan Authorization Bylaw No. 1478, 2021



Regional Board Report

TO: Regional Board

FROM: Marilyn Rilkoff, Director of Financial Services
Mary Jane Drouin, Manager – Corporate Services

DATE: March 25, 2021

SUBJECT: Establishing a Service and Loan Authorization Bylaws on behalf of the Okanagan Regional Library for Municipal Finance Authority Borrowing

Voting Entitlement: All Directors – Unweighted Corporate Vote – 2/3 majority (LGA 208 / 214)

Purpose: To seek Board approval to establish a new service to enable the Regional District to borrow funds from MFA on behalf of the Okanagan Regional Library (ORL) to construct library facilities in the Central Okanagan.

Executive Summary:

At the regular Board meeting held on February 22, 2021 the Okanagan Regional Library provided an overview of a new library branch in the City of West Kelowna along with a request for assistance from the RDCO to access Municipal Finance Authority (MFA) capital funding. Following the presentation, the Board approved the following resolution:

THAT the Regional Board receive for information the presentation by the Okanagan Regional Library (ORL) regarding the proposed Municipal Finance Authority borrowing process for a new library in the City of West Kelowna;

AND FURTHER THAT staff be directed to work with the ORL to draft the required bylaws and Alternative Approval Process.

Of note, Library Districts are not permitted to borrow directly from the MFA. It is however, not uncommon for Regional Districts to enter into agreements with Library Districts to arrange financing for capital projects on their behalf through the MFA. The Okanagan Regional Library Board would like to borrow up to \$8mil for the West Kelowna library, and have agreed to pay all debt and costs associated with this process. There will be no financial impact to the RDCO.

In order to achieve these objectives, a service establishment bylaw and loan authorization bylaw will need to be adopted. In time, participating area approval in the form of an alternative approval process will be required along with a formal agreement between the RDCO and ORL.

RECOMMENDATION #1:

THAT the Regional Board receive the service establishment and loan authorization report dated March 25, 2021 regarding the Okanagan Regional Library's request for Municipal Finance Authority borrowing through the Regional District of Central Okanagan.

RECOMMENDATION #2

THAT Regional District of Central Okanagan, Okanagan Regional Library Borrowing Service Area Establishment Bylaw No. 1477, 2021 be given first, second and third readings.

RECOMMENDATION #3

THAT Regional District of Central Okanagan, Okanagan Regional Library Borrowing Loan Authorization Bylaw No. 1478, 2021 be given first, second and third readings.

Respectfully Submitted:



Marilyn Rilko, Director of Financial Services
Mary Jane Drouin, Manager – Corporate Services

Approved for Board's Consideration



Brian Reardon, CAO

Implications of Recommendation:

Strategic Plan:	The Library supports Sustainable Communities
Financial:	See below
Legal/Statutory Authority:	Local Government Act

Background:

A service is being established to enable the Okanagan Regional Library (ORL) to borrow funds through the Municipal Finance Authority (MFA) for building construction financing within the region.

Library Districts are not permitted to borrow directly from MFA. Within the Province, it has become relatively common practice to make arrangements to borrow from MFA via regional districts.

The RDCO and ORL entered into a similar arrangement in 2008 for \$4.5 million for ORL's Administration Building on KLO Road. The relationship has been excellent. ORL has been proactive in making payments in advance of any deadlines. They are extremely responsive to any information requests. At the time, the service that was established was specific to their Administration Building. The new service establishment bylaw would enable borrowing for future projects, should they arise.

The current project on the table is the strata building project for the West Kelowna Library. ORL has indicated that the maximum borrowing will be \$8 million. The PowerPoint Presentation made by ORL at the February 22, 2021 Board Meeting is attached for the Board's reference.

The Okanagan Regional Library (ORL) has agreed to pay all of the debt and costs associated with this process. A formal agreement will be put into place, such as a mortgage on the property, to ensure that the Library will be responsible for payments of debt.

Included on the agenda for three readings and forwarding to the Inspector of Municipalities for approval are the:

- Service Establishment Bylaw No. 1477
- Loan Authorization Bylaw No.1478

Once approval has been received from the Inspector an alternative approval process will be undertaken to receive participating area approval.

Financial Considerations:

There will be no financial impact to the RDCO's budget. However, an amendment to the financial plan will be required to show the borrowing costs and repayment by ORL. ORL has agreed to pay all of the debt and any costs associated with this process.

An alternative approval process will need to be undertaken as the borrowing term is longer than 5 years.

Once these bylaws are approved, the formal agreements, Temporary Borrowing and Security Issuing Bylaws would need to be completed.

The Okanagan Regional Library District's taxpayers will pay less because of the cheaper borrowing available through MFA. As Westbank First Nation has a separate agreement with the Library Board, they are excluded in this process.

Staff will bring forward a further report on the Alternative Approval Process at a later date for the Board's consideration.

An estimated timeline as presented by ORL on Feb 22nd is attached to this report.

Alternative Recommendation:

None.

Considerations not applicable to this report:

- General
- Organizational
- Policy
- Organizational Issues
- External Implications

Attachment(s):

- ORL PowerPoint from Feb. 22, 2021 Board Meeting
- RDCO Okanagan Regional Library Borrowing Service Area Establishment Bylaw No. 1477
- RDCO Okanagan Regional Library Borrowing Loan Authorization Bylaw No. 1478

REGIONAL DISTRICT OF CENTRAL OKANAGAN

BYLAW NO. 1477

A bylaw to establish a service within the Regional District of Central Okanagan for the purpose of constructing and renovating library building services owned and operated by the Okanagan Regional Library.

WHEREAS

- i. Section 179(1) of the *Community Charter* empowers a regional district to borrow money to lend to a person or public authority under an agreement;
- ii. The Regional Board of the Regional District of Central Okanagan wishes to establish a service for the purpose constructing and renovating library building services owned and operated by the Okanagan Regional Library;
- iii. The Okanagan Regional Library will be responsible for servicing the debt under an agreement with the Regional District of Central Okanagan. Should the Okanagan Regional Library default on its obligations under this agreement, the Regional District of Central Okanagan will levy the requisition needed to service the debt;
- iv. Participating area approval is required and shall be obtained by alternative approval process in accordance with Division 4 of Part 10 of the *Local Government Act*;
- v. Pursuant to section 342(4) of the *Local Government Act*, the Board of the Regional District of Central Okanagan has authorized, by resolution adopted by at least 2/3 of the votes cast, that participating area approval will be obtained for the entire service area;

NOW THEREFORE THE REGIONAL BOARD OF THE REGIONAL DISTRICT OF CENTRAL OKANAGAN IN OPEN MEETING ASSEMBLED ENACTS AS FOLLOWS:

1. Service Being Established

- a) Is for the purpose of constructing and renovating library building services owned and operated by the Okanagan Regional Library.
- b) The service hereby established includes the construction and renovation of public library facilities within the service area.
- c) The service area so defined shall be known as the "Okanagan Regional Library Service Area".

2. Boundaries of the Service Area

The boundaries of the service area shall be the entire regional district including the City of Kelowna, City of West Kelowna, District of Peachland, District of Lake Country, Central Okanagan East Electoral Area and Central Okanagan West Electoral Area as identified on Schedule “A”.

3. Participating Areas

The participating areas for the service shall be the entire regional district.

4. Cost Recovery

In accordance with Section 378 of the *Local Government Act*, the annual costs for providing the service may be recovered by one or more of the following:

- a) Property value taxes imposed in accordance with Division 3 {Requisition and Tax Collection};
- b) Parcel taxes imposed in accordance with Division 3 the *Local Government Act*;
- c) Fees and charges imposed under section 397 of the *Local Government Act*;
- d) Revenue raised by other means authorized under this or another Act;
- e) Revenues received by way of agreement, enterprise, gift, grant or otherwise.

5. Requisition Limit

The maximum amount that may be requisitioned annually for the service provided under Section 1 shall not exceed \$0.35 cents per \$1,000 of net taxable value of land and improvements within the service area.

6. Citation

This bylaw may be cited as the “Regional District of Central Okanagan, Okanagan Regional Library Service Area Establishment Bylaw No. 1477, 2021”.

READ A FIRST TIME THIS	29 th	DAY OF	March	2021
READ A SECOND TIME THIS	29 th	DAY OF	March	2021
READ A THIRD TIME THIS	13 th	DAY OF	May	2021
Approved by the Inspector of Municipalities this		day of		2021
Approval of the electors by Alternative Approval Process this		DAY OF		2021
ADOPTED THIS		DAY OF		2021

CHAIR

DIRECTOR OF CORPORATE SERVICES

I hereby certify the foregoing to be a true and correct copy of Bylaw No. 1477 cited as the “Regional District of Central Okanagan, Okanagan Regional Library Service Area Establishment Bylaw No. 1477, 2021, as read a third time by the Regional Board on the 13th day of May 2021.

Dated at Kelowna, B.C. this
13th day of May 2021

DIRECTOR OF CORPORATE SERVICES

I hereby certify the foregoing to be a true and correct copy of Bylaw No. 1477 cited as the “Regional District of Central Okanagan, Okanagan Regional Library District Service Area Establishment Bylaw No. 1477, 2021”, as adopted by the Regional Board on the day of 2021.

Dated at Kelowna, B.C. this
 day of 2021.

DIRECTOR OF CORPORATE SERVICES

Schedule "A"



REGIONAL DISTRICT OF CENTRAL OKANAGAN

BYLAW NO. 1478

A bylaw of the Regional District of Central Okanagan to authorize borrowing Eight Million Dollars (\$8,000,000) on behalf of the Okanagan Regional Library for the construction of the West Kelowna Library facility.

WHEREAS the Regional Board of the Regional District of Central Okanagan established by “Regional District of Central Okanagan, Okanagan Regional Library Service Area Establishment Bylaw No. 1477, 2021”, a service for the purpose of constructing and renovating library building services owned and operated by the Okanagan Regional Library;

AND WHEREAS pursuant to Sections 403 and 406 of the *Local Government Act*, a board may by bylaw, incur a liability by borrowing for a capital purpose on behalf of the Okanagan Regional Library;

AND WHEREAS in order to construct an Okanagan Regional Library, it is necessary to borrow a sum not exceeding \$8,000,000, which is the amount of debt intended to be created by this bylaw;

AND WHEREAS the maximum term for which debentures may be issued to secure the debt created by this bylaw is for a term not to exceed 30 years and is to be repaid by the Okanagan Regional Library;

AND WHEREAS the authority to borrow under this bylaw expires five (5) years from the date on which this bylaw is adopted;

AND WHEREAS pursuant to section 407 of the *Local Government Act* a regional district may obtain approval of the electors for a loan authorization bylaw by the Alternative Approval Process in accordance with Section 86 of the *Community Charter*;

NOW THEREFORE THE REGIONAL BOARD OF THE REGIONAL DISTRICT OF CENTRAL OKANAGAN IN OPEN MEETING ASSEMBLED ENACTS AS FOLLOWS:

1. Loan Authorization

The Regional Board is hereby authorized and empowered on behalf of the Regional District of Central Okanagan, Okanagan Regional Library Service Area as established by Bylaw No. 1477, 2021;

- (a) to borrow a sum not exceeding eight million dollars (\$8,000,000) to provide lending to the Okanagan Regional Library for construction and renovation of a library facility.

2. Term of Debenture

The maximum term for which debentures may be issued to secure the debt created by this bylaw is for a term not to exceed 30 years.

3. Citation

This bylaw may be cited as the “Regional District of Central Okanagan, Okanagan Regional Library Loan Authorization Bylaw No.1478, 2021”.

READ A FIRST TIME THIS 29th DAY OF March 2021

READ A SECOND TIME THIS 29th DAY OF March 2021

READ A THIRD TIME THIS 13th DAY OF May 2021

Approved by the Inspector of Municipalities this day of 2021

Approval of the electors by Alternative Approval Process this DAY OF 2021

ADOPTED THIS DAY OF 2021

CHAIR

DIRECTOR OF CORPORATE SERVICES

I hereby certify the foregoing to be a true and correct copy of Bylaw No.1478, 2021 cited as the “Regional District of Central Okanagan, Okanagan Regional Library Loan Authorization Bylaw No. 1478, 2021”, as read a third time by the Regional Board on the 13th day of May 2021.

Dated at Kelowna, B.C. this
13th day of May 2021

DIRECTOR OF CORPORATE SERVICES

I hereby certify the foregoing to be a true and correct copy of Bylaw No. 1478, 2021 cited as the “Regional District of Central Okanagan, Okanagan Regional Library Loan Authorization Bylaw No. 1478, 2021”, as adopted by the Regional Board on the day of 2021.

Dated at Kelowna, B.C. this
day of 2021

DIRECTOR OF CORPORATE SERVICES



Regional Board Report

TO: Regional Board

FROM: Marilyn Rilkoff
Director of Financial Services

DATE: May 5, 2021

SUBJECT: BDO 2020 Final RDCO Audit Report to the Board

Voting Entitlement: *All Directors – Unweighted Corporate Vote – Simple Majority – LGA 208.1*

Purpose: To provide the 2020 Final RDCO Audit Report from BDO to the Board.

Executive Summary:

BDO will present their Final Audit Report which resulted in the following opinion:

“In our opinion, the financial statements present fairly, in all material respects, the financial position of the Regional District of Central Okanagan as at December 31, 2020, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.”

RECOMMENDATION:

THAT BDO’s Regional District of Central Okanagan Final Audit Report for the year ended December 31, 2020 be received.

Respectfully Submitted:

A handwritten signature in black ink, appearing to read "M. Rilkoff".

Marilyn Rilkoff
Director of Financial Services

Approved for Board’s Consideration

A handwritten signature in black ink, appearing to read "Brian Reardon".

Brian Reardon, CAO

Attachment(s):

- BDO’s RDCO Audit Final Report to the Board of Directors dated May 13, 2021 – Audit of the Financial Statements of the Regional District of Central Okanagan for the year ended December 31, 2020



REGIONAL DISTRICT OF CENTRAL OKANAGAN

AUDIT FINAL REPORT TO THE BOARD OF DIRECTORS

May 13, 2021

May 13, 2021

Board of Directors
Regional District of Central Okanagan
1450 KLO Road
Kelowna, BC
V1W 3Z4

Dear Board of Directors

We are pleased to present this report on the results of our audit of the financial statements of Regional District of Central Okanagan (“Regional District”) for the year ended December 31, 2020. The purpose of this report is to summarize certain aspects of the audit that we believe to be of interest to the Board of Directors and should be read in conjunction with the draft financial statements and our draft audit report which is included as Appendix B.

We would like to bring to your attention that our audit and therefore this report will not necessarily identify all matters that may be of interest to the Board of Directors in fulfilling its responsibilities.

We wish to express our sincere appreciation for the co-operation we received during the audit from Regional District of Central Okanagan’s management and staff who have assisted us in carrying out our work. We look forward to connecting with you to discuss the contents of this report and any other matters that you consider appropriate.

Yours truly,

Markus Schrott, CPA, CA
Partner through a corporation
BDO Canada LLP
Chartered Professional Accountants

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SUMMARY



Status of the Audit

As of the date of this report, we have substantially completed our audit of the 2020 financial statements, pending completion of the following items:

- ▶ Receipt of signed management representation letter
- ▶ Subsequent events review through to financial statement approval date
- ▶ Approval of financial statements by the Board of Directors

We conducted our audit in accordance with Canadian generally accepted auditing standards. The objective of our audit was to obtain reasonable, not absolute, assurance about whether the financial statements are free from material misstatement. See Appendix B for our draft independent auditor's report.

The scope of the work performed was substantially the same as that described in our Planning Report to the Board of Directors dated December 7, 2020.



Audit Findings

Our audit focused on the risks specific to your business and key accounts. Our discussion points below focus on areas of significant risks of material misstatement, or the following items:

- ▶ Management Override of Controls



Internal Control Matters

We are required to report to you in writing, any significant deficiencies in internal control that we have identified.

There were no control deficiencies that, in our opinion, are of significant importance to discuss with those charged with governance.

There are no deficiencies noted in the management letter.



Independence

Our annual letter confirming our independence was previously provided to you. We know of no circumstances that would cause us to amend the previously provided letter. We confirm that we are still independent as of the date of this letter.



Adjusted and Unadjusted Differences

We have disclosed all significant adjusted and unadjusted differences and disclosure omissions identified through the course of our audit engagement.

During the course of our audit, we noted no significant unadjusted audit differences or disclosure omissions.



Management Representations

During the course of our audit, management made certain representations to us. These representations were verbal or written and therefore explicit, or they were implied through the financial statements. Management provided representations in response to specific queries from us, as well as unsolicited representations. Such representations were part of the evidence gathered by us to be able to draw reasonable conclusions on which to base our audit opinion. These representations were documented by including in the audit working papers memoranda of discussions with management and written representations received from management.



Significant Audit Estimates

Management is responsible for determining Regional District of Central Okanagan's significant accounting policies. The choice between accounting policy alternatives can have a significant effect on the financial position and results of the organization. The application of those policies often involves significant estimates and judgments by management. Based on the audit work that we have performed, it is our opinion that the accounting policies and estimates in the financial statements are reasonable and the disclosures relating to accounting estimates are in accordance with Canadian public sector accounting standards.

AUDIT FINDINGS

As part of our ongoing communications with you, we are required to have a discussion on our views about significant qualitative aspects of the Regional District's accounting practices, including accounting policies, accounting estimates and financial statement disclosures. In order to have a frank and open discussion, these matters will be discussed verbally with you. A summary of the key discussion points are as follows:

SIGNIFICANT RISKS OF MATERIAL MISSTATEMENT	RISKS NOTED	AUDIT FINDINGS
<p>Management Override of Controls</p>	<p>Management is in a unique position to directly or indirectly change accounting records without oversight and prepare financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p><i>This risk is required to be addressed for all audits pursuant to Canadian audit standards.</i></p>	<p>In order to mitigate this risk, we performed the following procedures:</p> <ul style="list-style-type: none"> • Tested the appropriateness of journal entries recorded in the general ledger, reviewed key estimates and other adjustments made in the preparation of the financial statements. <p>All audit testing in this area was executed as planned with no issues to be reported.</p>

INTERNAL CONTROL MATTERS

During the course of our audit, we performed the following procedures with respect to the Regional District's internal control environment:

- ▶ Documented operating systems to assess the design and implementation of control activities that were relevant to the audit.
- ▶ Discussed and considered potential audit risks with management.

The results of these procedures were considered in determining the extent and nature of substantive audit testing required.

We are required to report to you in writing, significant deficiencies in internal control that we have identified during the audit. A significant deficiency is defined as a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of those charged with governance.

As the purpose of the audit is for us to express an opinion on the Regional District's financial statements, our audit cannot be expected to disclose all matters that may be of interest to you. As part of our work, we considered internal control relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

During the course of our audit, there were no significant deficiencies in internal controls noted.

OTHER REQUIRED COMMUNICATIONS

Potential effect on the financial statements of any material risks and exposures, such as pending litigation, that are required to be disclosed in the financial statements.

- BDO Response: There are no material pending litigations that need to be disclosed in the financial statements other than the normal course.

Material uncertainties related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern.

- BDO Response: There is no going concern issue noted.

Disagreements with management about matters that, individually or in the aggregate, could be significant to the entity's financial statements or our audit report.

- BDO Response: No disagreements were noted with management.

Matters involving non-compliance with laws and regulations.

- BDO Response: We noted no instances of non-compliance with laws or regulations during the course of our audit.

Significant related party transactions that are not in the normal course of operations and which involve significant judgments made by management concerning measurement or disclosure.

- BDO Response: None noted.

Management consultation with other accountants about significant auditing and accounting matters.

- BDO Response: No consultation required.

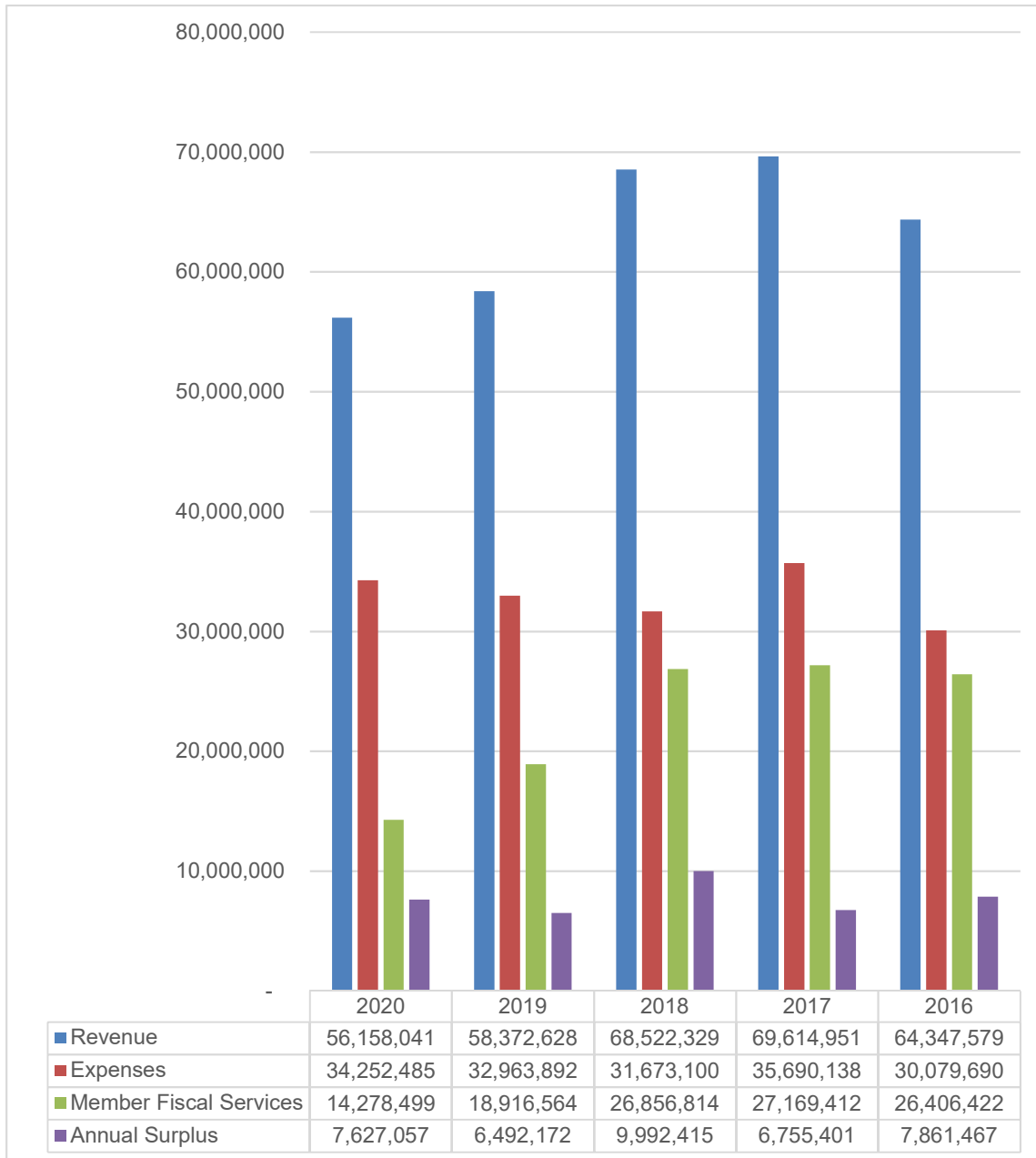
Other Matters

- BDO Response: None noted.

Professional standards require independent auditors to communicate with those charged with governance certain matters in relation to an audit. In addition to the points communicated within this letter, the attached table summarizes these additional required communications.

