

# Dietrich Water System Bylaw Amendment Report

Regional Board Meeting

Nov 28, 2024

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## Purpose

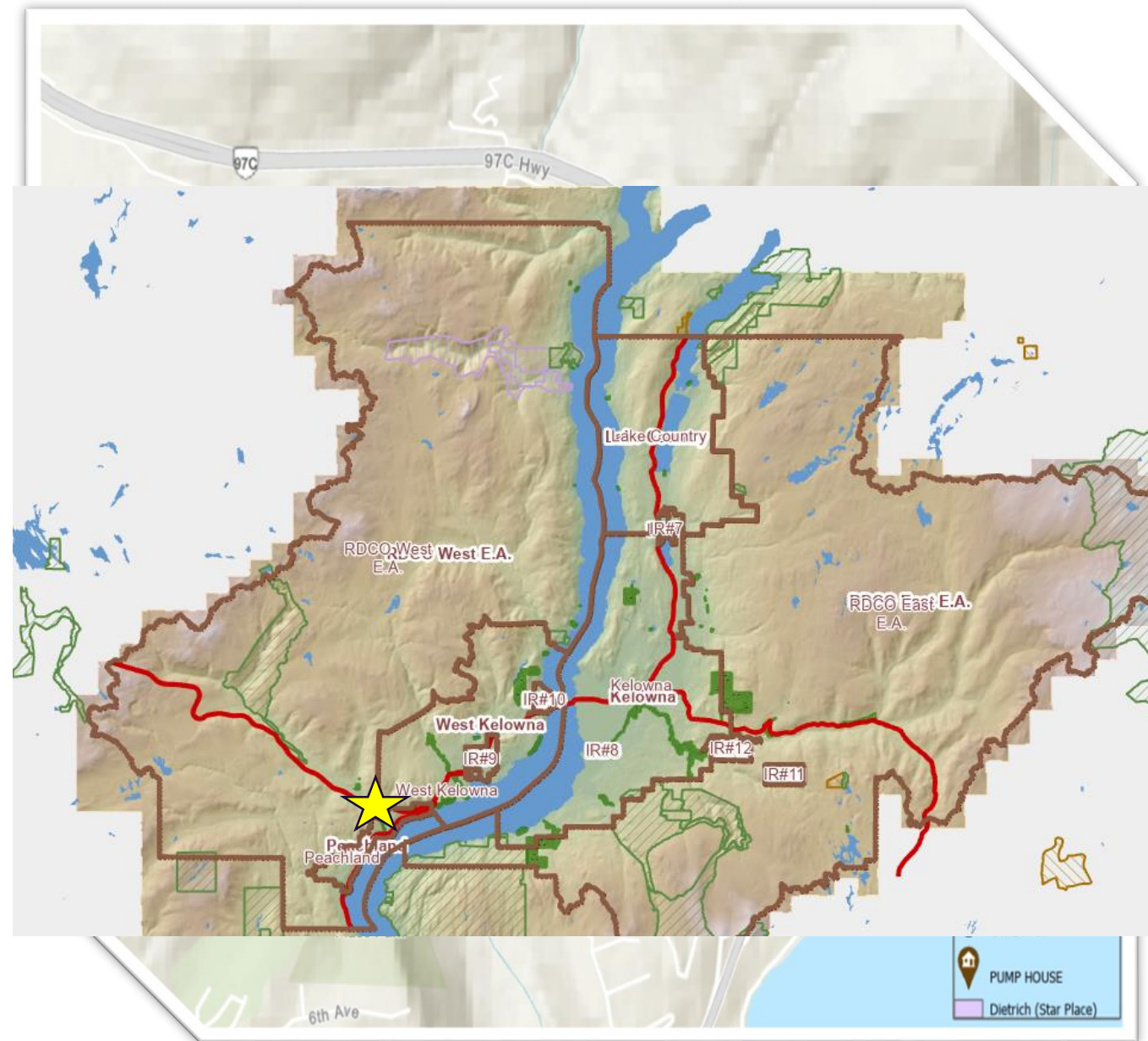
To review and discuss water system fees and charges for the Regional District owned Dietrich water system.

# Dietrich Water System, Star Place

Location: 3km Northwest of  
Peachland

# of Users: Eight (8)

Date of Last Review:  
September 2022



# Dietrich Water System (Star Place) History



1993 Ministry of Health approached RDCO to consider providing water to a proposed 8-lot subdivision



RDCO Board resolved to establish a local service area at the cost of the developer



2010 District of Peachland considered Governance and Services study, did not proceed due to estimated cost of \$25,000



2012 RDCO conducted surveys, not sufficient support to fund \$25,000 study.



2014 South Trepanier residence requested District of Peachland consider a boundary extension for the area



2016 Star Place residence requested District of Peachland consider municipal services and boundary extension, which was denied due to cost

# Issue & Impacts

- Fees no longer adequate to operate and maintain the water system:

