

The North Westside Communities Association



**Request for a Governance Study
JANUARY 2021**



INVESTING IN OUR RURAL COMMUNITIES



GOOD GOVERNANCE

Working together to find the best local government structure where **VALUES, VISION** and **STRATEGIC LEADERSHIP** is at the forefront.



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THE NORTH WESTSIDE

There is more to the North Westside than meets the eye. Our glorious natural surroundings make the perfect outdoor playground, which offers both summer and winter charm. Once you venture off of Westside road you will find little communities cozily tucked along the mountainside, or sprawled along the lake front delta, secreting away unique art galleries and pottery studios.

We have a lovely mix of residential, agricultural and recreational properties, which attracts visitors from all over who wish to spend their much awaited time off basking in our glory.



Fintry Provincial Park campground is booked solid, from opening day to the seasons end, and boasts over 2 km of waterfront, hiking trails, unique cultural history and spectacular waterfalls. Fintry has become quite a popular destination with scuba divers, who come to explore the sunken barge off its shore.

The La Casa Resort offers a restaurant, convenience store, mini golf, movie theatre and banquet hall, that is ideal for intimate weddings, parties and corporate retreats.

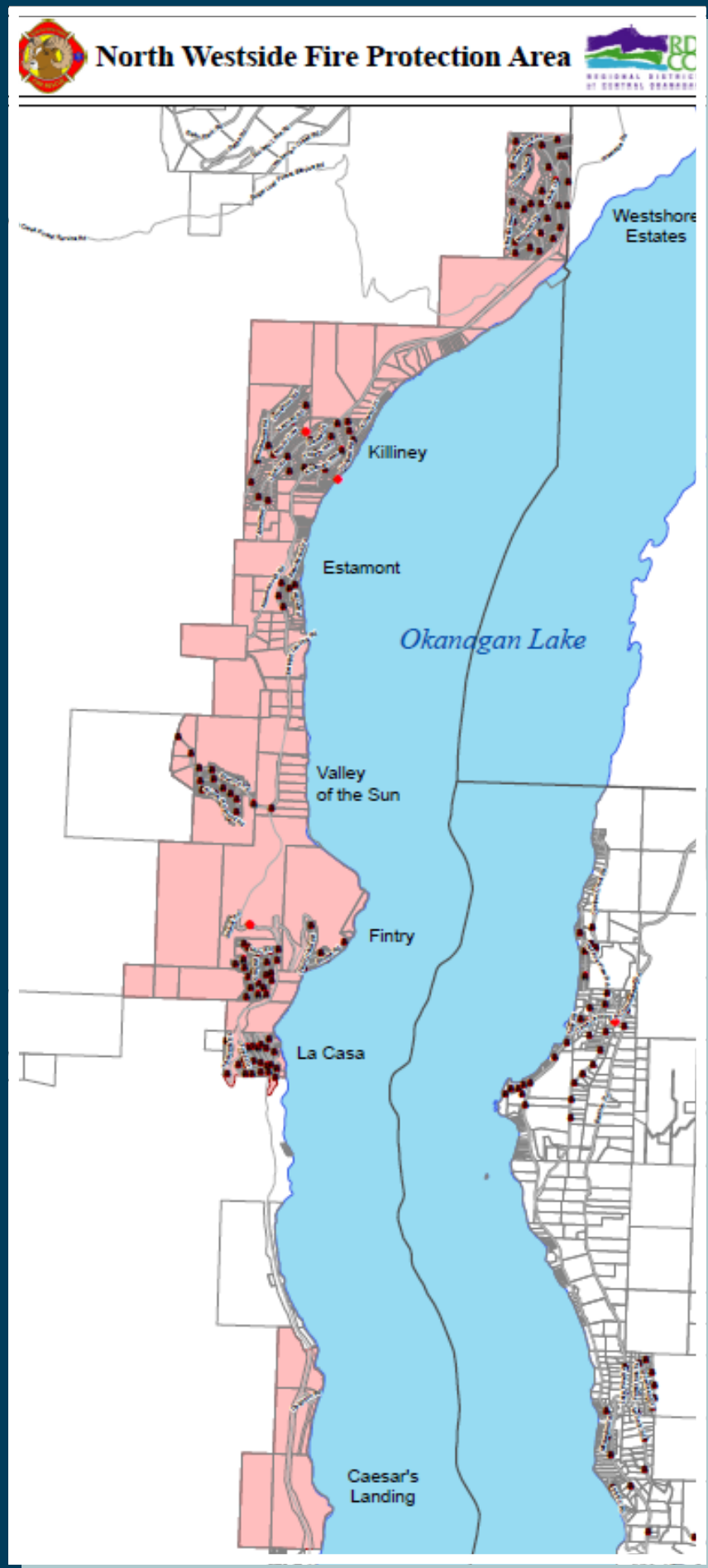
The North Westside is a hidden gem and worth the exploration!