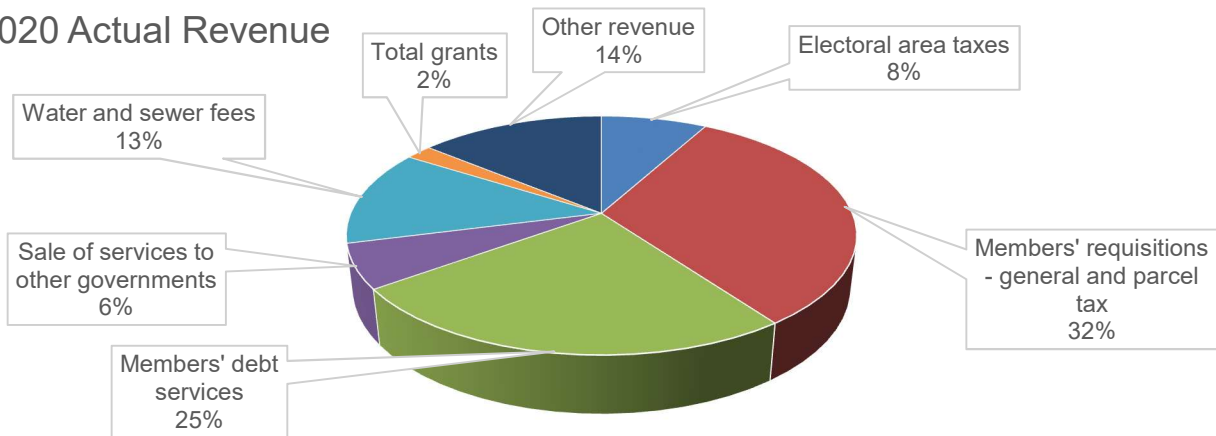
APPENDIX A

TOTAL REVENUE, EXPENSES, AND ANNUAL SURPLUS

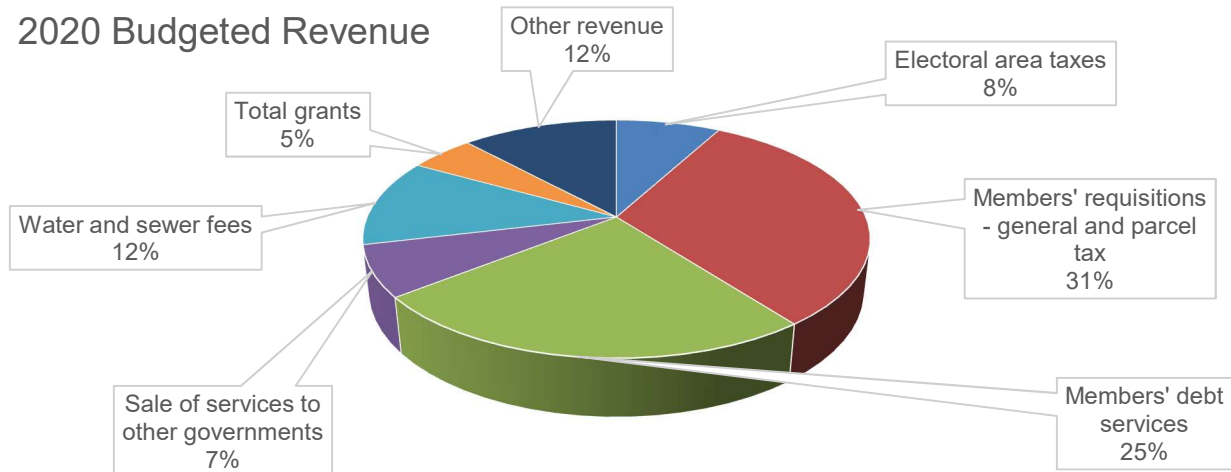


REVENUE ANALYSIS

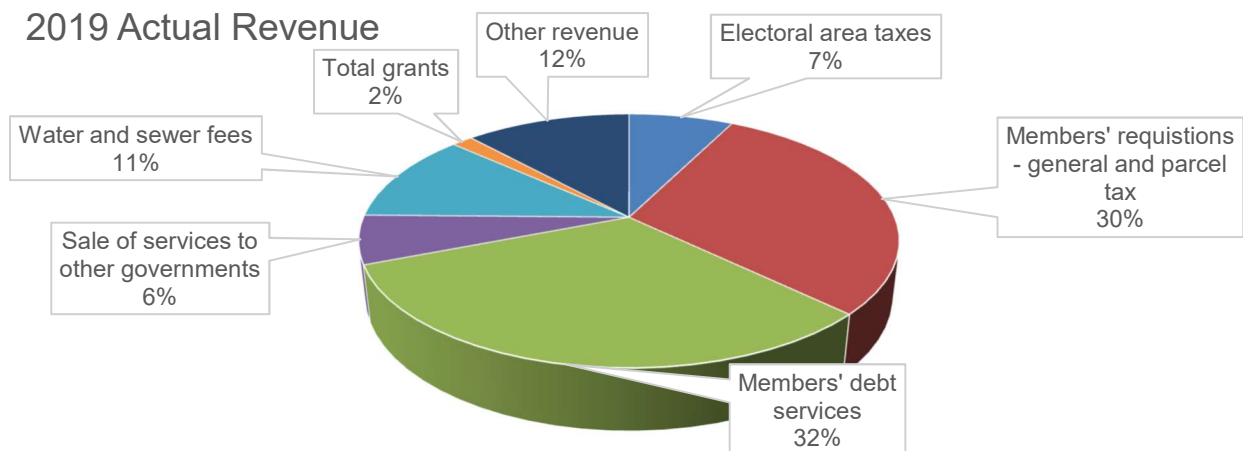
2020 Actual Revenue



2020 Budgeted Revenue



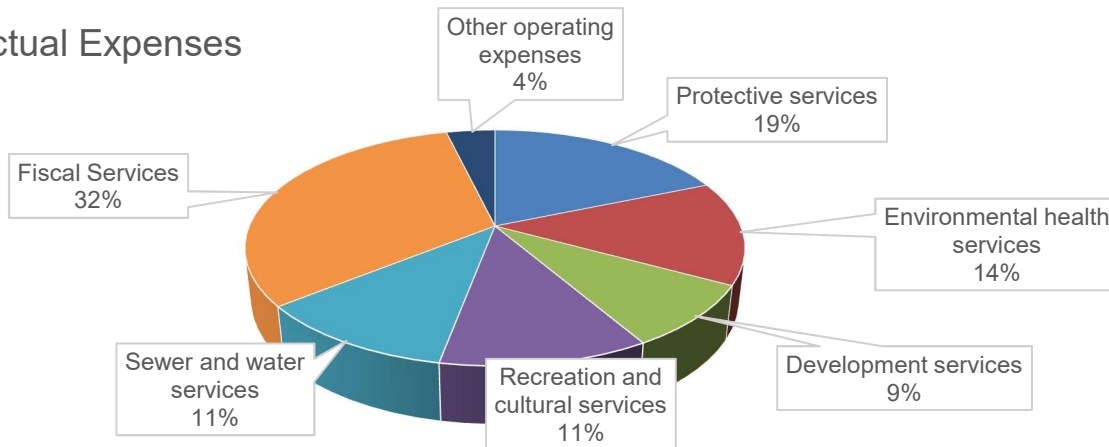
2019 Actual Revenue



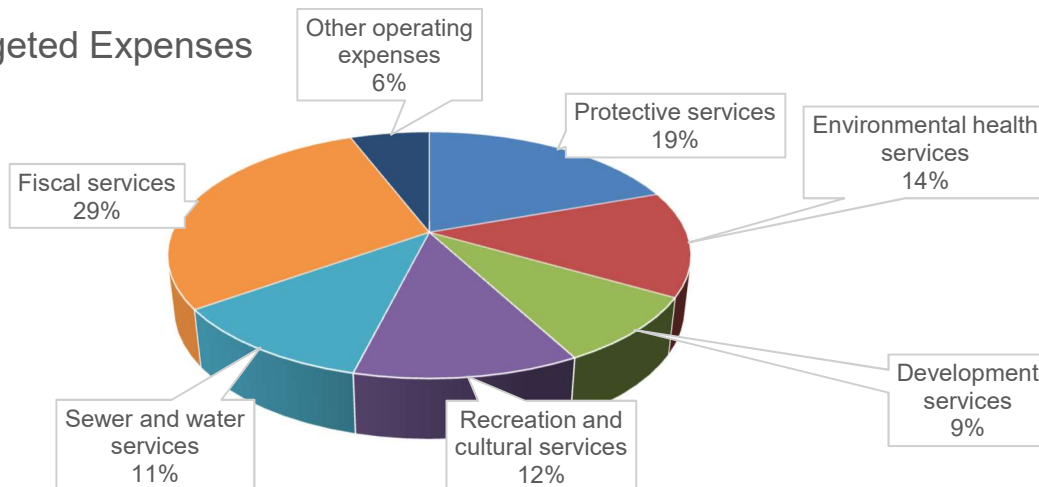
* Any revenue not listed is grouped into other

EXPENSES BY FUNCTION

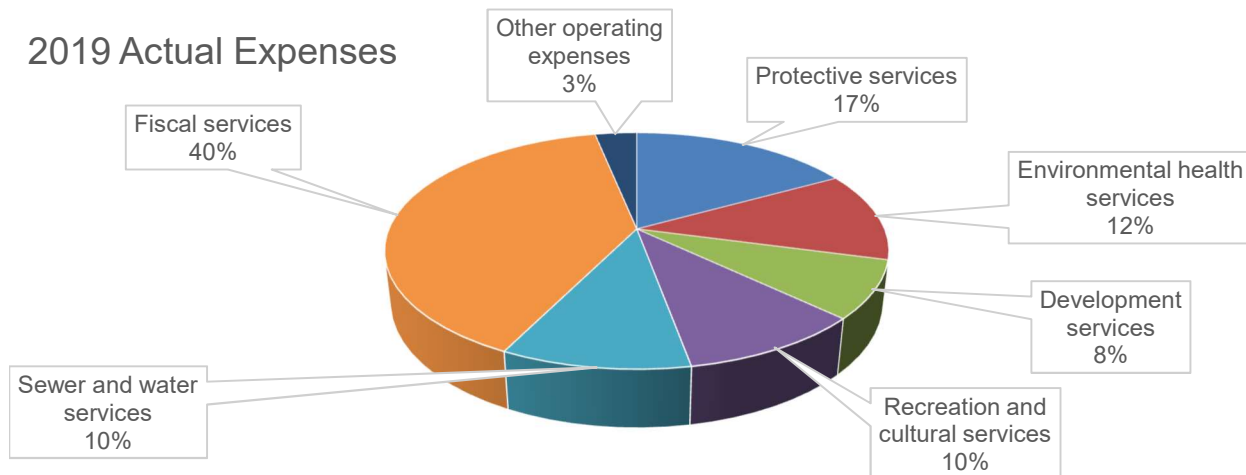
2020 Actual Expenses



2020 Budgeted Expenses



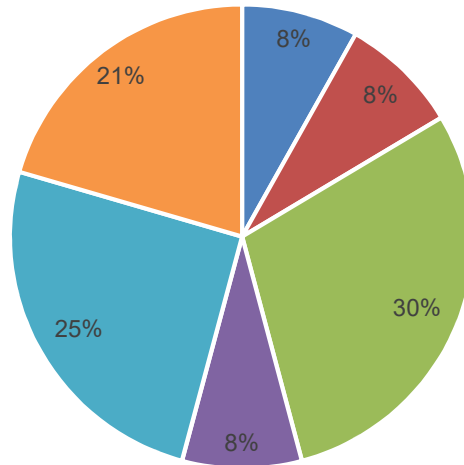
2019 Actual Expenses



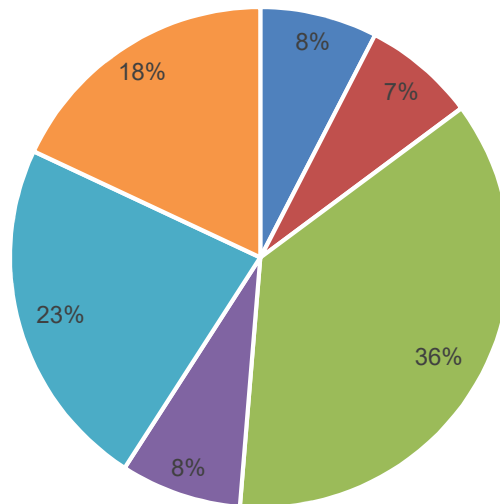
*Any expense not listed is grouped into other. Amortization is not shown in 2020 or 2019 actual

OPERATING EXPENSES BY OBJECT

2020 Actual Expenses



2019 Actual Expenses

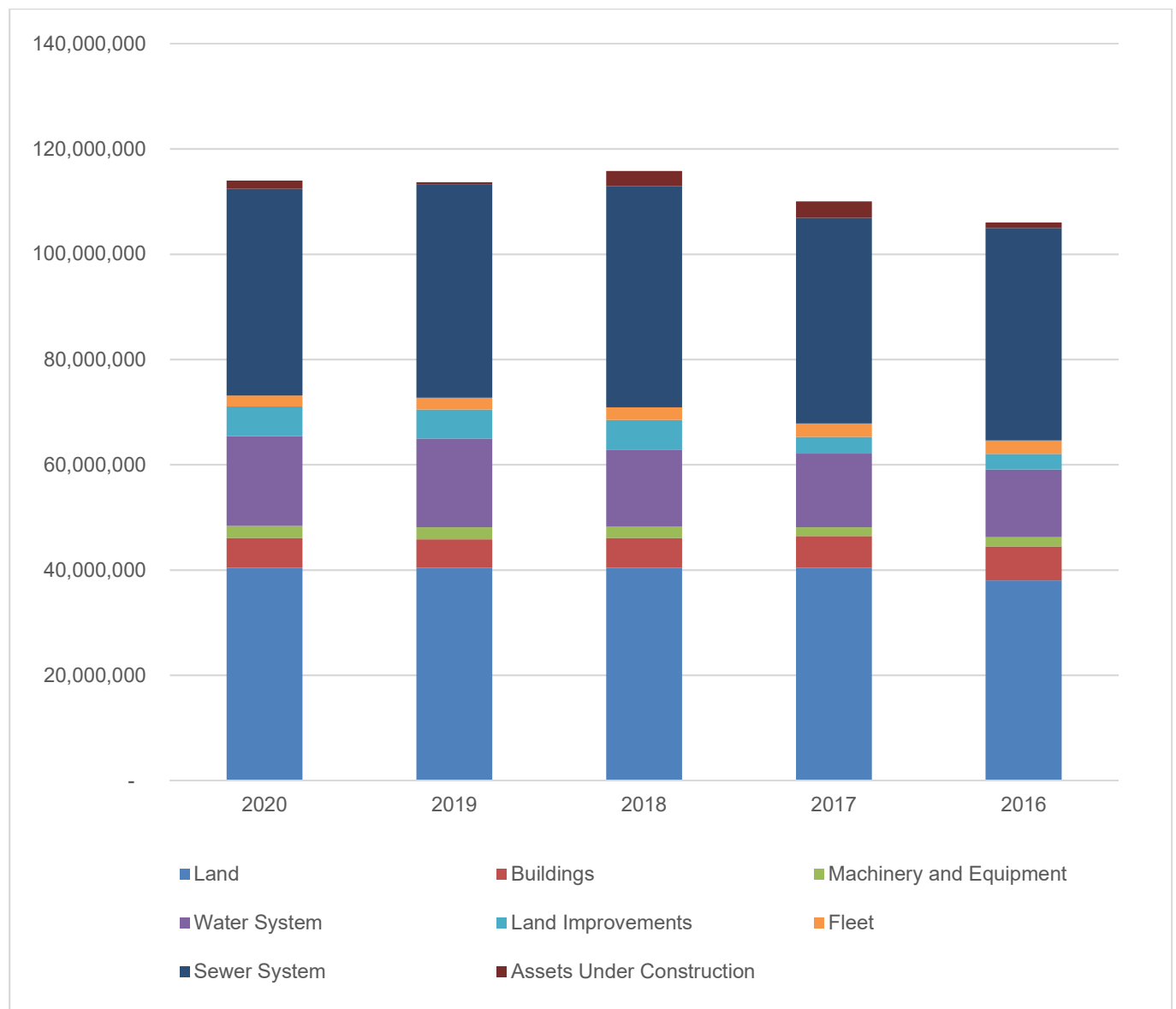


- Amortization
- Fiscal services for members
- Wages and benefits
- Contract services
- Transfers to other agencies and governments
- Other operating expenses

*Any expense less than 5% of total expenses is included in other operating expenses

CAPITAL ASSET ANALYSIS - CATEGORY BREAKDOWN

	2020	2019	2018	2017	2016
Tangible Capital Assets					
Beginning of year	113,673,675	113,920,574	110,033,002	105,992,776	105,495,656
Purchases	4,306,528	3,741,562	8,843,074	8,475,428	4,377,018
Disposals	-54,952	-56,856	-993,760	-692,810	-138,630
Amortization	-3,945,767	-3,931,605	-3,961,742	-3,742,392	-3,741,268
End of year	<u>113,979,484</u>	<u>113,673,675</u>	<u>113,920,574</u>	<u>110,033,002</u>	<u>105,992,776</u>



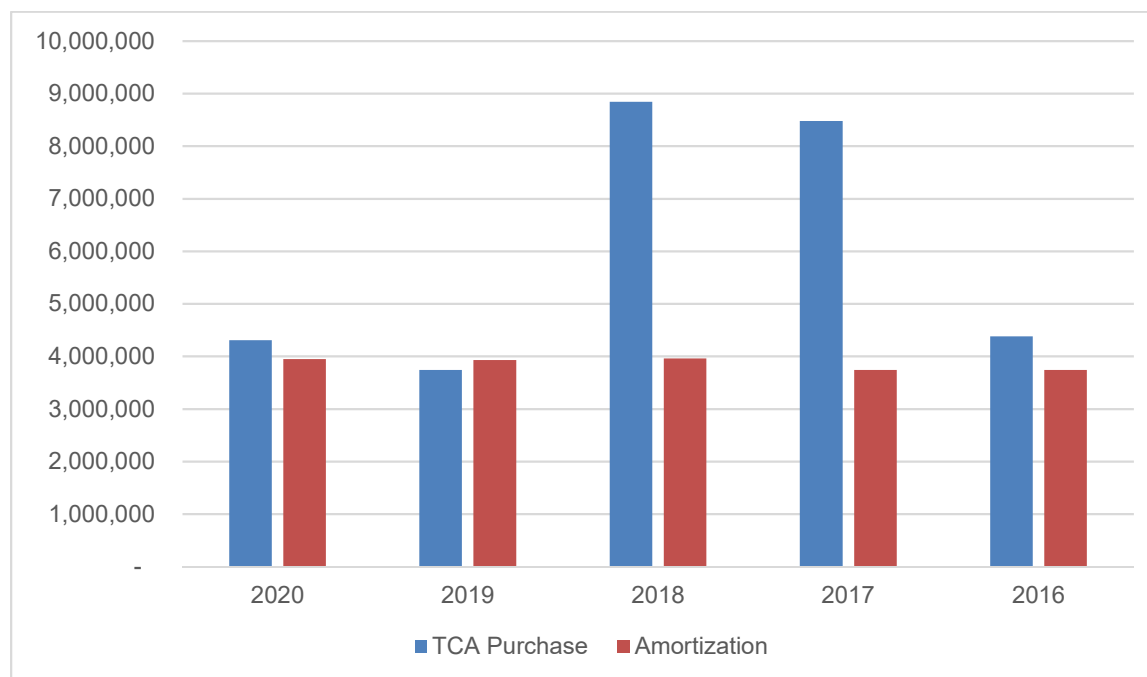
CAPITAL ASSET ANALYSIS - TCA FINANCIAL INDICATOR

As assets age, the TCA Financial Indicator percentage will decrease. The newer the assets, the longer the remaining life of the asset and the higher the percentage.

The formula is as follows:

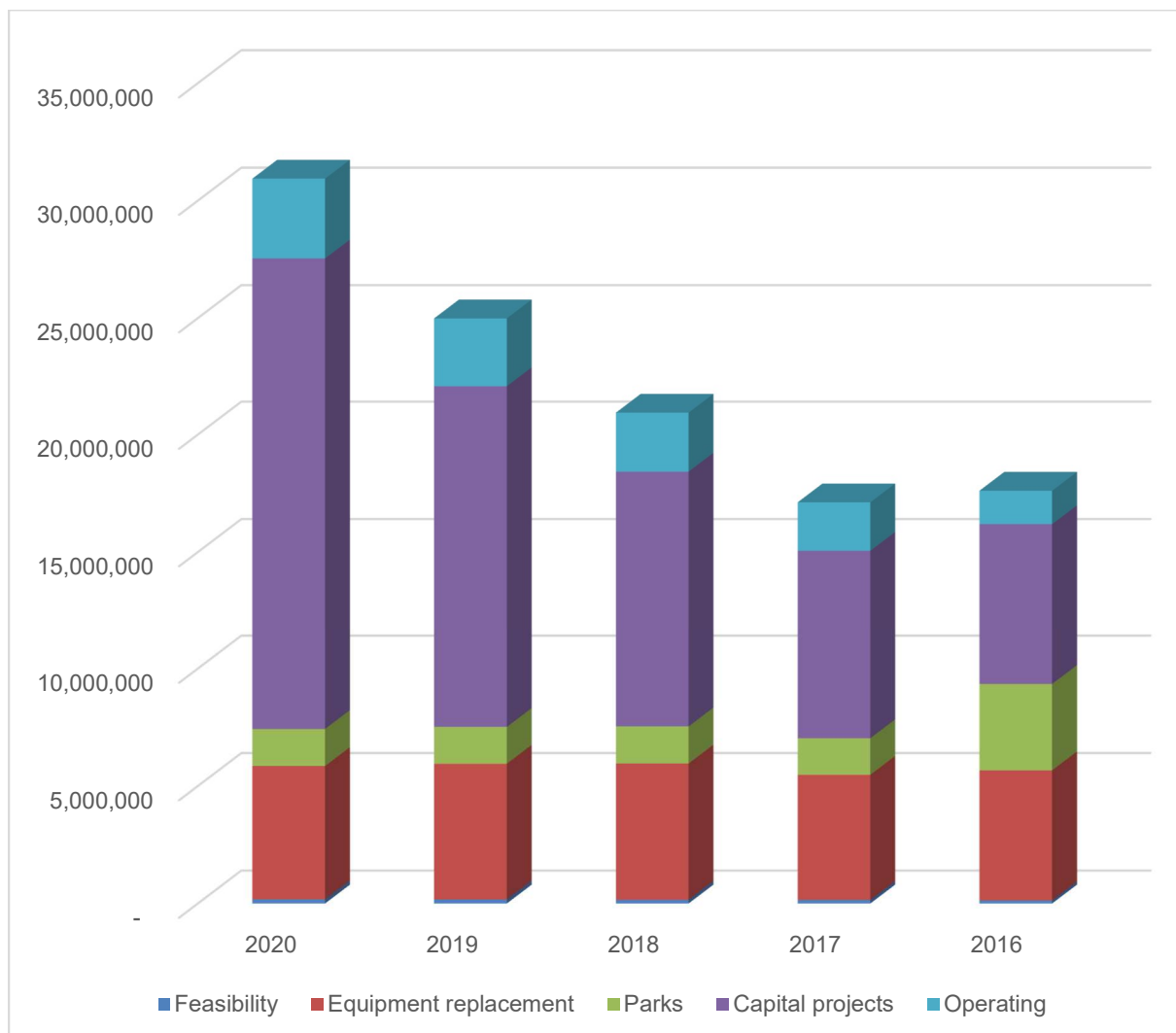
$$\text{Age of TCA Financial Indicator} = \frac{\text{Net Book Value of TCA}}{\text{Historical Cost of TCA}}$$

	2020	2019	2018	2017	2016
Buildings	43%	44%	47%	50%	53%
Sewer System	61%	63%	65%	65%	68%
Water System	72%	72%	71%	71%	71%
Fleet	30%	33%	36%	40%	41%
Miscellaneous	65%	62%	64%	61%	54%
Total	70%	71%	72%	73%	73%



RESERVE ANALYSIS

	2020	2019	2018	2017	2016
Statutory Reserve Funds					
Feasibility	175,072	173,054	160,486	148,105	131,423
Equipment replacement	5,677,130	5,776,461	5,795,961	5,330,103	5,535,755
Parks	1,577,839	1,566,933	1,579,995	1,554,986	3,677,311
Capital projects	20,109,491	14,544,378	10,886,850	8,021,053	6,842,541
Operating	3,397,683	2,927,803	2,509,646	2,062,040	1,422,339
	30,937,215	24,988,629	20,932,938	17,116,287	17,609,369



APPENDIX B: INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report

To the Directors of the Regional District of Central Okanagan

Opinion

We have audited the financial statements of the Regional District of Central Okanagan (the "Regional District"), which comprise the statement of financial position as at December 31, 2020, and the statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Regional District as at December 31, 2020, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Regional District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information included in the annual report or the information included in exhibits 1 through 28 of the Regional District's financial statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Regional District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Regional District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Regional District's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Regional District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Regional District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Regional District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Kelowna, British Columbia
May 13, 2021

APPENDIX C: BDO RESOURCES

BDO is a leading provider of professional services to clients of all sizes in virtually all business sectors. Our team delivers a comprehensive range of assurance, accounting, tax, and advisory services, complemented by a deep industry knowledge gained from nearly 100 years of working within local communities. As part of the global BDO network, we are able to provide seamless and consistent cross-border services to clients with global needs. Commitment to knowledge and best practice sharing ensures that expertise is easily shared across our global network and common methodologies and information technology ensures efficient and effective service delivery to our clients.

Outlined below is a summary of certain BDO resources, which may be of interest to the Board of Directors.

TAX BULLETINS, ALERTS AND NEWSLETTERS

BDO Canada's national tax department issues a number of bulletins, alerts and newsletters relating to corporate federal, personal, commodity, transfer pricing and international tax matters.

For additional information on tax matters and links to archived tax publications, please refer to the following link: [Tax Library | BDO Canada](#)

For additional information on resources to assist the Society with adapting to COVID-19, please refer to the following link: [Adapting to COVID-19 | BDO Canada](#)



Regional Board Report

TO: Regional Board
FROM: Marilyn Rilkoff
Director of Financial Services
DATE: May 5, 2021
SUBJECT: 2020 RDCO Financial Statements

Voting Entitlement: All Directors – Unweighted Corporate Vote – Simple Majority – LGA 208.1

Purpose: To report annual financial information to the Board and comply with legislative requirements for filing Financial Statements by May 15th.