Loss of leasing income

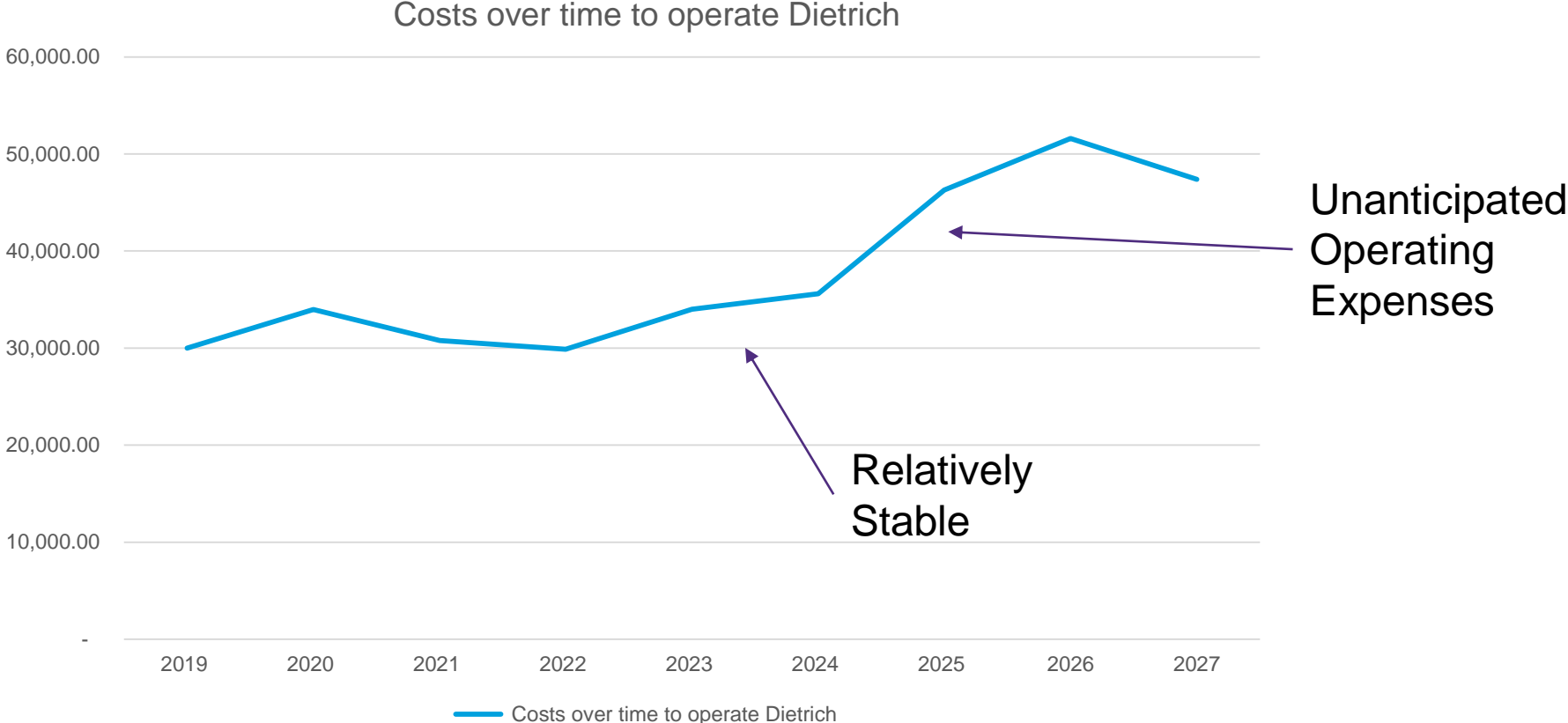
Higher than projected operating costs to maintain service levels

Cyber Security vulnerabilities must be addressed

Higher than anticipated inflation rates

Unanticipated Operating Projects

# Changes in Costs over time



# Options

## Option 1

Increase rates to cover expenses

- Additional ~35% user cost (~\$1,586 per household for 2025)

## Option 2

Increase rates, divert asset renewal funds

- Divert portion of Asset Renewal fees towards Operating Expenses
- Additional ~16% user cost (~\$710 per household for 2025)

# Value Comparison

Water Service Type	Estimated One-Time Expense	Estimate Annualized Expense
RDCO Community Water System	N/A	\$5,000 - \$6,000
Hauled Water – Cistern	> \$5000	\$12,000 - \$17,000
Private Drilled Well	>\$25,000	\$2,000 - \$4,000

Water service provided through the RDCO is still the most economical option available for many property owners to obtain REGULATORY COMPLIANT drinking water.



# Recommendation: Option 1

## Option 1 Summary:

- The average user fees increase by ~\$1586 in 2025
- 9% and 5% increases in 2026 and 2027, respectively
- Inform users of their costs and responsibilities, should they express interest in alternatives
- All water system rates be reviewed in 2027

## Reasoning

- Ensures RDCO's systems are safe and secure
- Ensures Water system has adequately funding for day-to-day operations
- Restores capital funding through Asset Renewal fee
- Openly shares servicing alternatives with users

# Recommendation

*All Directors - Unweighted Corporate Vote - Simple Majority (LGA s.208)*

**THAT** the Regional Board endorse increasing fees to cover expenses as outlined in Option 1 for the Dietrich Water System as set out in the Report from the Associate Director of Development and Engineering Services dated November 28, 2024;

**AND THAT** the Regional Board direct staff to inform users of the Dietrich Water System of their costs and responsibilities should those users express interest in pursuing alternative drinking water services.