Executive Summary:

The 2020 Financial Statements are submitted for approval by the Board as required by legislation—Section 167 of the *Community Charter*.

In the opinion of the auditors, BDO, the financial statements present fairly, in all material respects, the financial position of the Regional District of Central Okanagan as at December 31, 2020 and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

RECOMMENDATION:

THAT the Regional District of Central Okanagan Financial Statements – year ended December 31, 2020 be approved.

Respectfully Submitted:

A handwritten signature in black ink, appearing to read "M. Rilkoff".

Marilyn Rilkoff
Director of Financial Services

Approved for Board's Consideration

A handwritten signature in black ink, appearing to read "Brian Reardon".

Brian Reardon, CAO

Implications of Recommendation:

Strategic Plan:	The 2020 – 2024 Financial Plan, Department Initiatives and Program Plans were approved March 23, 2020, followed by six amendments. Expenditures were made in accordance with the Financial Plan.
General:	Legislative Compliance.
Organizational:	To report on the financial status of the organization.
Financial:	Compliance with the legislative requirements. Part of the Financial Control System.
Legal/Statutory Authority:	Expenditures were approved in the 2020 – 2024 Financial Plan Bylaw 1449 and Amending Bylaws 1460, 1461, 1470, 1472, 1474 and 1480. <i>Local Government Act</i> <i>Community Charter</i> <i>Financial Information Act</i> <i>Financial Information Regulation</i>

Background:

The financial statements have been prepared in accordance with PSAB Standards and audited by BDO Dunwoody, and a clean audit opinion has been received.

Once the Board has approved the Financial Statements, the auditors will finalize the Audit Report and Final Financial Statements and a signed copy will be available in the Board's Reader File.

According to the Canadian Audit Standard 560, the date of BDO's audit report is required to be the date that those charged with governance (the Board) formally approve the draft financial statements as presented. The auditors must receive the approval and perform "subsequent events" work up to this date (procedures relating to subsequent events while financial statements are being presented for approval if audit staff have left the premises prior to the date of the report), prior to releasing the final financial statements.

In prior years, the Management Letter was brought forward to an In Camera meeting as a matter of course. In recent years, the letter is only brought forward if there are any items identified. This is not a requirement, but simply done for transparency to the Board. The letter is meant to be a confidential communication between the auditors and management to flag any potential discussion items and potential improvements. For 2020 and the past few years, there have been no items identified.

If the Board ever has any concerns with the audit, including fraud or financial matters, they are invited to submit their concerns to the Chair or BDO.

Financial Statement Highlights:

- The accumulated surplus has increased by \$8.25 million from \$137,809,761 to \$146,062,800 as per page 7 of the Financial Statements. NOTE: This is NOT surplus cash that the RDCO has to spend.
Under Public Sector Accounting Standards the meaning of “Accumulated Surplus” is the Sum of Net Financial Assets (which is Financial Assets, less the Financial Liabilities) and Non-Financial Assets (primarily Tangible Capital Assets, or TCA’s). The RDCO remains in a strong and vital financial position. The Board and Staff will continue, through enacting directives in the Strategic Plan and through Asset Management initiatives, to maintain and build sustainable stewardship of the assets.
- The RDCO holds \$112 million in long term debt (page 6 of Financial Statements):
 - The majority, \$107.8m (note 4, page 13 of Financial Statements) is on behalf of the 4 (four) partner municipalities – Kelowna, Peachland, Lake Country and West Kelowna and the Regional Library. Long term borrowing is done through the Municipal Finance Authority, via the RDCO as required by legislation. These long term debt agreements decreased by \$12.3m from \$120.1m in 2019 to \$107.8m in 2020.
 - Only \$4.23 million of the long term debt relates to the Regional District’s services (\$4.05m for the Fintry Shalal Water System).
- There was a net increase to reserves in 2020 of \$6.57 million, from \$24.99m in 2019 to \$31.56m (page 21 of the Financial Statements). This was after investments in tangible capital asset additions of \$4.3m (Note 10, page 19).
 - In simple terms of reserves for asset renewal, the RDCO still needs to continue to set aside higher levels of reserves. In recent years, significant land acquisitions and investments and replacement of assets have been made, particularly in relation to parks, water systems and the wastewater treatment plant. While this has drawn down some reserve balances, most are at reasonable levels.
- DCC reserve balances increased by a net \$294.5k. While contributions of \$1.06m were received, \$837k was used for projects (page 14 – Note 6, and pages 47 and 48 of the Financial Statements). The current balance is \$6.15m (vs \$5.86m in 2019). DCC Bylaws have been updated and rates have been increased.
- Amortization (or asset consumption) was \$3.95m (Pages 7 and 19 of the Financial Statements).
- Revenues decreased \$1.59m from \$58.37m in 2019 to \$56.78m in 2020 primarily due to reduced debt services payments from the municipalities. Related debt expenses were reduced accordingly (Page 7 of the Financial Statements).

Work continues by all Departments and services on Asset Management and increasing infrastructure reserves.

Attachment(s):

- Financial Services Report – Guide to Understanding the Financial Statements
- RDCO Audited 2020 Financial Statements



Regional Board Report

TO: Regional Board

FROM: Marilyn Rilkoff
Director of Financial Services

DATE: May 3, 2021

SUBJECT: Guide to Understanding the Financial Statements

- ❑ The Public Sector Accounting Board (“PSAB”) adopted revised standards with which all local governments began to comply with in 2009. Some explanation of the Statements follows on the second page of this report.
 - The standards require the recognition of all non-financial assets including tangible capital assets, prepaid expenses and inventories of supplies as assets.
 - In addition, revenue from contributed assets, and amortization on tangible capital assets is recorded in the statement of operations.

- ❑ The PSA Financial Reporting Model:
 - Four Statements (the purpose of each is described on the next page):
 - Statement of Financial Position
 - Statement of Operations
 - Statement of Change in Net Financial Assets
 - Statement of Cash Flows
 - Summary of Significant Accounting Policies
 - Notes to Financial Statements & Schedules
 - Exhibits

- ❑ What does PSAB Do?
 - Serves the public interest by setting standards and providing guidance for financial and other performance information reported in the public sector
 - All governments in Canada are required, by legislation, to comply with PSA financial reporting requirements

- ❑ PSAB Vision & Goal:
 - Vision: “The public understands and has confidence in public sector accounting”
 - Goal: “The public sector produces a decision-useful, multi-dimensional accountability report”. (This is a little trickier for Regional Districts because of all the separate service areas, however, these statements do give an overall net picture of the organization – Decision making is typically required for each individual service).

Respectfully Submitted,

Marilyn Rilkoff, Director of Financial Services

The underlying goal of the Financial Reporting Model is to identify the net economic resources available to a government, their make-up and nature, and changes to them in the reporting period.

Economic Resources are the means to provide services or satisfy liabilities.

- Assets & Liabilities describe the net economic resources available at a point in time
- Revenues and Expenses explain the change in the net economic resources in the period

Reporting Statements - Purpose of Each Report Explained:

Statement of Financial Position (Pg 6)

- **Most important statement – all others tie into numbers on this statement.**
- Shows details of, and changes in, net economic resources. Definitions:
 - o Net Financial Assets/Debt are resources available to finance future operations, "prepaid service potential" (both operating and capital)
 - o Non-Financial Assets are resources typically to be consumed in service provision (including tangible capital assets, inventory, prepaid expenses, work in progress).
 - o Accumulated Surplus
 - o The sum of Net Financial Assets or liabilities & Non-Financial Assets.
 - o Tangible Capital Assets
 - o Economic Resources available to be consumed in the provision of services

Statement of Operations (Pg 7)

- Shows the extent to which revenues recognized were sufficient to offset the cost of the services provided for the fiscal year.
- Explains the change in net economic resources or Accumulated Surplus (shown on Statement of Financial Position, Page 6)
 - o Revenues – increases in economic resources
 - o Expenses – economic resources consumed to provide services

Statement of Change in Net Financial Assets (Pg 8)

- Shows the extent to which revenues recognized were sufficient to offset the cost of goods and services acquired
- Explains the change in Net Financial Assets (shown on Statement of Financial Position, Page 6)

Statement of Cash Flows (Pg 9)

- Explains the change in Cash & Cash Equivalents (shown on Statement of Financial Position, Page 6)
- Shows how cash requirements were met and activities financed

Summary of Significant Accounting Policies (Pgs 10 & 11): Disclose significant accounting practices.

Notes to the Financial Statements (Pgs 12-29): The Notes form part of the audited statements and provide additional detail and required disclosures.

Exhibits (Pgs 30-58): The exhibits break down the information by the General Fund, Water Fund, and Sewer Fund. These are provided for supplementary information primarily for Board and management use. While the account balances and transactions are reviewed during audit, the exhibit statements themselves are considered unaudited because they are not PSAB or legislative requirements. These balances all roll up to the audited statements.



**REGIONAL DISTRICT OF THE CENTRAL OKANAGAN
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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Management's Responsibility for Financial Reporting

The accompanying financial statements of the Regional District of Central Okanagan are the responsibility of management and have been approved by the Chairperson on behalf of the Board.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Certain amounts used in the preparation of the financial statements are based on management's best estimates and judgements. Actual results could differ as additional information becomes available in the future. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Regional District of Central Okanagan maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Board's assets are appropriately accounted for and adequately safeguarded.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Board meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditor's report.

The financial statements have been audited by external auditors BDO Canada LLP Chartered Professional Accountants in accordance with Canadian generally accepted auditing standards on behalf of the Board. The independent auditor's report expresses their opinion on these financial statements. The external auditors have full and free access to the accounting records and to the Board of the Regional District of Central Okanagan.

Chief Administrative Officer

Director of Financial Services

May 13, 2021

Independent Auditor's Report

To the Directors of the Regional District of Central Okanagan

Opinion

We have audited the financial statements of the Regional District of Central Okanagan (the "Regional District"), which comprise the statement of financial position as at December 31, 2020, and the statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Regional District as at December 31, 2020, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Regional District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information included in the annual report or the information included in exhibits 1 through 28 of the Regional District's financial statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Regional District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Regional District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Regional District's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Regional District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Regional District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Regional District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Kelowna, British Columbia
May 13, 2021

Regional District of Central Okanagan Statement of Financial Position

December 31	2020	2019
Financial Assets		
Cash (Note 1)	\$ 43,773,912	\$ 36,037,183
Accounts receivable (Note 2)	3,152,170	2,810,886
Deposits - Municipal Finance Authority (Note 3)	8,712,691	9,483,156
Agreements due from members (Note 4)	<u>107,771,888</u>	<u>120,111,822</u>
	<u>163,410,663</u>	<u>168,443,048</u>
Financial Liabilities		
Accounts payable and accrued liabilities	4,265,409	4,187,531
Deferred revenue (Note 5)	241,970	240,797
Development cost charges (Note 6)	6,154,606	5,860,043
Reserve - Municipal Finance Authority (Note 3)	8,619,175	9,389,202
Interim financing (Note 7)	-	-
Long term debt (Note 8)	112,038,181	124,622,085
Landfill closure and post-closure (Note 9)	<u>497,879</u>	<u>527,649</u>
	<u>131,817,220</u>	<u>144,827,307</u>
Net Financial Assets	31,593,443	23,615,741
Non-Financial Assets		
Prepaid expenses	489,873	520,345
Tangible capital assets (Note 10)	<u>113,979,484</u>	<u>113,673,675</u>
Accumulated Surplus (Note 11)	\$ 146,062,800	\$ 137,809,761

Approved on behalf of the Board:

Chair

Regional District of Central Okanagan Statement of Operations

For the year ended December 31	2020		2019
	Actual	Budget (Note 17)	Actual
Revenues			
Electoral area tax requisitions	\$ 4,114,749	\$ 4,115,619	\$ 3,903,617
Electoral area parcel taxes	507,734	507,733	449,327
Members' requisitions			
General	17,697,179	17,696,949	16,876,144
Parcel taxes	432,659	432,659	455,988
Debt services	13,998,427	14,029,012	18,636,654
Federal government grants	267,411	315,566	403,090
Provincial government grants	1,655,493	2,915,881	480,905
Sale of services to other governments	3,591,161	3,992,012	3,619,290
Sale of services to others	2,432,291	2,121,420	1,782,854
Water and sewer fees	7,119,131	7,028,579	6,647,915
Gas tax revenue (Note 16)	1,048,842	1,149,194	1,656,038
Contributions from others	772,158	190,458	21,265
Contributions from sewer DCC reserve	837,307	2,256,667	-
Gain on disposal of tangible capital assets	2,970	-	38,378
Other revenue	2,306,515	1,655,161	3,401,163
	56,784,027	58,406,910	58,372,628
Expenses (Note 14)			
Amortization	3,945,767	-	3,931,605
General government services	1,242,077	2,112,323	1,346,214
Protective services	8,343,239	9,618,386	8,132,701
Transportation services	356,512	462,083	249,587
Environmental health services	6,334,797	6,808,528	5,850,659
Development services	3,849,370	4,364,064	3,785,771
Recreation and cultural services	5,092,530	5,786,109	4,820,828
Water services	834,217	844,843	678,379
Sewer services	4,179,762	4,693,415	4,233,854
Interest on long term debt and debt issue expense	183,777	191,234	230,961
Fiscal services	14,278,499	14,310,629	18,916,564
Transfer to local governments	116,765	116,887	110,554
Loss on disposal of tangible capital assets	54,952	-	-
Reallocation of insurance reserve (recovery)	(281,277)	-	(407,221)
	48,530,987	49,308,501	51,880,456
Annual Surplus	8,253,039	9,098,409	6,492,172
Accumulated surplus, beginning of the year	137,809,761	137,809,757	131,317,589
Accumulated surplus, end of year	\$ 146,062,800	\$ 146,908,166	\$ 137,809,761

**Regional District of Central Okanagan
Statement of Change in Net Financial Assets**

For the year ended December 31	2020	2019
Annual Surplus	\$ 8,253,039	\$ 6,492,172
Acquisition of tangible capital assets	(4,306,528)	(3,741,562)
Amortization of tangible capital assets	3,945,767	3,931,605
(Gain) loss on disposal of tangible capital assets	51,982	(38,378)
Proceeds from disposal of tangible capital assets	2,973	95,234
	7,947,233	6,739,071
Acquisition of prepaid expenses	30,472	(88,212)
Change in net financial assets	7,977,705	6,650,859
Net financial assets, beginning of the year	23,615,741	16,964,882
Net financial assets, end of year	\$ 31,593,443	\$ 23,615,741

Regional District of Central Okanagan Statement of Cash Flows

For the year ended December 31	2020	2019
Cash provided by (used in)		
Operating Activities		
Cash receipts from grants, other governments, and own sources	\$ 55,970,556	\$ 58,791,984
Cash paid to employees and suppliers	(29,663,918)	(27,303,623)
Interest paid	(5,699,634)	(7,147,600)
Interest received	470,395	756,347
Landfill closure cost payments from reserve	(30,931)	(28,870)
	21,046,468	25,068,238
Capital Activities		
Purchase of tangible capital assets	(4,306,528)	(3,741,562)
Proceeds from sale of tangible capital assets	2,973	95,234
	(4,303,555)	(3,646,328)
Financing Activities		
Net long term debt reduction	(9,006,180)	(12,235,834)
Net issuance of interim financing	-	(2,154,007)
	(9,006,180)	(14,389,841)
Increase in cash during year	7,736,733	7,032,069
Cash, beginning of the year	36,037,183	29,005,114
Cash, end of year	\$ 43,773,912	\$ 36,037,183

Regional District of Central Okanagan Summary of Significant Accounting Policies

December 31, 2020

Nature of Business	The Regional District of Central Okanagan (the "Regional District") provides local government services such as protective, transportation, environmental health and development, parks, water, sewer, and other general government services.
Basis of Presentation	The financial statements of the Regional District are the representations of management and are prepared in accordance with Canadian generally accepted accounting policies for local government entities using guidelines issued by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.
Landfill Closure and Post-Closure	The estimated costs to close and maintain solid waste landfill sites are based on estimated future expenses in current dollars, discounted, adjusted for estimated inflation, and are charged to expense as the landfill site's capacity is used.
Development Cost Charges	Development Cost Charge ("DCC") levies are restricted by by-law in their use for sewer expansion and the revenue is deferred until the expenses are incurred. When DCC expenses are made, a corresponding amount is recorded as "Contribution from sewer DCC reserve".
Reserve Fund Balances	The Regional District has appropriated certain funds for future capital expenses for specific projects or studies. Expenses from a reserve can only be made with approval from the Ministry or in accordance with by-law directives.
Government Transfers	<p>Government transfers, are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. The transfer of revenue is initially deferred and then recognized in the statement of operations as the stipulation liabilities are settled.</p> <p>When the Regional District is deemed the transferor, the transfer expense is recognized when the recipient is authorized and has met the eligibility criteria.</p>
Financial Instruments	The Regional District's financial instruments consist of cash, accounts receivable and other receivables, deposits, accounts payable and accrued liabilities, interim financing and long-term debt. Unless otherwise noted, it is management's opinion that the Regional District is not exposed to significant interest, currency, liquidity or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.
Non-Financial Assets	Non-financial assets are held for use in the provision of services and are not normally available to discharge liabilities. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the net surplus (deficit) for the year, provides the change in net debt for the year.

Regional District of Central Okanagan Summary of Significant Accounting Policies

December 31, 2020

Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Assets under construction are recorded at cost and are not amortized until the asset is complete and in use. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Land improvements	5 - 20 years
Buildings	10 - 75 years
Fleet	5 - 15 years
Machinery and equipment	3 - 20 years
Sewer system	10 - 80 years
Water system	10 - 100 years

Deferred Revenue

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purposes.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimate and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Revenue Recognition

Taxes are recognized as revenue in the year they are levied.

Charges for sewer and water usage are recorded as user fees. Connection fee revenues are recognized when the connection has been established.

Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable.

Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.

Sales of services and other revenue is recognized on an accrual basis.

Contributions of capital assets are recognized when the transfer occurs.

Regional District of Central Okanagan Notes to the Financial Statements

December 31, 2020

1. Cash

Cash is held in a financial institution earning interest at a rate of 1.17 (2019 - 2.35) per annum.

Included in cash, a portion has been specifically set aside for internally and externally restricted reserves.

2. Accounts Receivable

	2020	2019
Local governments and Hospital District	\$ 1,574,530	\$ 659,459
Provincial government	297,829	437,546
Other	1,279,811	1,713,881
	\$ 3,152,170	\$ 2,810,886

3. Deposit / Reserve - Municipal Finance Authority

Deposits:

The Regional District also executes demand notes in connection with each debenture whereby the Regional District may be required to loan certain amounts to the Municipal Finance Authority. These demand notes are contingent in nature. The details of the cash deposits and demand notes at year end are as follows:

	Demand Notes	Cash Deposits	2020	2019
Regional District	\$ 122,119	\$ 93,516	\$ 215,635	\$ 221,339
Member Municipalities				
Kelowna	4,152,328	1,812,317	5,964,645	6,561,718
Peachland	192,935	152,722	345,657	342,578
Lake Country	495,211	273,552	768,763	854,448
West Kelowna	796,738	411,308	1,208,046	1,294,409
Okanagan Regional Library	146,434	63,511	209,945	208,664
	\$ 5,905,765	\$ 2,806,926	\$ 8,712,691	\$ 9,483,156

Regional District of Central Okanagan Notes to the Financial Statements

December 31, 2020

3. Deposit / Reserve - Municipal Finance Authority (continued)

Reserves and Demand Notes:

The Regional District issues its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are held by the Municipal Finance Authority as a debt reserve fund and demand notes. The balances at year end are as follows:

	2020	2019
Regional District Reserves	\$ 122,119	\$ 127,385
Member Municipalities Reserves and Demand Notes		
Kelowna	5,964,645	6,561,718
Peachland	345,657	342,578
Lake Country	768,763	854,448
West Kelowna	1,208,046	1,294,409
Okanagan Regional Library Reserves and Demand Notes	209,945	208,664
	\$ 8,619,175	\$ 9,389,202

4. Agreements Due from Members

Agreements due from members become receivable on the same terms as payable to the Municipal Finance Authority (Note 7). The Regional District borrows funds upon its credit at large and shall, in the event of default, constitute an indebtedness of the member municipalities for which they are jointly and severally liable.

	2020	2019
City of Kelowna	\$ 87,022,602	\$ 96,078,769
District of Lake Country	6,543,917	7,604,381
District of Peachland	2,440,062	2,823,363
City of West Kelowna	9,535,975	11,143,338
Okanagan Regional Library District	2,229,332	2,461,971
	\$ 107,771,888	\$ 120,111,822

5. Deferred Revenue

	2020	2019
Balance, beginning of the year	\$ 240,797	\$ 281,320
Contributions		
Business licenses	33,655	36,375
Other	208,315	204,422
Recognized as revenue	(240,797)	(281,320)
Balance, end of the year	\$ 241,970	\$ 240,797

Regional District of Central Okanagan
Notes to the Financial Statements

December 31, 2020

6. Development Cost Charges

During the year, the Regional District collected and recognized as revenue, developmental cost charges ("DCC's") as follows:

	2020	2019
Balance, beginning of the year	\$ 5,860,043	\$ 3,968,969
Interest	68,319	63,503
DCC's collected in the year	1,063,551	1,827,571
DCC's recognized as revenue	(837,307)	-
	\$ 6,154,606	\$ 5,860,043

Developmental cost charges are allocated as follows:

	2020	2019
Westside Sewer Plant	\$ 3,773,809	\$ 3,580,958
East Trunk Sewer	2,380,797	2,279,085
	\$ 6,154,606	\$ 5,860,043

Regional District of Central Okanagan Notes to the Financial Statements

December 31, 2020

7. Long Term Debt

Municipal Finance Authority Agreements

Security			Year of Maturity	Interest Rate	Balance outstanding	
Issuing By- law	Issue number	Purpose			2020	2019
740	66	District of Peachland	2022	2.250	\$ 24,935	\$ 36,518
764	68	District of Peachland	2023	2.650	786,410	1,023,987
818	70	District of Lake Country	2024	5.745	1,253,616	1,533,829
886	73	City of West Kelowna	2020	1.670	-	123,945
887	73	District of Lake Country	2020	1.670	-	78,000
912	74	Regional District - Ellison Fire	2021	1.750	45,853	89,522
912	74	Regional District - Lakeview	2021	1.750	60,373	117,871
912	74	City of West Kelowna	2021	1.750	98,507	192,324
931	75	City of West Kelowna	2021	1.750	103,780	202,619
932	75	City of Kelowna	2021	1.750	38,211	74,602
933	75	District of Lake Country	2021	1.750	191,054	373,010
957	77	City of Kelowna	2022	1.750	5,886	8,621
964	77	City of West Kelowna	2022	1.750	285,726	418,467
983	78	City of Kelowna	2022	2.250	607,446	889,651
973	78	District of Lake Country	2022	2.250	84,678	124,018
984	78	District of Lake Country	2022	2.250	119,363	174,816
1007	79	City of West Kelowna	2023	2.250	428,222	557,590
1023	80	City of Kelowna	2023	2.850	8,563	11,150
1069	85	City of Kelowna	2024	2.250	1,008,543	1,231,394
1070	85	City of West Kelowna	2024	2.250	287,986	351,621
1123	95	District of Peachland	2030	0.910	1,628,717	1,762,856
1125	95	City of Kelowna	2025	0.910	2,417,212	2,852,734
1122	95	Regional District - Upper Ellison Fire	2020	0.910	-	11,854
1122	95	Regional District - Ridgeview Fire Protection	2025	0.910	71,282	84,125
1122	95	City of West Kelowna	2025	0.910	1,364,440	1,610,278
Carried forward					\$ 10,920,804	\$ 13,935,402

Regional District of Central Okanagan
Notes to the Financial Statements

December 31, 2020

8. Long Term Debt (continued)

Municipal Finance Authority Agreements

Security

Issuing By- law	Issue number	Purpose	Year of Maturity	Interest Rate	Balance outstanding		
					2020	2019	
Brought forward					\$	10,920,804	\$ 13,935,402
1147	99	City of West Kelowna	2026	1.750	506,455	579,872	
1175	101	City of West Kelowna	2027	2.250	1,255,146	1,407,947	
					35,331		
1196	101	Lakeshore Road Improvements	2027	2.250		39,633	
1196	101	City of West Kelowna	2027	2.250	616,532	691,588	
1212	102	City of Kelowna	2027	2.250	12,498,460	14,020,022	
1219	103	City of West Kelowna	2028	2.650	69,626	76,892	
1239	104	District of Lake Country	2028	2.900	830,798	917,495	
1245	104	Okanagan Regional Library	2028	2.900	2,229,332	2,461,971	
		District Admin Building					
1212	104	City of Kelowna	2028	2.900	990,814	1,094,209	
1246	104	City of Kelowna	2028	2.900	5,250,040	5,797,901	
1251	105	City of West Kelowna	2029	2.250	4,519,555	4,930,196	
1252	105	District of Lake Country	2024	2.250	302,107	370,514	
1252	105	District of Lake Country	2029	2.250	273,552	298,407	
1252	109	District of Lake Country	2020	1.830	-	25,000	
1246	112	City of Kelowna	2020	1.280	-	1,185,490	
1285	114	District of Lake Country	2026	3.650	112,882	129,446	
1286	114	District of Lake Country	2026	3.650	172,727	198,073	
1292	117	City of Kelowna	2031	3.250	1,289,222	1,381,140	
1293	117	City of Kelowna	2026	3.250	1,791,638	2,051,359	
1310	121	Regional District - Upper Fintry Shalal Road & Valley of the Sun Water Distribution System	2042	2.900	4,053,454	4,167,258	
1329	126	District of Lake Country	2033	3.850	786,195	831,661	
1337	127	District of Lake Country	2029	3.300	297,807	324,866	
1350	130	City of Kelowna	2034	3.000	268,152	282,248	
1362	133	District of Lake Country	2035	2.750	2,119,137	2,225,248	
1363	133	City of Kelowna	2035	2.750	16,207,549	17,019,102	
1364	133	City of Kelowna	2035	2.750	12,155,661	12,764,326	
1227	133	City of Kelowna	2025	2.750	4,071,721	4,805,344	
Carried forward					\$	83,624,698	\$ 94,012,610

Regional District of Central Okanagan
Notes to the Financial Statements

December 31, 2020

8. Long Term Debt (continued)

Municipal Finance Authority Agreements

Security

Issuing By- law	Issue number	Purpose	Year of Maturity	Interest Rate	Balance outstanding		
					2020	2019	
Brought forward					\$	83,624,698	\$ 94,012,610
1227	137	City of Kelowna	2026	2.600	2,242,494	2,573,274	
1363	137	City of Kelowna	2036	2.600	14,466,236	15,132,729	
1227	139	City of Kelowna	2026	2.100	1,905,180	2,191,138	
1227	141	City of Kelowna	2027	2.800	5,843,034	6,583,377	
1363	142	City of Kelowna	2037	3.150	2,654,910	2,773,356	
1363	145	City of Kelowna	2038	3.150	1,257,255	1,309,387	
1420	146	City of Kelowna	2038	3.200	44,375	46,214	
Total long term debt					\$	112,038,181	\$ 124,622,085

Future principal repayments on existing long-term debt for the next five years and thereafter:

2021	\$	11,751,660
2022		11,333,644
2023		11,311,033
2024		11,283,065
2025		10,899,273
Thereafter		55,459,507
	\$	<u>112,038,181</u>

Regional District of Central Okanagan Notes to the Financial Statements

December 31, 2020

8. Landfill Closure and Post- Closure Care

The British Columbia Environmental and Enhancement Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. This requirement is to be provided for over the estimated remaining life of the landfill site based on usage.

Capacity of the Westside Sanitary Landfill of 1,926,340 cubic meters was reached during the 2010 fiscal year. Closure will involve covering the site with topsoil and vegetation, drainage control, and installing groundwater monitoring wells. Post-closure care activities for the landfill are expected to occur for 30 years and will involve surface and ground water monitoring, maintenance of drainage structures, monitoring leachate and landfill gas, and landfill cover maintenance.

The table below sets out the liability based on estimated capacities used in cubic meters, multiplied by the estimated total expenses, expressed as discounted present values, assuming a discount rate of 2.76% (2019 - 2.52%) based on average long term borrowing rate. The amount remaining to be recognized in future years is \$nil because the landfill reached full capacity during the 2010 fiscal year. The annual provision is reported as an operating fund expense and the accumulated provision is recorded as a liability on the Statement of Financial Position. Reserve funds totaling \$342,065 (2019 - \$346,951) have been established to provide for this liability in the Capital Project Reserve Fund.

Site	Estimated Remaining Life (yrs)	Est. Total Expenditure For Closure	Cumulative Capacity Used	Total Estimated Capacity	% Used	Liability for Closure to Dec. 31, 2020
West Kelowna	-	\$ 497,879	1,926,340	1,926,340	100%	\$ 497,879
						Less expenses previously recognized: <u>(527,649)</u>
						2020 net additional cost in connection with landfill closure: <u>\$ (29,770)</u>

Site	Estimated Remaining Life (yrs)	Est. Total Expenditure For Closure	Cumulative Capacity Used	Total Estimated Capacity	% Used	Liability for Closure to Dec. 31, 2019
West Kelowna	-	\$ 527,649	1,926,340	1,926,340	100%	\$ 527,649

Regional District of Central Okanagan
Notes to the Financial Statements

December 31, 2020

9. Tangible Capital Assets

	2020								
	Land	Land Improvements	Buildings	Fleet	Machinery and Equipment	Sewer System	Water System	Assets Under Construction	Total
Cost, beginning of year	\$ 40,388,504	\$ 8,372,754	\$ 12,371,697	\$ 6,744,368	\$ 4,541,563	\$ 64,679,155	\$ 23,286,745	\$ 497,389	\$ 160,882,175
Additions	7,363	424,318	577,820	183,878	487,406	491,321	736,519	1,397,903	4,306,528
Disposals	-	(2,544)	-	(28,848)	(811,528)	(910,390)	(460,741)	-	(2,214,051)
Reallocation of Assets Under Construction	38,342	106,938	94,434	67,130	17,047	-	-	(323,892)	-
Cost, end of year	\$ 40,434,209	\$ 8,901,466	\$ 13,043,951	\$ 6,966,528	\$ 4,234,488	\$ 64,260,086	\$ 23,562,523	\$ 1,571,400	\$ 162,974,652
Accumulated amortization, beginning of year	\$ -	\$ 2,837,996	\$ 6,923,841	\$ 4,517,386	\$ 2,289,940	\$ 24,204,105	\$ 6,435,232	\$ -	\$ 47,208,500
Amortization	-	446,862	479,636	381,753	444,726	1,699,581	493,209	-	3,945,767
Disposals	-	(2,544)	-	(28,848)	(811,528)	(910,390)	(405,789)	-	(2,159,099)
Accumulated amortization, end of year	\$ -	\$ 3,282,315	\$ 7,403,477	\$ 4,870,291	\$ 1,923,138	\$ 24,993,295	\$ 6,522,652	\$ -	\$ 48,995,168
Net carrying amount, end of year	\$ 40,434,209	\$ 5,619,151	\$ 5,640,474	\$ 2,096,237	\$ 2,311,350	\$ 39,266,791	\$ 17,039,871	\$ 1,571,400	\$ 113,979,484

Regional District of Central Okanagan
Notes to the Financial Statements

December 31, 2020

9. Tangible Capital Assets (continued)

	2019								
	Land	Land Improvements	Buildings	Fleet	Machinery and Equipment	Sewer System	Water System	Assets Under Construction	Total
Cost, beginning of year	\$ 40,388,504	\$ 6,219,081	\$ 12,155,504	\$ 6,702,476	\$ 4,684,342	\$ 64,505,712	\$ 20,554,978	\$ 2,881,622	\$ 158,092,219
Additions	-	1,725,895	216,193	270,751	498,000	219,823	345,532	465,368	3,741,562
Disposals	-			(228,859)	(640,779)	(46,380)	(35,588)		(951,606)
Reallocation of Assets Under Construction	-	427,778	-	-			2,421,823	(2,849,601)	
Cost, end of year	\$ 40,388,504	\$ 8,372,754	\$ 12,371,697	\$ 6,744,368	\$ 4,541,563	\$ 64,679,155	\$ 23,286,745	\$ 497,389	\$ 160,882,175
Accumulated amortization, beginning of year	\$ -	\$ 2,404,750	\$ 6,471,980	\$ 4,292,511	\$ 2,518,725	\$ 22,485,192	\$ 5,998,487	\$ -	\$ 44,171,645
Amortization	-	433,246	451,861	396,878	411,994	1,765,293	472,333	-	3,931,605
Disposals	-			(172,003)	(640,779)	(46,380)	(35,588)	-	(894,750)
Accumulated amortization, end of year	\$ -	\$ 2,837,996	\$ 6,923,841	\$ 4,517,386	\$ 2,289,940	\$ 24,204,105	\$ 6,435,232	\$ -	\$ 47,208,500
Net carrying amount, end of year	\$ 40,388,504	\$ 5,534,758	\$ 5,447,856	\$ 2,226,982	\$ 2,251,623	\$ 40,475,050	\$ 16,851,513	\$ 497,389	\$ 113,673,675

Regional District of Central Okanagan
Notes to the Financial Statements

December 31, 2020

10. Accumulated Surplus

	2020	2019
Current Funds		
General revenue fund	\$ 4,726,562	\$ 3,830,960
Water revenue fund	102,575	184,718
Sewer revenue fund	455,151	169,691
	5,284,288	4,185,369
Capital Funds		
General capital fund	55,212,088	55,103,403
Water capital fund	13,255,249	12,962,731
Sewer capital fund	40,747,976	40,569,627
	109,215,313	108,635,761
Reserve Funds		
Feasibility reserve fund	175,072	173,054
Equipment replacement reserve fund	5,677,130	5,776,461
Park reserve fund	1,577,839	1,566,933
Capital projects reserve fund	20,109,491	14,544,378
Operating reserve fund	4,023,665	2,927,803
	31,563,197	24,988,629
Accumulated Surplus Total	\$ 146,062,800	\$ 137,809,761

Capital funds represent amounts already spent and invested in infrastructure and other non-financial assets.

Reserve funds represent funds set aside by the Board for specific purposes.

11. Credit Facility

The Regional District has a credit facility agreement with a financial institution which provides for a total commitment of \$22,700,000 (2019 - \$21,500,000). At December 31, 2020, the Regional District had drawn an amount of \$Nil on this agreement (2019 - \$Nil).

Regional District of Central Okanagan

Notes to the Financial Statements

December 31, 2020

12. Employee Benefits

Retirement Benefits

The Regional District and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2019, the plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The Regional District paid \$753,206 (2019 - \$715,187) for employer contributions to the plan in fiscal 2020.

The next valuation will be as at December 31, 2021, with results available in 2022.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

Compensated Absences

Sick Leave

After ten years of employment, earned sick leave is paid out upon termination of employment as per agreements. Sick leave obligations are attributed to the period beginning the employee's date of hire and ending on the date the employee ceases employment.

The Regional District determines its discount rates by reference to its cost of borrowing in accordance with Paragraph .044 of PS 3250. Actuarial gains and losses arise from the difference between the actual expense of the plan and that expected by the actuarial assumptions or from changes in actuarial assumptions. Actuarial gains and losses arising in a specific fiscal period will be amortized over the expected average remaining service life (EARSLS) of the related employee group in accordance with Paragraph .061 of PS 3250.

The sick leave benefits are adequately funded by an account reserved for employee benefits and insurance. The projected sick leave liability in 2020 is \$885,600 (2019 - \$800,400).

Vacation

Vacation is accrued as it is earned by employees.

Regional District of Central Okanagan Notes to the Financial Statements

December 31, 2020

13. Contingent Liabilities

The Regional District is the defendant in various lawsuits. In the opinion of management, the overall estimation of loss is not determinable at this time. These claims have not be provided for in the financial statements. Settlement, if any, made with respect to these actions would be expected to be accounted for as a charge to expenses in the period in which realization is known, to the extent not covered by insurance.

14. Expenses by Object

	2020	2019
Advertising and promotion	\$ 162,701	\$ 112,656
Amortization	3,945,765	3,931,605
Contract Services	4,029,349	3,768,895
Education and training	868,594	637,492
Emergency services	1,698,231	1,677,361
Grants and other programs	287,536	296,208
Insurance, licenses and memberships	305,875	105,232
Interest on long-term debt and debt issue expense	183,778	230,962
Fiscal services for members	14,278,499	18,916,563
Leases and rentals	20,799	21,177
Loss on disposal of tangible capital assets	54,952	-
Office and administration	664,026	702,308
Planning and development	318,634	573,347
Professional fees	346,809	235,684
Repairs and maintenance	2,520,282	2,625,079
Supplies	1,364,882	981,300
Telephone and utilities	1,047,302	958,842
Transit services	21,683	17,190
Travel	83,046	178,676
Transfers to other agencies and governments	4,041,005	4,053,203
Wages and benefits	12,287,239	11,856,671
	\$ 48,530,987	\$ 51,880,456

Regional District of Central Okanagan Notes to the Financial Statements

December 31, 2020

15. Gas Tax Agreement Funds

a) Community Works funds

Community Works Funds are provided by the Government of Canada under the Gas Tax Agreement. The use of the funding is established by a funding agreement between the Regional District and the Union of British Columbia Municipalities. Gas Tax Agreement funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects. The Community Works Fund balance is included in the capital projects reserve fund.

	2020	2019
Opening balance of unspent funds	\$ 3,109,858	\$ 1,816,627
Add: Amount received during the year	749,846	1,455,385
Interest earned	36,255	29,066
Less: Amount spent on projects	(327,246)	(191,220)
Closing balance of unspent community works funds	\$ 3,568,713	\$ 3,109,858

b) Regionally Significant Project Funding

The Regional District and its members received funding for a Regional Significant Project during the year:

	2020	2019
Regional strategic transportation demand plan	\$ 298,995	\$ 200,653

Regional District of Central Okanagan Notes to the Financial Statements

December 31, 2020

16. Budget

The budget data presented in these financial statements is based upon the 2020 - 2024 Financial Plan Bylaw 1449 approved by the Regional District Board on March 23 and Amending Bylaws 1460, 1461, 1470, 1472, 1474 and 1480 approved by the Board on July, September, December 2020 and January, February and April 2021.

The legislative requirements of the Financial Plan are that the cash inflows for the period must at a minimum equal cash outflows.

Budgeted Cash inflows and outflows include transfers to and from reserves and other funds, and prior year surplus/deficits carried forward, and principal repayments on debt. These transactions are not recognized as revenues and expenses in the Statement of Operations as they do not meet the inclusion requirements under public sector account standards.

Revenue	Approved Budget	Capital Adjustments	Debt Adjustments	Transfers & Other	Presented Budget
Electoral Area tax & parcel tax	\$ 4,623,352	\$ -	\$ -	\$ -	\$ 4,623,352
Members' requisitions	32,158,620	-	-	-	32,158,620
Grants	2,214,970	1,016,477	-	-	3,231,447
Sale of services	6,113,432	-	-	-	6,113,432
Water and Sewer fees	7,030,979	-	-	(2,400)	7,028,579
Gas tax revenue	1,149,194	-	-	-	1,149,194
Contributions	-	2,447,125	-	-	2,447,125
Transfers from reserves	841,650	(841,650)	-	-	-
Other revenue	1,741,551	-	(146,722)	60,332	1,655,161
Prior years' surplus	2,538,965	-	-	(2,538,965)	-
	\$ 58,412,710	\$ 2,621,952	\$ (146,722)	\$ (2,481,033)	\$ 58,406,910
Expense					
General government services	7,408,704	-	(18,000)	(5,278,383)	2,112,323
Protective services	9,477,691	-	(21,965)	162,660	9,618,386
Transportation services	465,355	-	(4,487)	1,215	462,083
Environmental health services	6,403,600	-	-	404,928	6,808,528
Development services	4,069,331	-	-	294,733	4,364,064
		-			
Recreation and cultural services	9,596,729	-	(310,264)	(3,500,356)	5,786,109
Water services	1,851,026	-	(227,141)	(779,042)	844,843
Sewer services	5,111,267	-	(37,717)	(380,135)	4,693,415
Fiscal services	14,029,010	-	281,619	-	14,310,629
Interest on long-term debt and debt issue expense	-	-	191,234	-	191,234
Transfers to local governments	-	-	-	116,887	116,887
	\$ 58,412,710	\$ -	\$ (146,721)	\$ (8,957,493)	\$ 49,308,501

Regional District of Central Okanagan

Notes to the Financial Statements

December 31, 2020

17. Segmented Information

The segments and the services the Regional District provide are broken down as follows:

General Government Services is comprised of a number of different services, including Board and Communications Costs, Corporate Services; Administration Finance; Engineering; Human Resources; Information Systems; Electoral Area Costs; and Grants. Corporate Services involves staff and management working closely with the Regional Board and Community partners to coordinate the delivery of a wide range of functions and services. The Finance department is responsible for the requisition of tax revenues from the Province and from member municipalities and all treasury and accounting functions. Human Resources involves the administration of full-time and part-time employees, as well as the responsibility for labour relations, recruitment, training and career planning, employee health and safety and Workers Compensation regulations. Information Systems includes an all-encompassing computer database and mapping system for properties in the Regional District, which is used by Regional Services and Regional District departments and other government agencies, as well as members of the public and businesses.

Protective Services includes a number of different programs. These programs include Electoral Area Fire Protection; Regional Rescue; 911 Services; Crime Stoppers; Victim Services; Crime Prevention; Bylaw Enforcement (Business Licenses, Building Inspections, Dog Control, Mosquito Control, Starling Control, and Prohibited Animal Control). These services are designed to provide a safe environment to the community. They are responsible for providing these services to the unincorporated electoral areas of Central Okanagan East and Central Okanagan West, as well as to the member municipalities of Kelowna, West Kelowna, Peachland, and Lake country within the boundaries of the Regional District.

Transportation Services includes Transportation Demand Management, Road/Street Light Improvements and Transit Services.

Environmental Health Services includes a number of different services, including: Effluent Disposal; Solid Waste Management Services (Recycling, Collection, Transfer Stations, Management); Okanagan Basin Water Board; Air Quality Monitoring; Noise Abatement; Untidy Premises. The mandate of these programs is to coordinate delivery of the many day-to-day services required for community living.

Environmental Development Services is responsible for delivering Insect & Weed Control, Sterile Insect Release, Economic Development and Planning. Economic Development provides assistance to businesses and entrepreneurs in the Regional District and to those interested in relocating to the region. The planning function is responsible for developing land use policies that provide guidance to elected officials, developers, the public and other decision makers. It puts land use plans and policies into action and ensures proper Infrastructure and orderly development. The program also evaluates applications and provides recommendations to decision makers; assist the public with land use regulations, applications, and processes; and invites and responds to public

Recreational/Cultural Service includes the Community Halls, Regional Parks, Community Parks, and Okanagan Regional Library. The Parks department is responsible for 30 Regional Parks and more than a dozen community and neighbourhood parks making up over 1,900 hectares or parkland. The department is also responsible for future recreational opportunities through parkland acquisition on development.

Fiscal Services is responsible for MFA Financing for 2 electoral areas and 4 member municipalities.

Water Services includes a total of six water systems that provides water services to local service areas within the electoral areas.

Sewer Services includes the Westside Wastewater Treatment Plant, the Ellison Sewer System and a number of Lift Stations/Collector Systems which service residents of West Kelowna, Peachland and Westbank First Nation.

Regional District of Central Okanagan
Notes to the Financial Statements

December 31, 2020

17. Segmented Information

The segments and the services the Regional District provide are broken down as follows:

	General		Environmental		Environmental	Recreation/					Total	Total
	Government	Protective	Transportation	Health	Development	Cultural	Fiscal	Water	Sewer	Other	2020	2020
	Services	Services	Services	Services	Services	Services	Services	Services	Services		Actual	Budget
Revenues												
General taxes	\$ 866,445	\$ 6,543,652	\$ 49,277	\$ 2,494,013	\$ 3,525,245	\$ 9,015,725	\$ 13,996,882	\$ 221,826	\$ 37,683	\$ -	\$ 36,750,748	\$ 36,781,972
Utility Charges	-	-	-	-	-	-	-	1,614,374	5,504,757	-	7,119,131	7,028,579
Government grants - Federal	110,000	4,512	-	-	114,063	38,836	-	-	-	-	267,411	315,566
Government grants - Provincial	227,478	277,159	-	12,535	231,698	832,099	-	74,524	-	-	1,655,493	2,915,881
Sales of services	334,835	1,030,877	10,954	3,924,235	102,638	619,913	-	-	-	-	6,023,452	6,113,432
Other revenue	211,954	1,217,508	299,019	342,796	48,499	40,292	97,249	459,922	1,178,372	1,072,173	4,967,792	5,251,480
	<u>1,750,712</u>	<u>9,073,708</u>	<u>359,250</u>	<u>6,773,579</u>	<u>4,022,143</u>	<u>10,546,865</u>	<u>14,094,131</u>	<u>2,370,646</u>	<u>6,720,812</u>	<u>1,072,173</u>	<u>56,784,027</u>	<u>58,406,910</u>
Expenses												
Operating												
Goods and services (net)	(2,386,485)	5,703,837	355,626	5,776,080	2,690,285	2,462,156	14,462,276	627,933	2,937,585	(164,512)	32,464,781	36,284,628
Wages and benefits	3,628,562	2,639,402	886	558,717	1,159,085	2,630,374	-	261,236	1,242,177	-	12,120,439	13,023,873
	<u>1,242,077</u>	<u>8,343,239</u>	<u>356,512</u>	<u>6,334,797</u>	<u>3,849,370</u>	<u>5,092,530</u>	<u>14,462,276</u>	<u>889,169</u>	<u>4,179,762</u>	<u>(164,512)</u>	<u>44,585,220</u>	<u>49,308,501</u>
Capital												
Amortization	421,918	522,128	-	62,869	12,318	708,948	-	502,854	1,714,729	-	3,945,764	-
	<u>1,663,994</u>	<u>8,865,367</u>	<u>356,512</u>	<u>6,397,666</u>	<u>3,861,688</u>	<u>5,801,481</u>	<u>14,462,276</u>	<u>1,392,023</u>	<u>5,894,489</u>	<u>(164,512)</u>	<u>48,530,987</u>	<u>49,308,501</u>
Excess (deficiency) in revenues over expenses	\$ 86,718	\$ 208,341	\$ 2,738	\$ 375,913	\$ 160,455	\$ 4,745,384	\$ (368,145)	\$ 978,623	\$ 826,323	\$ 1,236,685	\$ 8,253,040	\$ 9,098,409

Regional District of Central Okanagan
Notes to the Financial Statements

December 31, 2020

17. Segmented Information (continued)

The segments and the services the Regional District provide are broken down as follows:

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Environmental Development Services	Recreation/ Cultural Services	Fiscal Services	Water Services	Sewer Services	Other	Total 2019 Actual	Total 2019 Budget
Revenues												
General taxes	\$ 756,773	\$ 6,198,461	\$ 51,851	\$ 2,424,132	\$ 3,378,028	\$ 8,617,836	\$ 18,634,946	\$ 221,955	\$ 37,748	\$ -	40,321,730	\$ 40,231,881
Utility Charges	-	-	-	-	-	-	-	1,487,375	5,160,540	-	6,647,915	6,540,483
Government grants - Federal	111,940	9,415	-	3,881	242,288	35,566	-	-	-	-	403,090	445,600
Government grants - Provincial	43,189	171,197	-	-	55,418	3,825	-	207,276	-	-	480,905	702,588
Sales of services	359,588	984,932	10,731	3,339,015	111,081	596,797	-	-	-	-	5,402,144	5,567,221
Other revenue	513,796	1,600,594	202,709	314,500	39,633	484,228	87,055	25,196	28,811	1,820,322	5,116,844	2,272,155
	1,785,286	8,964,599	265,291	6,081,528	3,826,448	9,738,252	18,722,001	1,941,802	5,227,099	1,820,322	58,372,628	55,759,928
Expenses												
Operating												
Goods and services (net)	(2,119,747)	5,556,203	248,720	5,235,571	2,744,367	2,208,380	19,147,525	470,839	3,051,850	(296,667)	36,247,041	39,242,503
Wages and benefits	3,465,961	2,576,498	867	615,088	1,041,404	2,612,448	-	207,540	1,182,004	-	11,701,810	12,075,624
	1,346,214	8,132,701	249,587	5,850,659	3,785,771	4,820,828	19,147,525	678,379	4,233,854	(296,667)	47,948,851	51,318,127
Capital												
Amortization	413,630	519,582	-	84,706	9,147	646,906	-	481,977	1,775,657	-	3,931,605	-
	1,759,843	8,652,283	249,587	5,935,365	3,794,918	5,467,737	19,147,525	1,160,356	6,009,509	(296,667)	51,880,456	51,318,127
Excess (deficiency) in revenues over expenses	\$ 25,443	\$ 312,316	\$ 15,704	\$ 146,163	\$ 31,530	\$ 4,270,515	\$ (425,524)	\$ 781,446	\$ (782,410)	\$ 2,116,989	6,492,172	\$ 4,441,801

Regional District of Central Okanagan
Notes to the Financial Statements

December 31, 2020

18. Covid Restart Grant

In November 2020 the Regional District received a provincial grant to assist in expenses resulting from the Covid 19 pandemic. The eligible expenses and remaining funds to be carried into 2021 are as follows:

Safe Restart Grant Received November 2020	1,107,000
Eligible costs incurred:	
Computer and technology costs to improve connectivity and virtual communications	(4,092)
General Government Services	(193,521)
Protective Services	(42,707)
Environmental Health	(12,535)
Environmental Development	(17,814)
Recreation/ Cultural Services	(175,116)
Water	(19,882)
Sewer	(15,349)
Total Eligible Expenses	(481,017)
Balance December 31, 2020	625,983

**Regional District of Central Okanagan
Consolidated Statement of Current Fund Operations
(Unaudited)**

For the year ended December 31	2020		2019
	Actual	Budget	Actual
Revenues			
Electoral area tax requisitions	\$ 4,114,749	\$ 4,115,619	\$ 3,903,617
Electoral area parcel taxes	507,734	507,733	449,327
Members' requisitions			
General	17,697,179	17,696,949	16,876,144
Parcel Taxes	432,659	432,659	455,988
Debt Services	13,998,427	14,029,012	18,636,654
Federal government grants	267,411	315,566	402,590
Provincial government grants	1,596,759	1,899,404	273,392
Sale of services to other governments	3,591,161	3,992,012	3,619,290
Sale of services to others	2,432,291	2,121,420	1,782,854
Water and sewer fees	7,119,131	7,028,579	6,647,915
Gas tax revenue	298,995	399,347	200,653
Other Revenue	1,917,940	1,801,883	2,979,178
	53,974,436	54,340,183	56,227,602
Expenses			
General government services	1,242,077	2,112,323	1,346,214
Protective services	8,343,239	9,618,386	8,132,701
Transportation services	356,512	462,083	249,587
Environmental health services	6,334,797	6,808,528	5,850,659
Development services	3,849,370	4,364,064	3,785,771
Recreation and cultural services	5,092,529	5,786,109	4,820,827
Water services	834,217	844,843	678,379
Sewer services	4,179,760	4,693,415	4,233,854
Fiscal services	14,462,276	14,501,863	19,147,530
Transfer to local governments	116,765	116,887	110,554
Reallocation of insurance reserve (recovery)	(281,277)	-	(407,221)
	44,530,265	49,308,501	47,948,855
Net revenues	9,444,171	5,031,682	8,278,747
Regional District - debt principal repayments	(146,721)	(146,722)	(146,721)
- short term debt repayments	-	-	(2,154,007)
Net interfund transfers			
Capital Fund	(71,783)	(65,000)	(717,155)
Reserve fund	(8,126,747)	(7,430,459)	(5,191,110)
Change in current fund	1,098,919	(2,610,499)	69,754
Balance, beginning of year	4,185,369	4,185,369	4,115,615
Balance, end of year	\$ 5,284,288	\$ 1,574,870	\$ 4,185,369

Regional District of Central Okanagan
Consolidated Statement of Capital Fund Operations
(Unaudited)

For the year ended December 31	2020		2019
	Actual	Budget	Actual
Revenues			
Federal government grants	\$ -	\$ -	\$ 500
Provincial government grants	58,734	268,323	207,513
Gain on disposals of tangible capital assets	2,967	-	38,378
Contributions from others	772,158	190,458	21,265
Retirement of long term debt	243,970	-	233,776
	1,077,829	458,781	501,432
Expenses			
Amortization	3,945,764	-	3,931,605
Loss on disposals of tangible capital assets	54,952	-	-
	4,000,716	-	3,931,605
Net revenues (expenses)	(2,922,887)	458,781	(3,430,173)
Net interfund transfers			
Current fund	42,013	68,700	491,317
Current fund - Landfill	29,770	-	225,845
Current fund - Retirement of short term debt	-	-	2,154,007
Reserve funds	2,593,354	10,185,731	2,925,731
Contributions received from sewer DCC reserve	837,307	-	-
Change in capital fund	579,557	10,713,212	2,366,727
Balance, beginning of year	108,635,761	108,635,761	106,269,034
Balance, end of year	\$ 109,215,313	\$ 119,348,973	\$ 108,635,761

Regional District of Central Okanagan
Consolidated Statement of Reserve Fund Operations
(Unaudited)

For the year ended December 31	2020		2019
	Actual	Budget	Actual
Revenues			
Gas tax revenue	\$ 749,847	\$ -	\$ 1,455,385
Interest Income	291,328	-	334,929
	1,041,175	-	1,790,314
Net interfund transfers			
Current fund	8,126,747	7,430,459	5,191,110
Capital fund	(2,593,354)	(10,185,731)	(2,925,731)
Change in capital fund	6,574,568	(2,755,272)	4,055,693
Balance, beginning of year	24,988,629	24,988,627	20,932,936
Balance, end of year	\$ 31,563,197	\$ 22,233,355	\$ 24,988,629
Summary of Reserve Funds positions			
Feasibility Reserve Fund	\$ 175,072		\$ 173,054
Equipment Replacement Reserve Fund	5,677,130		5,776,461
Park Reserve Fund	1,577,839		1,566,933
Capital Projects Reserve Fund	20,109,491		14,544,378
Operating Reserve Fund	4,023,665		2,927,803
	\$ 31,563,197		\$ 24,988,629

Exhibit 4
Regional District of Central Okanagan
General Revenue Fund
Statement of Financial Position
(Unaudited)

December 31	2020	2019
Assets		
Cash	\$ 43,773,912	\$ 36,037,184
Accounts receivable		
Provincial government	297,829	437,546
Local governments and Hospital District	1,574,530	659,459
Other	1,279,811	1,713,880
Inventory	-	-
Prepaid expenses	489,871	520,345
Other assets		
Municipal Finance Authority debt reserve fund		
Member municipalities	8,287,111	9,053,153
Regional District	256,303	262,270
	\$ 55,959,367	\$ 48,683,837
Liabilities and Surplus		
Accounts payable		
Accounts payable and accrued liabilities	\$ 4,265,409	\$ 4,187,532
Due to development cost charges reserve fund	6,154,606	5,860,043
Due to capital projects reserve fund	20,109,491	14,544,379
Due to equipment replacement reserve fund	5,677,130	5,776,460
Due to feasibility study reserve fund	175,072	173,054
Due to operating reserve fund	4,023,663	2,927,803
Due to park reserve fund	1,577,839	1,566,933
Due to sewer revenue fund	439,106	153,970
Due to water revenue fund	42,042	125,405
Due to water capital fund	133,315	138,240
Other liabilities		
Deferred revenue	108,655	102,557
Municipal Finance Authority debt reserve fund		
Member municipalities		
- cash requirements	2,649,899	2,788,663
- demand note requirement	5,637,212	6,264,490
Regional District		
- cash requirements	63,511	62,230
- demand note requirement	175,853	181,119
Surplus	4,726,562	3,830,959
	\$ 55,959,367	\$ 48,683,837

Exhibit 5
Regional District of Central Okanagan
General Revenue Fund
Statement of Operations
(Unaudited)

For the year ended December 31	2020	2019
Revenue		
Electoral area tax requisitions	\$ 4,114,749	\$ 3,903,617
Electoral area parcel taxes	287,129	228,722
Members' requisitions		
General	17,697,179	16,876,144
Parcel taxes	395,300	418,598
Debt services	13,996,882	18,634,946
Federal government grants	267,411	402,590
Provincial government	1,576,877	273,392
Sale of services to local governments	3,591,161	3,619,290
Sale of services to others	2,432,291	1,782,854
Gas tax revenue	298,995	200,653
Other revenue		
Licenses, fees and permits	1,187,147	1,553,347
Facility rentals	131,405	212,056
Other revenue	505,764	1,158,492
Other programs	31,000	30,000
Transfer from capital projects reserve fund	45,930	13,870
Transfer from operating reserve fund	1,495	44,360
Surplus from previous year	3,830,959	3,739,312
	50,391,674	53,092,243
Expenses		
General government services	1,242,077	1,346,214
Protective services	8,343,239	8,132,701
Transportation services	356,512	249,587
Environmental health services	6,334,797	5,850,659
Development services	3,849,370	3,785,771
Recreational and cultural services	5,092,529	4,820,827
Fiscal services	14,344,139	19,029,388
Transfer to general capital fund	42,013	491,277
Transfer to equipment replacement reserve fund	452,115	465,700
Transfer to operating reserve fund	1,037,912	422,362
Transfer to capital projects reserve fund	4,705,150	2,573,613
Transfer to feasibility study reserve fund	-	10,000
Transfer to District of Lake Country	55,000	55,000
Transfer to District of Peachland	12,000	12,000
Transfer to City of West Kelowna	49,765	43,554
Landfill closure and post-closure	29,770	225,845
Reallocation of insurance reserve (recovery)	(281,277)	(407,221)
Short term debt repayment	-	2,154,007
	45,665,111	49,261,284
Surplus, end of year	\$ 4,726,562	\$ 3,830,959

Exhibit 6
Regional District of Central Okanagan
General Revenue Fund
Surplus
(Unaudited)

For the year ended December 31	2020	2019
Regional Board	\$ 101,543	\$ 7,573
Corporate Services/Administration	171,899	147,551
Finance	244,694	436,341
Engineering	24,787	72,398
Human Resources	58,170	58,944
Information Systems	48,520	76,440
General Government Services - Electoral Areas	13,228	22,910
Electoral Area Central Okanagan West	11,621	-
Electoral Area Central Okanagan East	12,608	-
EA West Grants in Aid	(970)	56
EA East Grants in Aid	3,600	3,300
Upper Ellison Fire Protection	(3,556)	(3,596)
Electoral Areas Fire Protection	4,011	2,165
Lakeshore Road Fire Protection	-	741
Ellison Fire Protection	91,558	45,113
Joe Rich Road Fire Protection	6,958	(25,030)
North Westside Road Fire Protection	53,863	37,104
Wilson's Landing Fire Protection	60,721	27,467
Ridgeview Fire Protection	71	80
June Springs Fire Protection	-	81
Brent Road Fire Protection	675	(283)
Regional Rescue Service	140,109	148,045
911 Emergency Telephone Service	56,925	88,416
Crime Stoppers	27,296	-
Victims Services	71,254	11,158
Crime Prevention	37,023	33,192
Business Licenses	406	9,006
Building Inspection	170,153	331,495
Dog Control	118,111	207,223
Mosquito Control	15,991	7,679
Prohibited Animal Control	988	986
Transportation Demand Management	1,129	2,555
Lakeshore Road Improvements	25	27
Scotty Heights Street Lighting	(18)	881
Ellison Transit	7,925	8,825
Septic Tank Effluent Disposal	66,678	21,837
Balance to be carried forward	\$ 1,617,996	\$ 1,780,680

Regional District of Central Okanagan
General Revenue Fund (continued)
Surplus
(Unaudited)

For the year ended December 31	2020	2019
Balance carried forward	\$ 1,617,996	\$ 1,780,680
Westside Disposal & Recycling Centre	160,485	14,215
Solid Waste Management	14,854	8,400
Solid Waste Collection	123,519	-
Okanagan Basin Water Board	(1)	4
Air Quality Monitoring	(1)	-
Noise Abatement	3,027	3,536
Untidy Premises	3,434	3,696
Regional Planning	156,749	94,366
Electoral Area Planning	54,944	25,702
Noxious Insect Control	2,817	2,863
Weed Control	27,628	32,953
Starling Control	-	46
Economic Development Commission	37,897	12,867
Ellison Heritage Community Centre	34,336	23,914
Joe Rich Community Hall	5,510	4,494
Killiney Community Hall	33	(88)
Regional Parks	518,766	152,023
Westside Community Parks	24,234	17,476
Eastside Community Parks	9,061	3,814
Insurance	1,931,275	1,649,998
Surplus, end of year	\$ 4,726,562	\$ 3,830,959

Exhibit 7
Regional District of Central Okanagan
General Capital Fund
Statement of Financial Position
(Unaudited)

December 31	2020	2019
Assets		
Tangible capital assets (net of accumulated amortization)		
Land	\$ 40,141,933	\$ 40,096,228
Land improvements	5,619,151	5,534,758
Buildings	5,640,473	5,447,855
Fleet	1,987,111	2,131,352
Machinery and equipment	2,311,352	2,251,624
Assets under construction	162,412	394,370
	55,862,432	55,856,187
Debt recoverable from other authorities for debentures		
City of Kelowna	87,022,601	96,078,768
City of West Kelowna	9,535,975	11,143,338
District of Lake Country	6,543,917	7,604,381
District of Peachland	2,440,062	2,823,363
OK Regional Library	2,229,332	2,461,971
	107,771,887	120,111,821
	\$ 163,634,319	\$ 175,968,008
Liabilities and Equity in Capital Assets		
Long term debt		
Landfill closure and post closure	497,879	527,649
Municipal Finance Authority	107,924,354	120,336,956
	55,212,088	55,103,403
Equity in capital assets	\$ 163,634,319	\$ 175,968,008

Regional District of Central Okanagan
General Capital Fund
Statement of Equity in Capital Assets
(Unaudited)

For the year ended December 31	2020	2019
Balance, beginning of the year	\$ 55,103,403	\$ 51,248,168
Add:		
Assets acquired and debt retired by transfer from own funds		
Transfer from general revenue fund	42,013	491,277
Park reserve fund	7,362	38,342
Equipment replacement reserve fund	386,126	533,631
Capital projects reserve fund	1,258,077	1,984,860
Gain on disposal of tangible capital assets	967	9,652
Grant from Federal government	-	500
Grant from Provincial government	4,092	237
Other contributions	35,790	21,265
Retirement of long term debt	72,668	69,589
Retirement of short term debt	-	2,154,007
	1,807,095	5,303,360
Deduct:		
Amortization	1,728,180	1,673,970
Landfill closure cost transfer	(29,770)	(225,845)
	1,698,410	1,448,125
Balance, end of year	\$ 55,212,088	\$ 55,103,403

Exhibit 9
Regional District of Central Okanagan
Water Revenue Fund
Statement of Financial Position
(Unaudited)

December 31	2020	2019
Assets		
Due from general revenue fund	\$ 42,042	\$ 125,405
Other assets		
Municipal Finance Authority debt reserve fund	<u>125,600</u>	124,380
	\$ 167,642	\$ 249,785
Liabilities and Surplus		
Other liabilities		
Municipal Finance Authority debt reserve fund - demand note requirement	\$ 65,067	\$ 65,067
Surplus	<u>102,575</u>	184,718
	\$ 167,642	\$ 249,785

**Regional District of Central Okanagan
Water Revenue Fund
Statement of Operations
(Unaudited)**

For the year ended December 31	2020	2019
Revenue		
Connection charges	\$ 27,701	\$ 50,675
Debt service fee	1,220	1,350
Parcel taxes	220,605	220,605
User fees and maintenance fees	1,586,673	1,436,700
Provincial government grants	19,882	-
Other revenue	21,850	24,527
Surplus from previous year	184,718	182,932
	2,062,649	1,916,789
Expenses		
Falcon Ridge water system	79,362	62,799
Killiney Beach water system	211,218	159,937
Sunset Ranch water system	137,762	127,312
Trepanier Bench water system	29,622	26,557
Upper Fintry/Shalal/Valley Of The Sun water system	113,305	98,003
Westshore water system	262,947	203,773
Transfer to water capital fund	-	42
Transfer to capital projects reserve fund	893,717	826,507
Transfer to equipment replacement reserve fund	5,000	-
Fiscal Services	227,141	227,141
	1,960,074	1,732,071
Surplus	\$ 102,575	\$ 184,718

Exhibit 11
Regional District of Central Okanagan
Water Capital Fund
Statement of Financial Position
(Unaudited)

December 31	2020	2019
Assets		
Due from general revenue fund	\$ 133,315	\$ 138,240
Tangible capital assets (net of accumulated amortization)		
Land	228,536	228,536
Fleet	34,062	43,706
Water system	17,039,871	16,851,512
Asset under construction	6,235	6,235
	\$ 17,442,019	\$ 17,268,229
Liabilities and Equity in Capital Assets		
Long term debt		
Deferred Revenue	\$ 133,315	\$ 138,240
Municipal Finance Authority	4,053,454	4,167,258
Equity in capital assets	13,255,249	12,962,731
	\$ 17,442,019	\$ 17,268,229

Exhibit 12

**Regional District of Central Okanagan
Water Capital Fund
Statement of Equity in Capital Assets
(Unaudited)**

For the year ended December 31	2020	2019
Balance, beginning of the year	\$ 12,962,731	\$ 12,988,852
Add:		
Provincial government grant	54,642	207,276
Retirement of debenture debt	113,804	109,426
Transfer from water revenue fund	-	42
Transfer from equipment replacement reserve fund	238,509	121,994
Transfer from capital project reserve fund	5,296	16,446
Developer Contributions	438,072	
Gain on disposal of tangible capital assets	-	672
	850,323	455,856
Deduct:		
Amortization	502,854	481,977
Loss on disposal of tangible capital assets	54,951	
	557,805	481,977
Balance, end of year	\$ 13,255,249	\$ 12,962,731

Exhibit 13
Regional District of Central Okanagan
Sewer Revenue Fund
Statement of Financial Position
(Unaudited)

December 31	2020	2019
Assets		
Due from general revenue fund	\$ 439,106	\$ 153,970
Other assets		
Municipal Finance Authority debt reserve fund	43,677	43,354
	\$ 482,783	\$ 197,324
Liabilities and Surplus		
Other liabilities		
Municipal Finance Authority debt reserve fund - demand note requirement	\$ 27,632	\$ 27,633
Surplus	455,151	169,691
	\$ 482,783	\$ 197,324

Regional District of Central Okanagan
Sewer Revenue Fund
Statement of Operations
(Unaudited)

For the year ended December 31	2020	2019
Revenue		
Debt service fee	\$ 324	\$ 358
Parcel tax	37,359	37,390
User fees and municipal services	5,504,757	5,160,540
Other revenue	43,177	3,157
Surplus from previous year	169,691	193,371
	<u>5,755,308</u>	<u>5,394,816</u>
Expenses		
Westside sewer system	4,040,330	4,122,606
Ellison sewer system	141,831	113,645
Fiscal services	37,717	37,717
Transfer to capital projects reserve fund	985,298	873,468
Transfer to equipment replacement reserve fund	69,671	77,689
Transfer to operating reserve fund	25,310	-
	<u>5,300,157</u>	<u>5,225,125</u>
Surplus	\$ 455,151	\$ 169,691

Regional District of Central Okanagan
Sewer Capital Fund
Statement of Financial Position
(Unaudited)

December 31	2020	2019
Tangible capital assets (net of accumulated amortization)		
Land	\$ 63,739	\$ 63,739
Fleet	75,062	51,923
Sewer system	39,266,791	40,475,051
Asset under construction	1,402,754	96,785
	\$ 40,808,346	\$ 40,687,498
Liabilities and Equity in Capital Assets		
Long term debt		
Municipal Finance Authority	\$ 60,373	\$ 117,871
Equity in capital assets	40,747,976	40,569,627
	\$ 40,808,346	\$ 40,687,498

Regional District of Central Okanagan
Sewer Capital Fund
Statement of Equity in Capital Assets
(Unaudited)

For the year ended December 31	2020	2019
Balance, beginning of the year	\$ 40,569,627	\$ 42,032,014
Add:		
Gain on disposal of tangible capital assets	2,000	28,054
Developer Contributions	298,289	
Retirement of debenture debt	57,498	54,760
Transfer from development cost charge reserve fund	837,307	-
Transfer from capital projects reserve fund	629,158	230,456
Transfer from equipment replacement reserve fund	68,826	-
	<u>1,893,078</u>	<u>313,270</u>
Deduct:		
Amortization	<u>1,714,729</u>	<u>1,775,657</u>
Balance, end of year	\$ 40,747,976	\$ 40,569,627

**Regional District of Central Okanagan
Development Cost Charge Reserve Fund
Statement of Financial Position
(Unaudited)**

December 31	2020	2019
Assets		
Due from general revenue fund	\$ 6,154,606	\$ 5,860,043
Fund Balance		
Westside wastewater treatment plant	\$ 3,773,809	\$ 3,580,958
East trunk treatment plant	2,380,797	2,279,085
	\$ 6,154,606	\$ 5,860,043

**Regional District of Central Okanagan
Development Cost Charge Reserve Fund
Statement of Changes in Fund Balance
(Unaudited)**

For the year ended December 31	2020	2019
Balance, beginning of the year	\$ 5,860,043	\$ 3,968,968
Add:		
Interest earned	68,319	63,504
Development cost charge levies	1,063,551	1,827,571
	1,131,870	1,891,075
Deduct:		
Transfer to sewer capital fund	837,307	-
Balance, end of year	\$ 6,154,606	\$ 5,860,043

Note:

Development Cost Charge (DCC) levies are restricted by by-law in their use for sewer expansion and the revenue is deferred until the expenses are incurred. When DCC expenses are made, a corresponding amount is recorded as "Contribution from sewer DCC reserve" on the statement of operations.

**Regional District of Central Okanagan
Feasibility Study Reserve Fund
Statement of Financial Position
(Unaudited)**

December 31	2020	2019
Assets		
Due from general revenue fund	\$ 175,072	\$ 173,054
Fund Balance		
Feasibility Study Reserve - Electoral Areas	\$ 74,698	\$ 73,837
Feasibility Study Reserve - Regional	100,374	99,217
	\$ 175,072	\$ 173,054

**Regional District of Central Okanagan
Feasibility Study Reserve Fund
Statement of Changes in Fund Balance
(Unaudited)**

For the year ended December 31	2020	2019
Balance, beginning of the year	\$ 173,054	\$ 160,486
Add:		
Interest Income	2,018	2,568
Transfer from general revenue fund	-	10,000
	2,018	12,568
Balance, end of year	\$ 175,072	\$ 173,054

Exhibit 21
Regional District of Central Okanagan
Equipment Replacement Reserve Fund
Statement of Financial Position
(Unaudited)

December 31 **2020** **2019**

Assets

Due from general revenue fund **\$ 5,677,130** **\$ 5,776,461**

Statement of Fund Balance

Regional Board	\$ 577	\$ 570
Finance	230,186	235,648
Engineering	88,987	92,262
Human Resources	74	-
Information Systems	278,389	184,241
Ellison Fire Protection	15,661	15,481
Joe Rich Fire Protection	25,506	25,212
North Westside Road Fire Protection	2	1,037
Wilson's Landing Fire Protection	66,186	79,631
Brent Road Fire Protection	184	182
Regional Rescue Service	407,574	436,907
Alarm Control	11,984	8,766
Crime Stoppers	43,369	42,869
Victims Services	33,567	28,238
Crime Prevention	51,640	46,103
Business Licenses	31,645	30,292
Business Inspection	137,827	139,850
Dog Control	174,926	158,488
Mosquito Control	38,914	38,465
Lakeshore Road Improvements	74,448	73,590
Septic Tank Effluent Disposal	5,404	5,342
Westside Sanitary Landfill	3,746	3,703
Solid Waste Management	60,270	56,610
Solid Waste Collection	202,887	200,549
Noise Abatement	113	112
Unsightly & Untidy Premises	518	513
Electoral Area Planning	52,536	57,081
Noxious Insect Control	16,344	16,156
Weed Control	52,927	47,375
Economic Development Commission	13,975	6,895
Ellison Heritage Community Centre	61,683	60,972
Regional Parks	331,490	304,687
Westside Community Parks	47,379	46,833
Eastside Community Parks	51,808	51,211
Okanagan Regional Library	3,279	3,241
Equipment Pool / Fleet	69,663	90,380
Killiney Beach Water	520,698	664,950
Falcon Ridge Water	30	2,509
Sunset Ranch Water	356,999	371,402
Westshores Water	1,445,142	1,449,828
Upper Fintry/Shalal/Valley Of The Sun water system	114,057	150,969
Westside Wastewater Treatment Plant	325,082	335,002
Ellison sewer	229,454	212,309

Fund Balance **\$ 5,677,130** **\$ 5,776,461**

**Regional District of Central Okanagan
Equipment Replacement Reserve Fund
Statement of Changes in Fund Balance
(Unaudited)**

For the year ended December 31	2020	2019
Balance, beginning of the year	\$ 5,776,461	\$ 5,795,961
Add:		
Interest Income	67,344	92,736
Transfer from general revenue fund	452,115	465,700
Transfer from sewer revenue fund	69,671	77,689
Transfer from water revenue fund	5,000	-
	<u>594,130</u>	<u>636,125</u>
Deduct:		
Transfer to general capital fund	386,126	533,631
Transfer to sewer capital fund	68,826	-
Transfer to water capital fund	238,509	121,994
	<u>693,461</u>	<u>655,625</u>
Balance, end of year	\$ 5,677,130	\$ 5,776,461

Regional District of Central Okanagan
Park Reserve Fund
Statement of Financial Position
(Unaudited)

December 31	2020	2019
Assets		
Due from general revenue fund	\$ 1,577,839	\$ 1,566,933
Statement of Fund Balance		
Regional Parks	\$ 1,307,069	\$ 1,299,283
Westside Parks	178,707	176,648
Eastside Parks	64,575	63,831
Regional Parks Legacy	27,488	27,171
Fund Balance	\$ 1,577,839	\$ 1,566,933

**Regional District of Central Okanagan
Park Reserve Fund
Statement of Changes in Fund Balance
(Unaudited)**

For the year ended December 31	2020	2019
Balance, beginning of the year	\$ 1,566,933	\$ 1,579,995
Add:		
Interest Income	18,268	25,280
Deduct:		
Transfer to general capital fund	7,362	38,342
Balance, end of year	\$ 1,577,839	\$ 1,566,933

**Regional District of Central Okanagan
Capital Projects Reserve Fund
Statement of Financial Position
(Unaudited)**

December 31	2020	2019
Assets		
Due from general revenue fund	\$ 20,109,491	\$ 14,544,378
Statement of Fund Balance		
Community Works Fund	\$ 3,568,713	\$ 3,109,858
Regional Board	76,990	41,506
Corporate Services/Administration	772,251	609,956
Electoral Areas	146,602	120,201
Electoral Area Fire Prevention	5,933	2,000
Ellison Fire Protection	690,616	585,884
Joe Rich Fire Protection	515,534	394,521
North Westside Road Fire Protection	474,450	421,378
Wilson's Landing Fire Protection	194,255	144,294
Brent Road Fire Protection	34,060	30,505
911 Emergency Telephone Service	43,259	61,729
Dog Control	158,109	127,813
Septic Tank Effluent Disposal	295,157	242,331
Westside Disposal & Recycling Centre	141,298	113,771
Westside Sanitary Landfill Closure	342,065	346,951
Regional Planning	4,790	-
Solid Waste Management	40,082	34,930
Ellison Heritage Community Centre	304,567	268,161
Joe Rich Community Hall	29,727	25,314
Regional Parks	7,734,183	4,643,906
Westside Community Parks	293,066	269,536
Eastside Community Parks	150,293	138,676
Joe Rich Water System	15,198	10,080
Killiney Beach Water	623,344	299,047
Falcon Ridge Water	12,768	10,360
Sunset Ranch Water	161,334	65,844
Trepanier Beach Water	3,037	-
Westshores Water	732,991	366,717
Upper Fintry/Shalal/Valley Of The Sun water system	336,036	227,815
Westside Wastewater Treatment Plant	1,413,407	1,150,719
RDCO Lift Station/Collector System	617,838	524,226
Peachland Lift Station/Collector System	177,538	156,349
Fund Balance	\$ 20,109,491	\$ 14,544,378

**Regional District of Central Okanagan
Capital Projects Reserve Fund
Statement of Changes in Fund Balance
(Unaudited)**

For the year ended December 31	2020	2019
Balance, beginning of the year	\$ 14,544,378	\$ 10,886,850
Add:		
Gas tax revenue (Note 15)	749,846	1,455,385
Interest earned	169,563	174,187
Transfer from general revenue fund	4,705,150	2,573,613
Transfer from sewer revenue fund	985,298	873,468
Transfer from water revenue fund	893,717	826,507
	7,503,574	5,903,160
Deduct:		
Transfer to general revenue fund	45,930	13,870
Transfer to general capital fund	1,258,077	1,984,860
Transfer to water capital fund	5,296	16,446
Transfer to sewer capital fund	629,158	230,456
	1,938,461	2,245,632
Balance, end of year	\$ 20,109,491	\$ 14,544,378

Exhibit 27
Regional District of Central Okanagan
Operating Reserve Fund
Statement of Financial Position
(Unaudited)

December 31 **2020** **2019**

Assets

Due from general revenue fund **\$ 4,023,665** **\$ 2,927,803**

Statement of Fund Balance

Regional Board	\$ 53,317	\$ 52,702
Corporate Services/Administration	93,705	92,625
Finance	336,310	159,852
Engineering	240,554	237,782
Human Resources	27,467	27,150
Information Systems	99,121	97,978
Electoral Areas	50,194	27,869
Electoral Area Central Okanagan West	5,894	5,826
Electoral Area Central Okanagan East	1,718	1,698
Electoral Area Fire Prevention	482	477
Lakeshore Road Fire Protection	301	122
Ellison Fire Protection	171,776	140,142
Ridgeview Fire Protection	392	309
June Springs Fire Protection	199	584
Brent Road Fire Protection	8,424	8,327
Regional Rescue	156,326	154,524
911 Emergency Telephone Service	229,955	227,305
Crime Stoppers	4,428	4,377
Victim Services	9,085	4,038
Crime Prevention	46,360	37,918
Business Licenses	36,856	30,413
Business Inspection	410,524	253,628
Dog Control	332,376	328,545
Mosquito Control	20,473	20,237
Transportation Management	2,555	-
Lakeshore Road Improvements	1,710	1,664
Scotty Heights Street Lights	-	1,091
Ellison Transit	24,882	24,596
Septic Tank Effluent Disposal	175,991	173,963
Westside Disposal & Recycling Centre	44,245	43,735
Solid Waste Collection	87,013	86,010
Air Quality Monitoring	4,178	4,129
Noise Abatement	5,823	5,756
Untidy & Unsightly Premises	8,150	7,487
Regional Planning	33,911	33,520
Electoral Area Planning	111,182	109,901
Insect Control	7,038	6,957
Weed Control	56,647	47,204
Economic Development Commission	21,155	20,911
Ellison Heritage Community Hall	27,705	27,386
Joe Rich Community Hall	1,012	1,000
Regional Parks	213,789	211,322
Westside Wastewater Treatment Plant	226,058	198,435
RDCO Lift Station/Collector System	6,346	6,273
Bylaw Enforcement	2,056	2,032
Covid Restart Grant	625,982	-

Fund Balance **\$ 4,023,665** **\$ 2,927,803**

**Regional District of Central Okanagan
Operating Reserve Fund
Statement of Changes in Fund Balance
(Unaudited)**

For the year ended December 31	2020	2019
Balance, beginning of the year	\$ 2,927,803	\$ 2,509,646
Add:		
Interest earned	34,135	40,155
Transfer from general revenue fund	1,037,912	422,362
Transfer from sewer revenue fund	25,310	-
	<u>4,025,160</u>	<u>2,972,163</u>
Deduct:		
Transfer to general revenue fund	1,495	44,360
Balance, end of year	<u>\$ 4,023,665</u>	<u>\$ 2,927,803</u>



Regional Board Report

TO: Regional Board

FROM: Todd Cashin
Director of Community Services

DATE: May 13, 2021

SUBJECT: Extension Request for Application File No. Z20/04
Zoning Amendment Bylaw No. 871-262
D. Leask & S. Macdonald (owners) c/o D. Leask, 4345 Maxwell Road
Central Okanagan West Electoral Area

Voting Entitlement: *Custom Vote - Electoral Areas, Peachland, and West Kelowna – 1 Director, 1 Vote*

Purpose: To consider a request for a one-year extension for an application proposing to amend Zoning Bylaw No. 871.

Executive Summary:

At the regularly scheduled meeting held on May 25th, 2020 the Regional Board adopted the following resolution:

“THAT Zoning Amendment Bylaw No. 871-262 be deferred until such time that specific concerns and requirements of the RDCO Fire Service Manager, RDCO Building Inspector, Ministry of Forests, Lands, Natural Resource Operations and Rural Development District Okanagan Shuswap, and Interior Health Authority are addressed to the satisfaction of each respective RDCO department or agency.”

Since this time, the applicant has made some progress towards meeting these requirements however needs more time to address all of the concerns identified by the Board. As such, the applicant has recently requested a one-year extension for Application Z20/04.

RECOMMENDATION:

THAT the Regional Board approve a one-year extension for Application File: Z20/04 to consider a site-specific amendment to Zoning Amendment Bylaw No. 871-262.

Respectfully Submitted:

A handwritten signature in black ink, appearing to read "Todd Cashin".

Todd Cashin
Director of Community Services

Approved for Board's Consideration

A handwritten signature in black ink, appearing to read "Brian Reardon".

Brian Reardon, CAO

Prepared by: Danika Dudzik, Senior Planner

Implications of Recommendation:

Policy: Approval of the extension complies with Development Applications Procedures Bylaw No.944.

Background:

To date, the amending bylaw has not been considered by the Regional Board. Concerns had previously been identified by RDCO staff including life safety concerns with an existing use associated with the property and general non-compliance of an existing building. Further concerns and were identified by various external agencies including the lack of servicing information and potential non-compliance with the *Water Sustainability Act* or Water Sustainability Regulation to support an existing use.

The Regional Board considered the application on May 25, 2020, and deferred consideration of Zoning Amendment Bylaw No. 871-262 until such time that specific concerns and requirements of the RDCO Fire Service Manager, RDCO Building Inspector, Ministry of Forests, Lands, Natural Resource Operations and Rural Development District Okanagan Shuswap, and Interior Health Authority are addressed to the satisfaction of each respective RDCO department or agency.

It was advised that the applicant work with Regional District staff to address the life safety issues and non-compliance associated with the accessory building (5 bay car garage) prior to moving forward with consideration of the application. Since this time, it is the understanding of Planning staff that the applicant has addressed the previously identified life safety concerns and Inspections Services staff advise the garage is conforming from a building code perspective.

Current Land Use:

The +/- 4.05 ha (10.0 acres) subject property consist of one single detached house and various accessory buildings including a barn/stable, detached one storey garage, detached 5 bay car garage, and horse pen. The applicant indicates current uses at the property include a hobby farm and personal production of cannabis for medical purposes.

Proposal:

Zoning Bylaw No. 871 requires that where permitted, a Cannabis Production Facility be located on a parcel having a minimum area of 8.0 ha (19.8 acres) and that all buildings used for this purpose are setback a minimum 30.0 m (98.4 ft.) from all parcel lines, among others. When proposed facilities are unable to meet these regulations, a site specific amendment application must be submitted for consideration by the Regional Board.

The applicant is requesting a site-specific amendment to the Zoning Bylaw to be eligible to apply to Health Canada to become a licence holder under the *Cannabis Act* and its Regulations to permit micro-cultivation and processing. One of the application requirements is that the applicant comply with all provincial and local government bylaws. Under the Zoning Bylaw, a Cannabis Production Facility is only permitted in the RU2 Rural 2 zone if it complies with Part 3 General Regulations, Section 3.31 - Cannabis Production Facility.

The property is zoned RU2 Rural 2 which allows a Cannabis Production Facility; however, the parcel does not meet the following regulatory requirements for the use:

- minimum lot size of 8.0 ha (19.7 acres), and
- required building setback from the side parcel line of 30.0 m (98.4 ft.).

An existing accessory building (garage) is the site that contains the current personal production of cannabis operation. The applicant intends to use this building for future micro-cultivation and processing. The setback of this building to the side parcel is 3.01 m (9.88 ft.).

Development Applications Procedures Bylaw:

Applications that have not been approved or rejected within twelve (12) months after the application date or last day of consideration by the Regional Board will be of no force and effect. Unless the Regional Board passes a resolution to extend the deadline up to one-year, a new application will be required in order to proceed.

Organizational/Financial Issues:

The extension request was submitted and processed in accordance with requirements of RDCO Development Application Procedures Bylaw No. 944, including payment of the required fee.

Conclusion:

In recognition that the application is set to expire, the applicant has addressed the previously identified life safety concerns, and that the applicant has advised that they are actively working to address specific concerns and requirements of external agencies, Planning staff supports an extension of the application. In the event that the extension request is not approved by the Regional Board, the RDCO application will be closed and the land use will continue as permitted under the RU2 Rural 2 zone and provisions of Bylaw No. 871.

Alternative Recommendation:

THAT the Regional Board not approve a one-year extension for Application File: Z20/04.

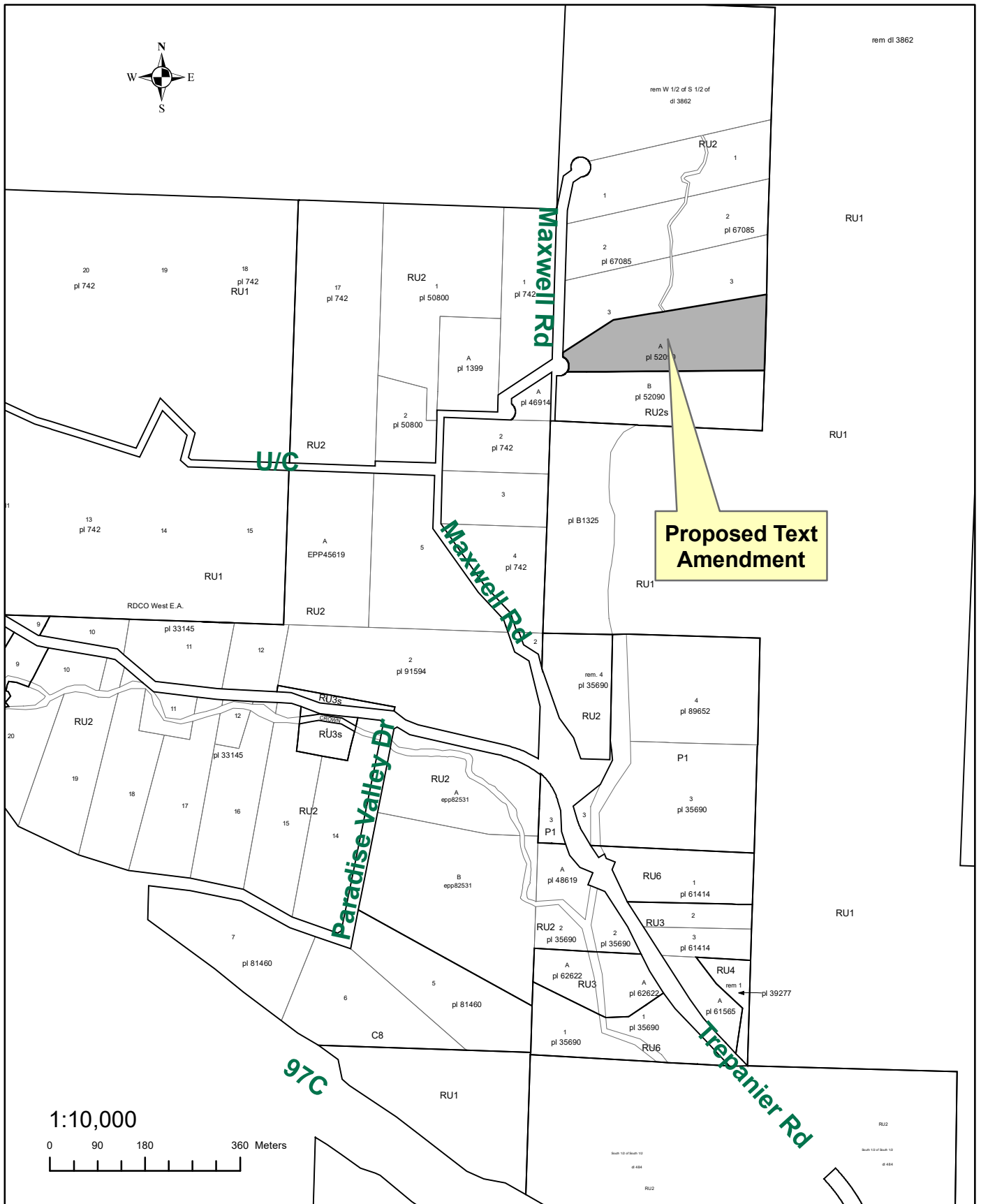
Considerations not applicable to this report:

- *Strategic Plan*
- *General*
- *Legal/Statutory Authority*
- *External Implications*

Attachments:

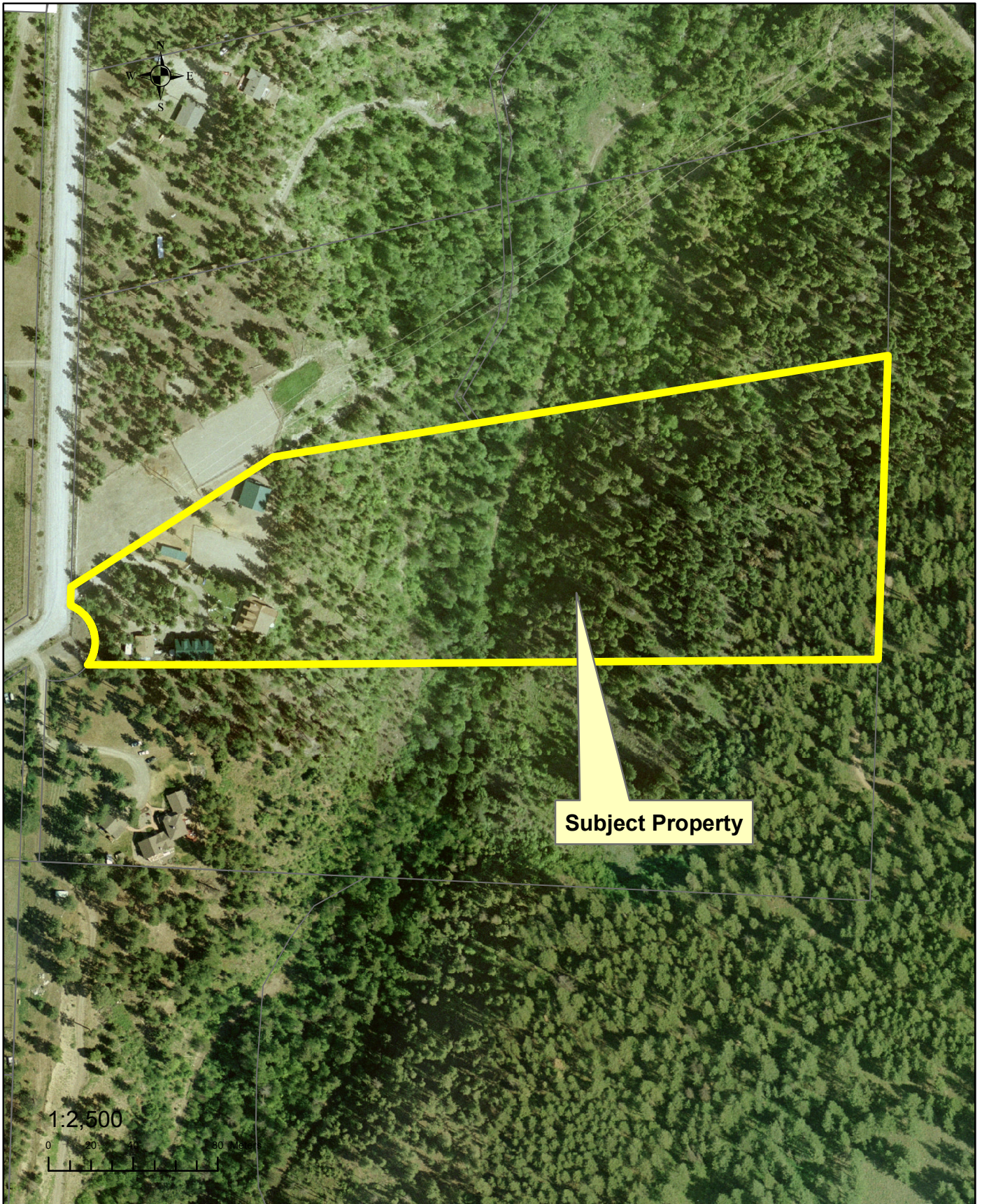
- Schedule 'A' & Orthophoto Maps
- Zoning Bylaw No. 871, Section 3.31
- Request for Extension - April 16, 2021

SCHEDULE 'A'



I hereby certify this to be a true and correct copy of Schedule 'A' as described in Bylaw No. 871-262 and read a third time by the Regional District of Central Okanagan on the _____ day of _____

ORTHOPHOTO



Date: April 1, 2020

Drawn by: JM

File: Z20/04

Lot A, DL 3862, ODYD Plan KAP52090

3.29 Density Allocation for Public Park

Bylaw
871-148

In calculating the density of development in any “R3” zone or “RC-1” zone, the area of the parcel to be subdivided and either dedicated to the Regional District as public park or transferred to the Regional District for park purposes can be included for the purpose of calculating the permissible density of development on that parcel or parcels created by the subdivision by which the park is dedicated or the park parcel is created.

3.30 Requirements for Private Amenity Space

Bylaw
871-143

1. A minimum of 25% of required amenity and open space areas shall be at grade and the remainder shall be provided in a convenient and accessible location within the development.
2. The amenity and open space areas shall not include parking areas, driveways, service or storage areas, or setbacks except the rear yard setbacks.
3. Where more than 900 m² of amenity and open space areas is required, two or more areas may be provided and amenity and open space areas shall be properly landscaped with natural or introduced vegetation

3.31 Cannabis Production Facility

Bylaw 871-222
& Bylaw 871-247

A Cannabis Production Facility shall only be permitted on lands outlined within the defined zones in Parts 5 and 6 of this Bylaw or lands within the Agricultural Land Reserve and shall be subject to the following regulations:

1. The site must be licensed by the Federal Government.
2. The use must be located on a *parcel* having a minimum area of 8.0 ha (19.7 acres).
3. All *buildings* used for a *Cannabis Production Facility* shall be *setback* a minimum of 30.0 m (98.4 ft.) from all parcel lines and 15.0 m (49.2 ft.) from all *watercourses*. Except when the subject property is located in a Development Permit Area or Floodplain, minimum setback from watercourses will be subject to Development Permit Guidelines and/or section 3.28 Floodplain Regulations.
4. The *buildings* used for a *Cannabis Production Facility* do not discharge or emit odorous, toxic or noxious matter or vapour; heat, glare or radiation; recurrently generated ground vibration; noise in excess of ambient noise at the property boundary; electrical interference; or any other health or safety hazards.

From: [REDACTED]
Sent: April 16, 2021 1:30 PM
To: RDCO Planning Services
Subject: Extension Request RDCO File Z20/04

CAUTION: This message was sent from outside the organization. Please do not click links, open attachments, or respond unless you recognize the source of this email and know the content is safe.

RDCO File Z20/04

We are asking for an extension regarding our application for a rezoning amendment to 4345 Maxwell rd to permit a Cannabis Production Facility. We have been working steadily on outstanding issues to be corrected and issues that need resolution.

Progression - Permit from previous owner (Deck and staircase rails) inspected and passed.

- Demolition of interior of building
- Personal grow Opp dismantled

- Building returned to its original shell Inspected and passed

- Interior Health Authority has been contacted and we are working on resolution addressing concerns

- Ministry Of Lands, Natural Resources Operations and Development, Okanagan Shuswap Water Allocation Team has been contacted and we are working on working on resolution addressing concerns

Thank You
Dan Leask

Extension Request for Application Z20/04 4345 Maxwell Road

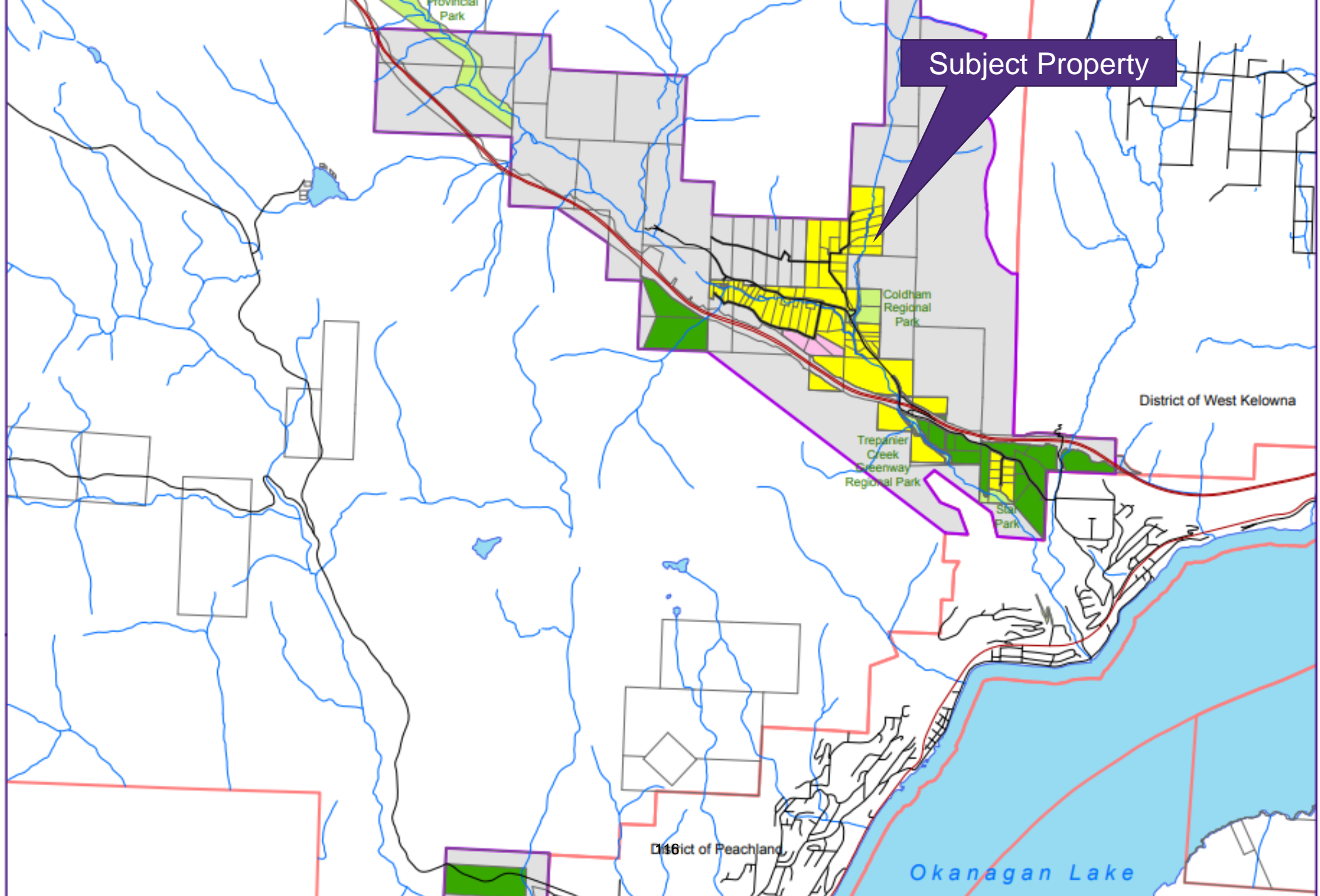
Regional District of Central Okanagan Board Meeting
May 13, 2021

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



Purpose

- To consider a request for a one-year extension for an application proposing to amend Zoning Bylaw No. 871



Subject Property

District of West Kelowna

Trepanier Creek Greenway Regional Park

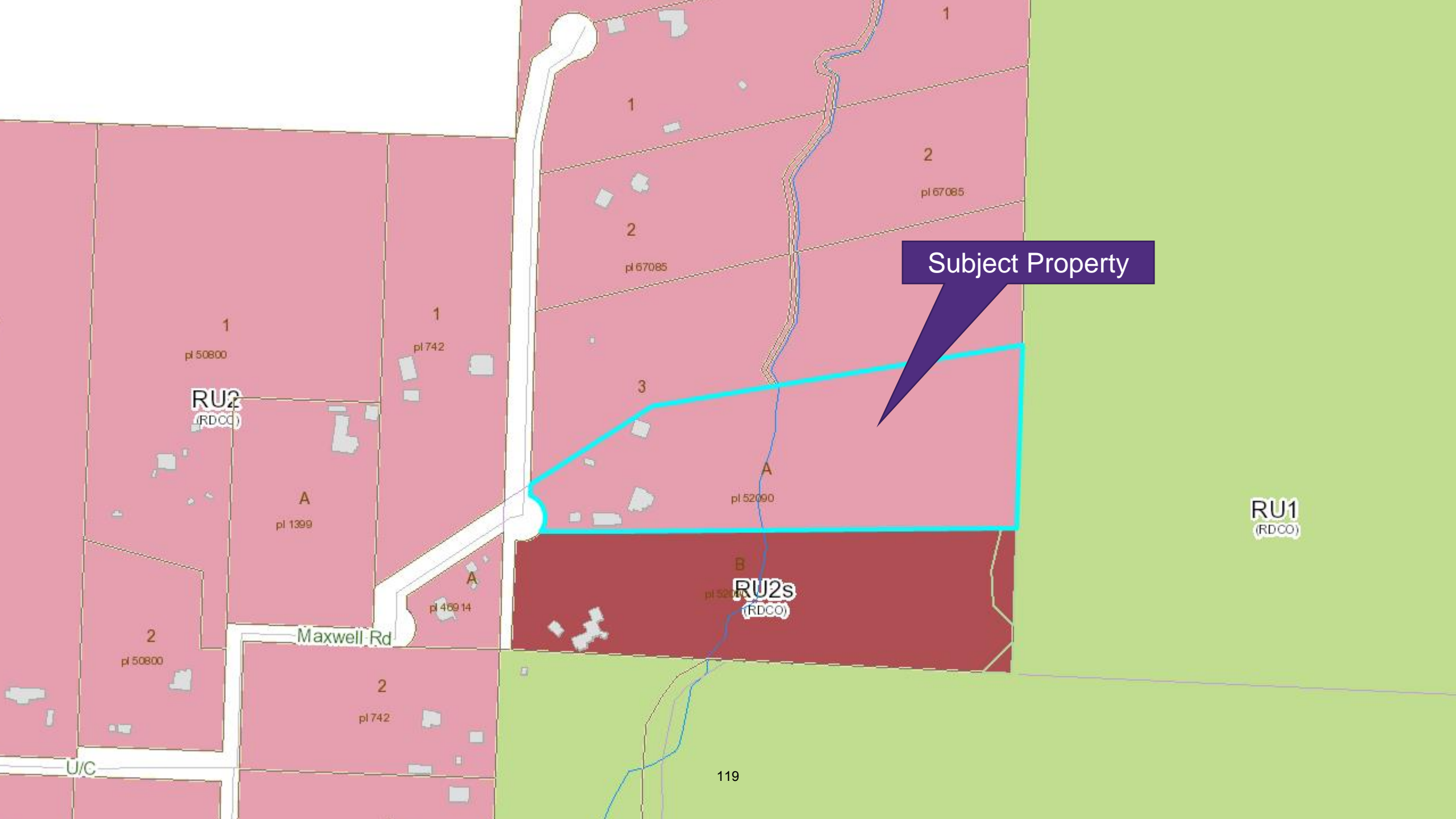
Star Park

Okanagan Lake

District of Peachland



Subject Property



Subject Property

RU2
(RDCC)

RU1
(RDCC)

RU2s
(RDCC)

1
pl 50800

1
pl 742

1

2
pl 67085

2
pl 67085

2
pl 67085

3

A
pl 1399

A
pl 52090

A
pl 45914

B
pl 52090

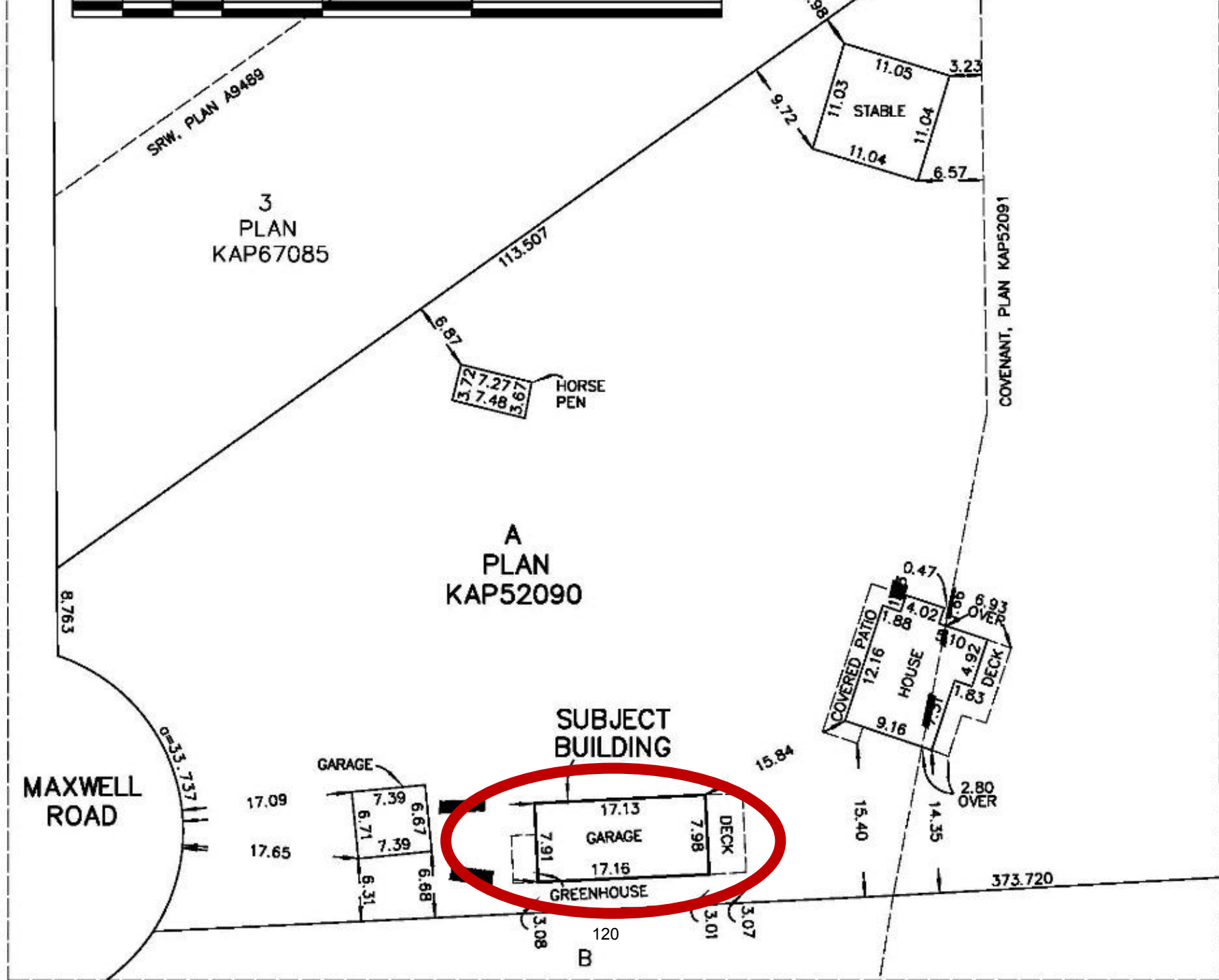
2
pl 50800

2
pl 742

U/C

Maxwell Rd

119

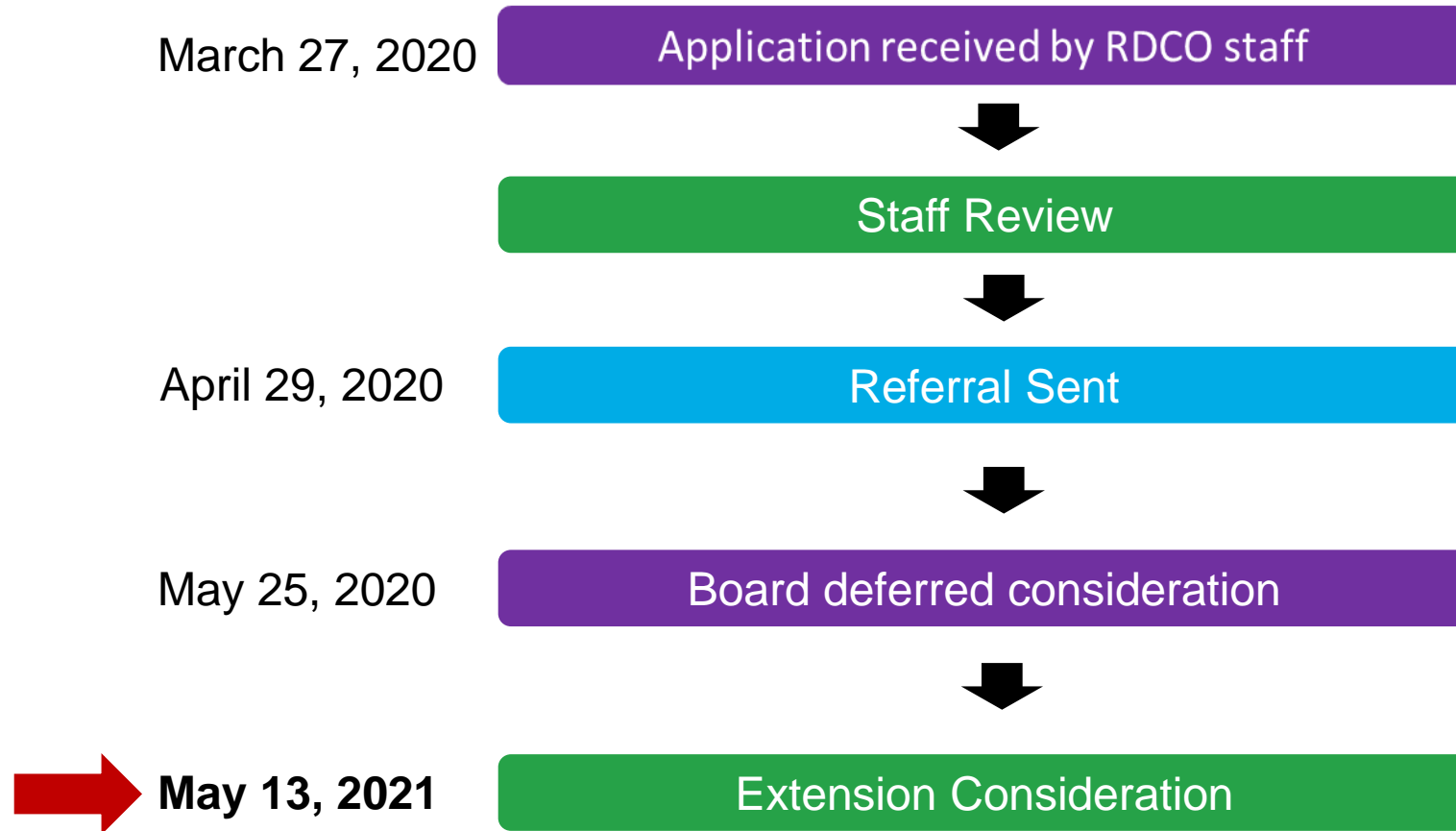


Proposal

- To request a site-specific amendment to the Zoning Bylaw to meet the following regulatory requirements:
- minimum lot size of 8.0 ha (19.7 acres)
- required building setback from the side parcel line of 30.0 m (98.4 ft.)



Application Process





Background

- Consideration of the application - May 25th, 2020
- The Regional Board adopted the following resolutions:
“THAT Zoning Amendment Bylaw No. 871-262 be deferred until such time that specific concerns and requirements of the RDCO Fire Service Manager, RDCO Building Inspector, Ministry of Forests, Lands, Natural Resource Operations and Rural Development District Okanagan Shuswap, and Interior Health Authority are addressed to the satisfaction of each respective RDCO department or agency.”

Background

“THAT the Regional Board not consider any further zoning amendment applications from the owners of property located at 4345 Maxwell Road until the non-compliance issues associated with the existing accessory building (garage) are addressed to the satisfaction of the RDCO.”

Conclusion

- Application set to expire
- Life safety concerns have been addressed
- Applicant working to address specific concerns and requirements of external agencies



Recommendation

THAT the Regional Board approve a one-year extension for Application File: Z20/04 to consider a site-specific amendment to Zoning Amendment Bylaw No. 871-262.















Alternative Recommendation

THAT the Regional Board not approve a one-year extension for Application File: Z20/04.





Regional Board Report

TO: Regional Board

FROM: Todd Cashin
Director of Community Services

DATE: May 13, 2021

SUBJECT: BC Healthy Communities – PlanH Program Public Health Policy Grant

Voting Entitlement: *All Directors – Unweighted Corporate Vote – Simple Majority – LGA 208.1*

Purpose: To request Board support for a BC Healthy Communities - PlanH Public Health Policy Grant application.

Executive Summary:

BC Healthy Communities (BCHC) has made funding available through the PlanH program for the development of healthy public policy. The program seeks to create policy that improves the equity of its community members. Staff is preparing an application to request \$15,000 in funding to complete a Regional Agricultural Strategy.

A Board resolution supporting RDCO's grant application is required as part of the application. Accordingly, this matter is now before the Board for its consideration and approval.

RECOMMENDATION:

THAT the Regional Board approves submitting a grant application under the BC Healthy Communities – PlanH program to complete a Regional Agricultural Strategy.

Respectfully Submitted:

A handwritten signature in black ink, appearing to read "Todd Cashin".

Todd Cashin
Director of Community Services

Approved for Board's Consideration

A handwritten signature in black ink, appearing to read "Brian Reardon".

Brian Reardon, CAO

Prepared by: Michael Czarny, Planner

Implications of Recommendation:

Strategic Plan:	Supporting the grant application achieves the Regional Board Strategic Priorities 2019-2022 as follows: <ul style="list-style-type: none"> • Values: Relationships, Collaboration, Regional Perspective, Transparency, Resiliency and Good Governance
Financial:	Request funding of \$15,000 for the Regional Agricultural Strategy
Policy:	Supporting the grant application complies with the Regional Growth Strategy: <ul style="list-style-type: none"> • Our Food • Our Economy • Our Health

Background:

BC Healthy Communities:

BC Healthy Communities (BCHC) is a non-profit team of planners, public health specialists and community engagement practitioners that operate at the intersection of planning and public health. At the intersection of these disciplines is a fundamental commitment to equity; to ensure that systematic disadvantages do not get in the way of community members' aspirations for their lives and the lives of their families. BCHC works with communities by distributing grant funding, providing resources and program-funded supports, and working directly with and for communities through partnership and fee-for-service relationships.

PlanH:

Implemented by BC Healthy Communities (BCHC), PlanH facilitates local government learning, partnership development and planning for healthier communities where we live, learn, work and play. The PlanH program supports local government engagement and partnerships across sectors for creating healthier communities. Recognizing that community policy, plans, and decisions affect health and well-being, PlanH provides learning opportunities, resources, and leading-edge practices for collaborative local action.

Healthy Public Policy

The Healthy Public Policy stream offers grants and support from BCHC staff for projects that seek to develop new policy in order to improve the health and well-being of community members. Healthy public policies can take many forms across a community. They can improve the conditions under which people live by setting strategic priorities for housing, education, food security, child care and transportation services. In creating, adopting and evaluating a public policy through a health equity lens, Indigenous and local governments can create long-term positive impacts for community members.

Regional Agricultural Strategy:

The Regional Agricultural Strategy was identified as priority project no. 8 under the Regional Growth Strategy (RGS) Priority Projects Plan. The strategy's purpose is to support knowledge sharing, data collection, joint investments, and developing regionally consistent policies to help a number of aspects of the larger agricultural food system. It would support related regional initiatives and could coordinate implementation of actions embedded in local level agricultural plans including the District of Lake Country's Agricultural Plan adopted in 2020, City of Kelowna's Agricultural Plan adopted in 2017 and the City of West Kelowna's Agricultural Plan adopted in 2011 and 2016.

Should the funding application be approved, the Regional Agricultural Strategy may include the following components:

- a) Phase 1: Research and data collection
 - Analysing trends in the agricultural economy, including size, diversity and composition
 - Compiling a regional inventory of agricultural land, including an identification of land actively farmed, or under pressure from development
 - Identification of regionally common issues and challenges
- b) Phase 2: Identify regional issues, goals and actions
 - Establishing regional agricultural and food system goals
 - An assessment of existing resources and supports
 - Exploration and identification of regional level actions that support the established goals
- c) Phase 3: Implementation and Communications Planning
 - Collaboration and continuing to build partnerships with key agencies such as the Agricultural Land Commission, Ministry of Agriculture, Food and Fisheries, and the BC Agriculture and Food Climate Action Initiative
 - Developing a communications plan to work closely with farming communities to build resilience and increase the capacity of farmers to adapt to change
 - Development of an implementation plan to carry out established recommendations by identifying areas of activity and roles of the stakeholders

Policy Considerations:

Regional Board Strategic Priorities 2019-2022

The Regional Board has identified the values of Relationships, Collaboration, Regional Perspective, Transparency, Resiliency and Good Governance that shall be implemented through regional plans and strategies.

Regional Growth Strategy (RGS) Bylaw No. 1336

The proposal is supported by the RGS as it relates to future planning to ensure the viability and protection of agricultural land and agricultural uses. Further, Central Okanagan regional partners have agreed to:

- Policy 3.2.5.1 “Encourage cooperation with regional partners, provincial ministries and stakeholders that consider a regional agricultural strategy to identify issues and the present and future needs of the agricultural sector that will contribute to the well being of all residents to guide food security, economic opportunity and the protection of agricultural land”
- Policy 3.2.2.2 “Encourage and support related economic development initiatives that address the needs and challenges in the Region”
- Policy 3.2.2.9 “Support effectively managing and protecting the integrity of the Region’s critical assets such as the lakes, natural environment and agricultural lands that promote attraction of employment and investment”
- Policy 3.2.4.6 “Encourage cooperation with Interior Health to explore opportunities to develop healthy community strategies”
- Policy 3.2.4.8 “Incorporating health and principles of a Healthy Built Environment into the development of comprehensive plans”

Regional Growth Strategy Priority Projects Plan

The proposal is identified as project no. 8 in the RGS Priority Projects Plan.

#	Project	2017	2018	2019	2020	2021
1	Regional Flood Management Plan: Phases 2 and 3					
2	Regional Planning Lab					
3	Regional Housing Needs Assessment					
4	Regional Growth Strategy Monitoring Program					
5	Regional Citizen Survey					
6	Regional Housing Strategy					
7	Regional Growth Strategy Five-year Review					
8	Regional Agricultural Strategy					
9	Regional Employment Lands Inventory					

Financial Considerations:

The anticipated total budget for this project is \$95,000. The Healthy Public Policy grant through BC Healthy Communities can contribute a maximum of \$15,000 for the cost for eligible activities. The Local Government Partnership Program funding through Investment Agriculture Foundation can contribute a maximum of 50% of the cost eligible activities to a suggested maximum of \$40,000. Should both the funding applications be successful, the RDCO will be expected to contribute \$40,000 towards the Regional Agricultural Strategy. An amendment to the 2021 Budget may be required.

Organizational Issues:

Should the funding request be approved, RDCO will be responsible for completion of the project by September 31, 2022 and for meeting reporting requirements.

Alternative Recommendation:

THAT the Regional Board accepts the report regarding BC Healthy Communities – PlanH program to complete a Regional Agricultural Strategy for information.

Considerations not applicable to this report:

- *Legal / Statutory Authority*
- *External Implications*

Attachment(s):

- n/a



Regional Board Report

TO: Regional Board

FROM: Todd Cashin
Director of Community Services

DATE: May 13, 2021

SUBJECT: Investment Agriculture Foundation (IAF) – Local Government Partnership Program Funding

Voting Entitlement: *All Directors – Unweighted Corporate Vote – Simple Majority – LGA 208.1*

Purpose: To request Board support for a IAF – Local Government Partnership Program Fund application.

Executive Summary:

The Investment Agriculture Foundation (IAF) has made funding available through the Local Government Partnership Program to help regional districts and municipalities develop, update and implement agricultural planning tools. Staff is preparing an application to request \$40,000 in funding to complete a Regional Agricultural Strategy.

A Board resolution supporting RDCO's funding application is recommended as part of the application package. Accordingly, this matter is now before the Board for its consideration and approval.

RECOMMENDATION:

THAT the Regional Board approves submitting a funding application under the Investment Agriculture Foundation – Local Government Partnership Program to complete a Regional Agricultural Strategy.

Respectfully Submitted:

A handwritten signature in black ink, appearing to read "Todd Cashin".

Todd Cashin, Director of Community Services

Approved for Board's Consideration

A handwritten signature in black ink, appearing to read "Brian Reardon".

Brian Reardon, CAO

Prepared by: Michael Czarny, Planner

Implications of Recommendation:

Strategic Plan:	Supporting the grant application achieves the Regional Board Strategic Priorities 2019-2022 as follows: <ul style="list-style-type: none">• Values: Relationships, Collaboration, Regional Perspective, Transparency, Resiliency and Good Governance
Financial:	Request funding of \$40,000 for the Regional Agricultural Strategy
Policy:	Supporting the grant application complies with the Regional Growth Strategy: <ul style="list-style-type: none">• Our Food• Our Economy• Our Health

Background:**Investment Agriculture Foundation**

The British Columbia Investment Agricultural Foundation (IAF) is an industry led, not for profit society that creates funding opportunities to support the thriving BC Agricultural and Agri-food sector through the effective delivery of programs. Government programs are intended to improve innovation in, and competitiveness of the sector. IAF helps eligible members of industry access these opportunities

Local Government Partnership Program:

The purpose of the Local Government Partnership Program (LGPP) is to providing funding to help regional districts develop, update and implement agricultural planning tools. This program funds the development and implementation of agricultural area plans and is designed to support shared visions for agriculture and encourage the integration of agricultural priorities into local government planning and decision making. The desired outcome of the LGPP is for local governments to support the growth and economic viability of agriculture when making decisions about land-use planning, bylaws and regulations.

Regional Agricultural Strategy:

The Regional Agricultural Strategy was identified as priority project no. 8 under the Regional Growth Strategy (RGS) Priority Projects Plan. The strategy's purpose is to support knowledge sharing, data collection, joint investments, and developing regionally consistent policies to help a number of aspects of the larger agricultural food system. It would support related regional initiatives and could coordinate implementation of actions embedded in local level agricultural plans including the District of Lake Country's Agricultural Plan adopted in 2020, City of Kelowna's Agricultural Plan adopted in 2017 and the City of West Kelowna's Agricultural Plan adopted in 2011 and 2016.

Should the funding application be approved, the Regional Agricultural Strategy may include the following components:

- a) Phase 1: Research and data collection
 - Analysing trends in the agricultural economy, including size, diversity and composition
 - Compiling a regional inventory of agricultural land, including an identification of land actively farmed, or under pressure from development
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- b) Phase 2: Identify regional issues, goals and actions
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- c) Phase 3: Implementation and Communications Planning
 - Collaboration and continuing to build partnerships with key agencies such as the Agricultural Land Commission, Ministry of Agriculture, Food and Fisheries, and the BC Agriculture and Food Climate Action Initiative
 - Developing a communications plan to work closely with farming communities to build resilience and increase the capacity of farmers to adapt to change
 - Development of an implementation plan to carry out established recommendations by identifying areas of activity and roles of the stakeholders

Policy Considerations:

Regional Board Strategic Priorities 2019-2022

The Regional Board has identified the values of Relationships, Collaboration, Regional Perspective, Transparency, Resiliency and Good Governance that shall be implemented through regional plans and strategies.

Regional Growth Strategy (RGS) Bylaw No. 1336

The proposal is supported by the RGS as it relates to future planning to ensure the viability and protection of agricultural land and agricultural uses. Further, Central Okanagan regional partners have agreed to:

- Policy 3.2.5.1 “Encourage cooperation with regional partners, provincial ministries and stakeholders that consider a regional agricultural strategy to identify issues and the present and future needs of the agricultural sector that will contribute to the well being of all residents to guide food security, economic opportunity and the protection of agricultural land”
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- Policy 3.2.4.6 “Encourage cooperation with Interior Health to explore opportunities to develop healthy community strategies”

- Policy 3.2.4.8 “Incorporating health and principles of a Healthy Built Environment into the development of comprehensive plans”

Regional Growth Strategy Priority Projects Plan

The proposal is identified as project no. 8 in the RGS Priority Projects Plan.

#	Project	2017	2018	2019	2020	2021
1	Regional Flood Management Plan: Phases 2 and 3					
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4	Regional Growth Strategy Monitoring Program					
5	Regional Citizen Survey					
6	Regional Housing Strategy					
7	Regional Growth Strategy Five-year Review					
8	Regional Agricultural Strategy					
9	Regional Employment Lands Inventory					

Financial Considerations:

The anticipated total budget for this project is \$95,000. The Local Government Partnership Program funding through Investment Agriculture Foundation can contribute a maximum of 50% of the cost eligible activities to a suggested maximum of \$40,000. The Healthy Public Policy grant through BC Healthy Communities can contribute a maximum of \$15,000 for the cost for eligible activities. Should both the funding applications be successful, the RDCO will be expected to contribute \$40,000 towards the Regional Agricultural Strategy. An amendment to the 2021 Budget may be required.

Organizational Issues:

Should the funding request be approved, RDCO will be responsible for completion of the project by December 31, 2022 and for meeting reporting requirements.

Alternative Recommendation:

THAT the Regional Board accepts the report regarding the IAF – Local Government Partnership Program Fund for information.

Considerations not applicable to this report:

- *Legal / Statutory Authority*
- *External Implications*

Attachment(s):

- n/a



Regional Board Report

TO: Regional Board

FROM: David Komaike
Director of Engineering Services

DATE: May 6, 2021

SUBJECT: 4370 June Springs Road – Water Service Agreement

Voting Entitlement: *All Directors – Weighted Corporate Vote – Simple Majority – LGA 210*

Purpose: To seek Regional Board approval to enter into an agreement with the City of Kelowna to facilitate the continuance of water services to 4370 June Springs Road.

Executive Summary:

The South East Kelowna Irrigation District (SEKID) was dissolved by the Province in June 2018, and all assets and liabilities were transferred to the City of Kelowna. Since this time, the City has embarked upon an ambitious program of upgrades and system improvements needed to ensure that the water meets Canadian Drinking Water Guidelines.

During the upgrading of the water system, the City discovered a water service connection which does not conform to its long-standing policy of not providing City Services to properties lying outside of its incorporated limits. The property, located at 4370 June Springs Road, was previously serviced by the SEKID and in recognition of this fact, the City is proposing an agreement to allow the services to continue.

RECOMMENDATION:

THAT the Regional Board agrees to continue the provision of water services to 4370 June Springs Road;

AND FURTHER THAT the Board approves entering into a Water Service Agreement with the City of Kelowna for the property located at 4370 June Springs Road in Electoral Area East.

Respectfully Submitted:

A handwritten signature in black ink, appearing to read "DK", is written over a light blue horizontal line.

David Komaike, P.Eng.
Director of Engineering Services

Approved for Board's Consideration

A handwritten signature in black ink, appearing to read "Brian Reardon", is written over a light blue horizontal line.

Brian Reardon, CAO

Background:

The South East Kelowna Irrigation District (SEKID) was an improvement district incorporated under letters patent by order in council of the British Columbia legislature Nov. 2, 1920. SEKID was one of five major public water utilities serving Kelowna. The District has a rich and varied history, with roots pre-dating the Kettle Valley Railway at the turn of the last century. The District was taken over by the City of Kelowna on June 4, 2018.

SEKID's service area encompassed almost 9,000 acres of land and accounted for over 20 per cent of Kelowna's total area. Most of the land in the former district is agricultural land. The 20-acre property located at 4370 June Springs Road was serviced by SEKID at some time after it was constructed in 1968.

The City has a long-standing policy that any property wishing to tie into city services must be part of the City i.e.: lie within the incorporated boundaries of the City of Kelowna. Since the property located at 4370 June Spring Road was already serviced by SEKID well in advance of the City acquiring the water utility, administration is proposing to formalize the water service via an agreement.

An agreement is required anytime one jurisdiction's authority crosses into another. The City will retain ownership of the water network up to the property line. No additional connections will be permitted to join this service area or obtain water without the permission of the City.

Alternative Recommendation:

That the Regional Board accepts the report on the 4370 June Springs Road Water Service Agreement for information.

Attachment(s): 4370 June Spring Road Agreement

4370 JUNE SPRINGS RD WATER SERVICE AGREEMENT

THIS AGREEMENT dated for reference the ___ day of _____, 2021.

BETWEEN:

THE CITY OF KELOWNA

1435 Water St.
Kelowna, BC V1Y 1J4

(the "City")

AND:

REGIONAL DISTRICT OF CENTRAL OKANAGAN

(the "Regional District")

WHEREAS:

The City has a long-standing policy that if a property wanted to utilize City Services, then the property must be incorporated into our City limits; however the City has taken ownership of the Southeast Kelowna Irrigation District system which previously provided this subject lot water service.

The City owns, operates and maintains the works shown in Schedule A. The service connection is identified at property line.

NOW THEREFORE in consideration of the mutual promises contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by both parties, the Regional District covenants and agrees with the City as follows:

1. **Potable Water Service** – The City agrees to extend potable water service to the subject property outlined in Schedule A. The City will operate and maintain the water network to the property line.

2. **Extent of the Agreement-** No properties outside of this service area will be permitted to join this service area and obtain water service without the City's expressed permission.
3. **Notices** – Any notice which may be or is required to be given under this agreement will be in writing and either be delivered or sent by fax, addressed as follows:
- (a) To the Regional District:
Regional District of Central Okanagan
1450 K.L.O. Road
Kelowna, BC V1W 3Z4
Attention: Chief Administrative Officer
Fax No.: (250) 763-0606
 - (b) To the City:
City of Kelowna
1435 Water Street
Kelowna BC V1Y 1J4
Attention: City Clerk
Fax No.: (250) 862-3315

or to such other address or fax number of which notice has been given as provided in this section. Any notice that is delivered or faxed is to be considered given on the day it is delivered or faxed, except that if that day is not a business day, the notice will be considered given on the next business day. If a party changes its address or fax number, or both, it will promptly give notice of its new address or fax number to the other party as provided in this section. A business day is a day other than a Saturday, Sunday or B.C. statutory holiday.

4. **Interpretation** – In this agreement:
- (a) reference to the singular includes a reference to the plural, and vice versa, unless the context requires otherwise;
 - (b) article and section headings have been inserted for ease of reference only and are not to be used in interpreting this agreement;

- (c) reference to a particular numbered section or article, or to a particular lettered Schedule, is a reference to the correspondingly numbered or lettered article, section or Schedule of this agreement;
 - (d) reference to any enactment includes any regulations, orders or directives made under the authority of that enactment;
 - (e) reference to any enactment is a reference to that enactment as consolidated, revised, amended, re-enacted or replaced, unless otherwise expressly provided;
 - (f) the provisions of s. 25 of the *Interpretation Act* with respect to the calculation of time apply; and
 - (g) where the word “including” is followed by a list, the contents of the list are not intended to circumscribe the generality of the expression preceding the word “including”.
5. **Waiver** – Waiver of any default by either party will not be deemed to be a waiver of any subsequent default by that party.
 6. **Severance** – If any part of this agreement is for any reason held to be invalid by a decision of a court with the jurisdiction to do so, the invalid portion is to be severed and the rest of this agreement will remain valid and in effect.
 7. **Schedules** – The following Schedules are attached to this agreement, and such Schedules and all documents referenced therein, form integral parts of this agreement:

Schedule A – 4370 June Springs Rd
 8. **Governing Law** – This agreement will be governed by and construed in accordance with the laws of the Province of British Columbia which are deemed to be the proper law thereof.
 9. **Enurement** – This agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS OF WHICH the parties have set their hands and seals as of the day and year first above written.

Authorized signatories of **THE CITY OF KELOWNA:**)

Mayor)

Clerk)

) C/S

The Corporate Seal of **REGIONAL DISTRICT OF CENTRAL OKANAGAN** was hereunto affixed in the presence of:)

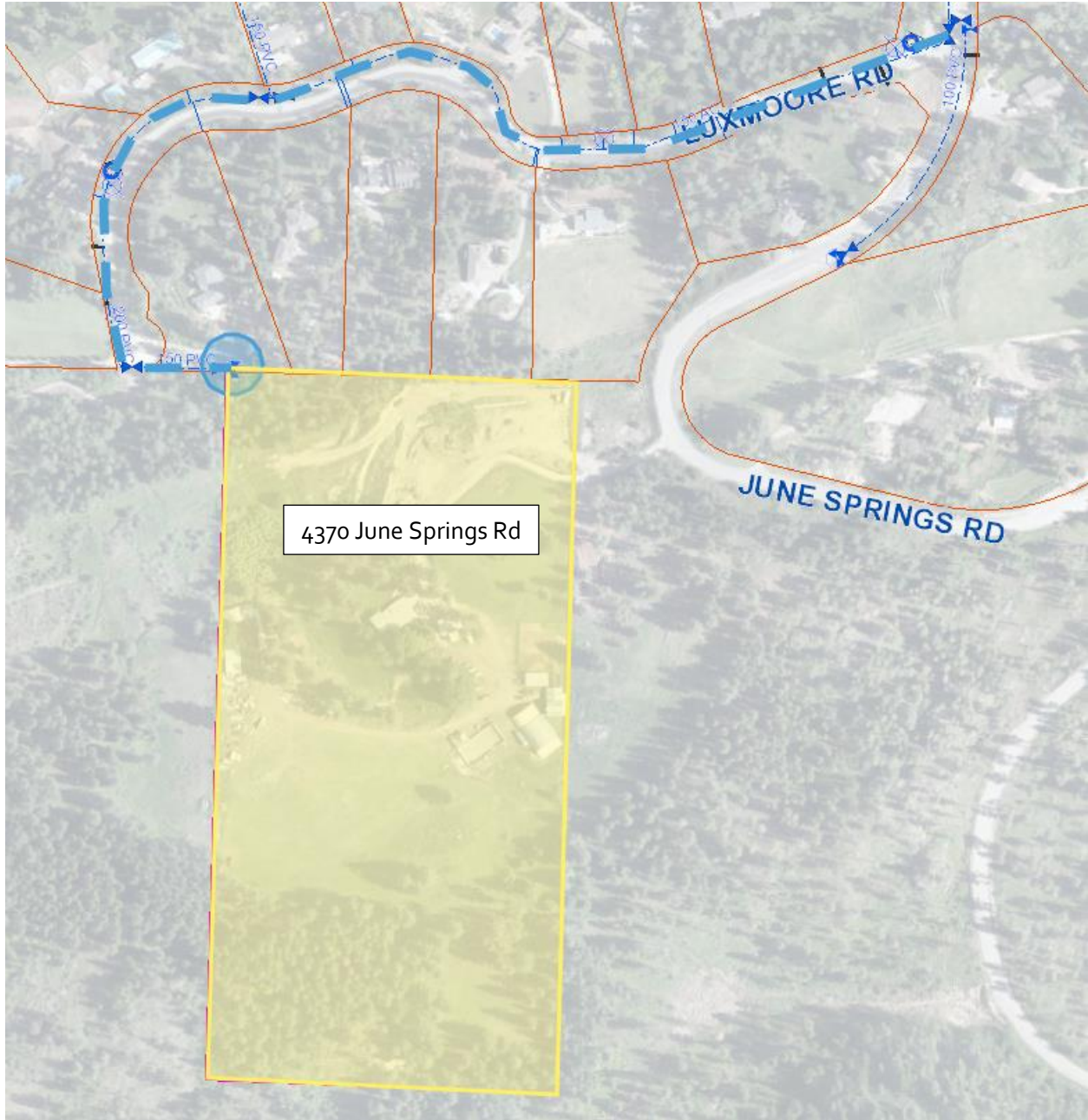
Chair)

Chief Administrative Officer)

) C/S

)

Schedule A



Subject Property



Current Water Service Location



Converted City of Kelowna Potable Watermain

4370 June Springs Road Water Service Agreement

Regional Board Meeting

May 13th , 2021

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

4370 June Springs Road Water Service Agreement City of Kelowna

- **Propose:**

To seek Regional Board approval to enter into an agreement with the City of Kelowna to facilitate the continuance of water services to 4370 June Springs Road.

Background

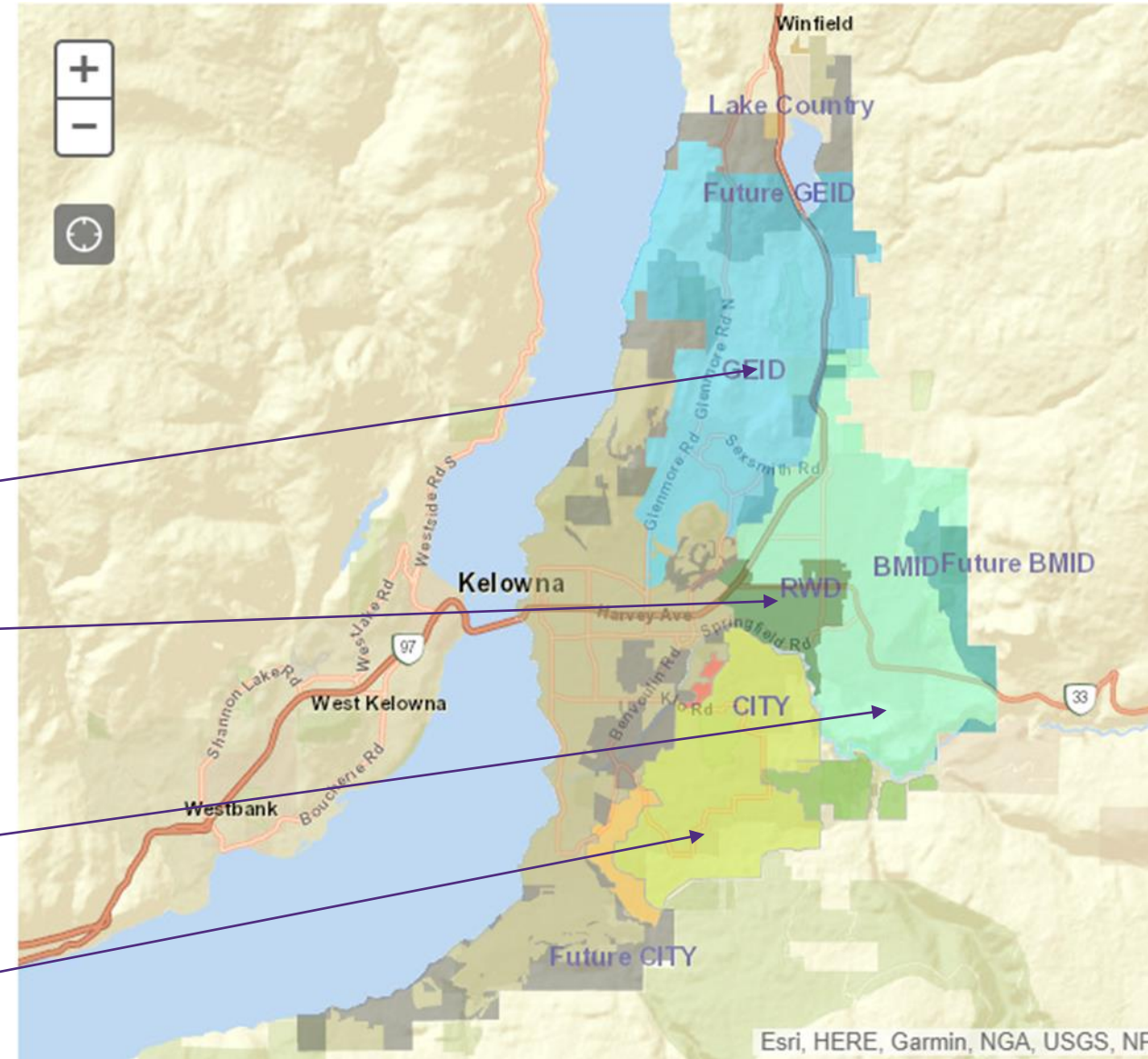
4 remaining major Water Districts in Kelowna:

Glenmore Ellison Irrigation District (GEID)

Rutland Waterworks (RWD)

Black Mountain Irrigation District (BMID)

City of Kelowna\ Water Utility (CITY)



Background

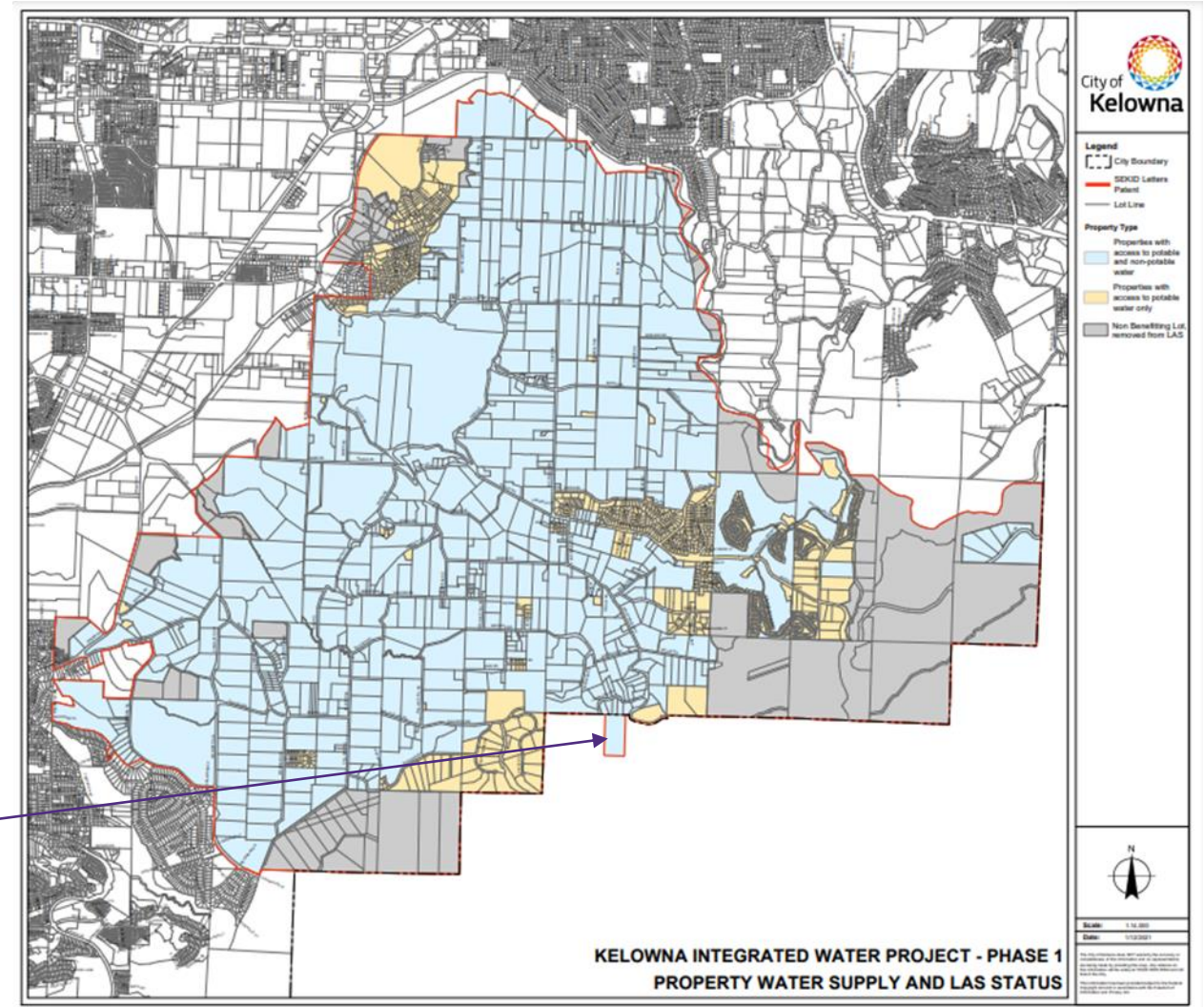
South East Kelowna Irrigation District (SEKID) was the 5th Major Water District.....operated from Nov. 2, 1920 to June 2018

- Serviced more than 9000 acres of land or more than 20% of Kelowna.
- SEKID dissolved by the Province in 2018.
- All assets and liabilities were transferred to the City of Kelowna



Kelowna Integrated Water Project

- Major System Improvements 2018 to Present. \$86M+
- Regional District property serviced by SEKID. (circa 1968?)
- 4370 June Springs Road



Servicing Agreement Needed

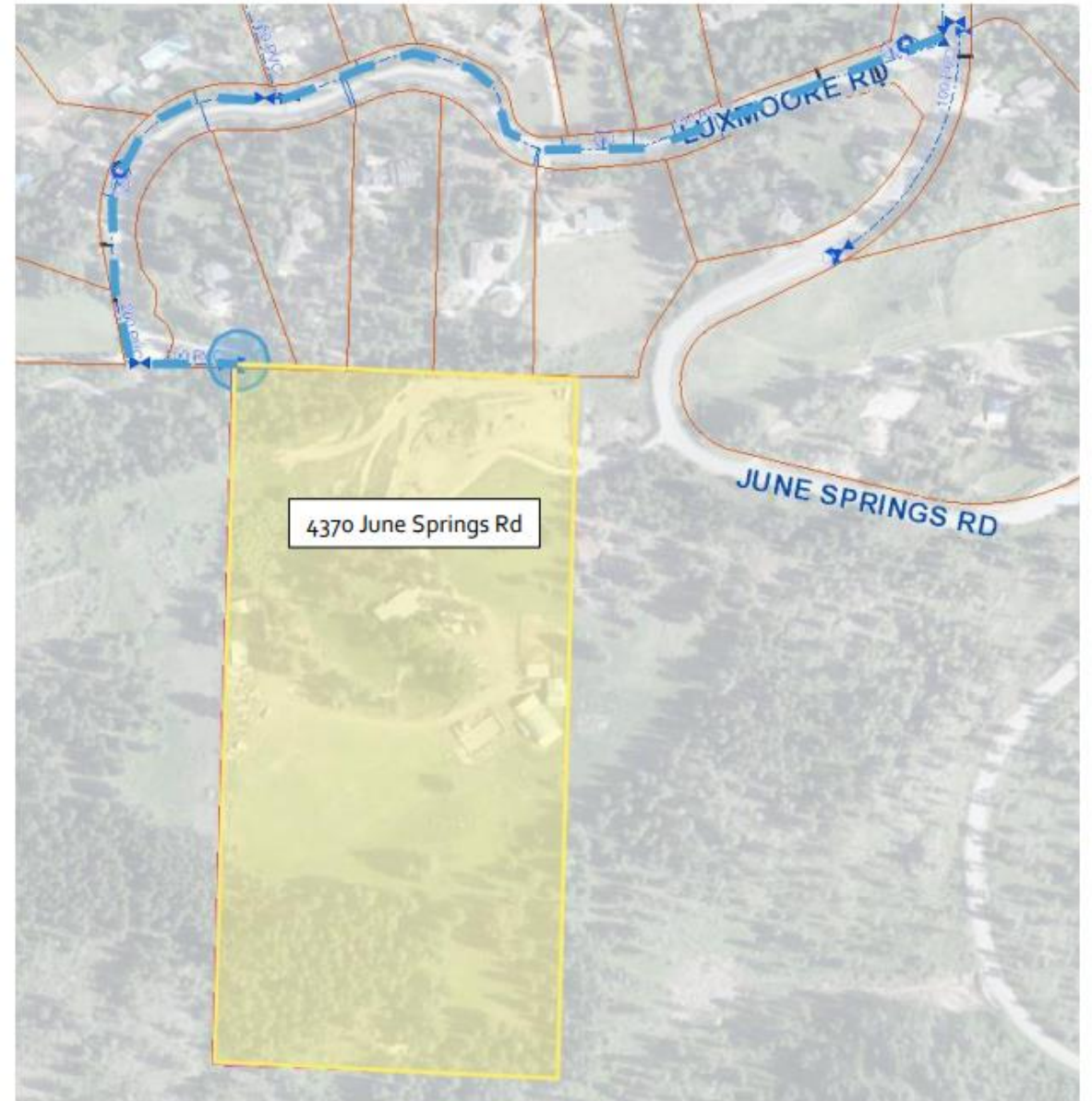
City of Kelowna Policy:

“....any property wishing to tie into city services must be part of the City....”

- However, 4370 June Springs Road was serviced by SEKID long before the City acquired the utility.
- Propose a “Servicing Agreement” to formalize the water service.

The Agreement

- Applies only to 4370 June Springs Road.
- No additional connections allowed under the agreement.
- City to maintain water infrastructure to property line.
- Owner to maintain infrastructure on private property.
- No Cost to RDCO





Thank You.....