- Beaches and 6 boat launches
- Provincial Campground
- Forestry Campground
- Restaurant and convenience store
- Resort & convention centre
- Six community parks
- One community operated sewer system
- Community hall
- Library
- Three fire halls
- Fire boat
- One public solid waste transfer site
- One private solid waste transfer site
- Three public water systems
- Three private water systems



Communities of the North Westside

- Westshore Estates
- Wainman Cove
- Killiney Beach
- Forest House
- Aspen Shores
- Summersands
- Estamont
- Ewings Landing
- Muirallen
- Valley of the Sun
- Shalal Road/High Farms
- Fintry Delta
- Upper Fintry
- Fintry North
- La Casa Resort
- Nahun
- Ceaser's Landing



REQUEST FOR A GOVERNANCE STUDY

The residents of the North Westside are appealing to the Ministry of Municipal Affairs & Housing for a Restructure Planning Grant. This grant would go towards the funding of a governance study within the North Westside Fire Protection Area, allowing us the ability to self-determine a possible alternative to the current Regional District model.

We are looking for an impartial technical analysis of the net cost impacts of an alternative governance structure vs. our current form of government.

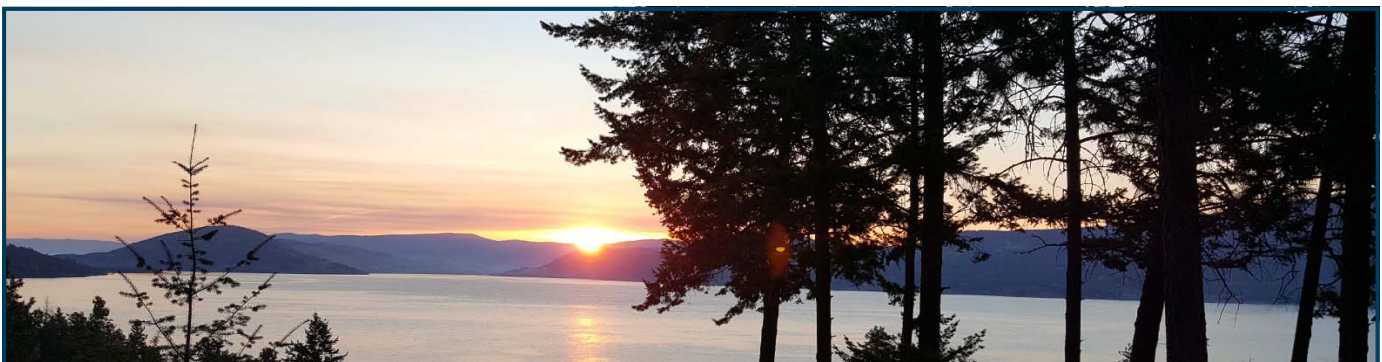
The communities' desire for a full governance study is only growing stronger. We have circulated, at the request of Ministry staff, two petitions through our communities. The 2015 petition garnered over 700 signatures and the most recent one surpassed the first, with over 800 signatures, both asking the same question; is the North Westside capable of self-governance? The only way for all parties involved to get an answer to that question is through a governance study.

We want to see the comparatives and potential impacts on:

- Our property taxes
- Targeted home value assessment
- Our services & delivery costs
- Water Systems
- Fire Services
- Road construction & maintenance
- Land use planning
- Bylaw services
- Parks & recreation
- Solid waste management

We are asking for you to support us in moving forward on conducting a detailed diagnostic assessment of the service areas and costing that are principal to the North Westside.

Our hope over the next few pages is to show you we are a great investment and worth the in-depth look into our potential.



NORTH WESTSIDE WATER SYSTEMS

Maintaining financially sustainable water systems takes good governance.

Out of the six water systems within our communities, the three systems operated by the Regional District cost our residents the most. The yearly administrative overhead on these systems is over \$86,000/year, not to mention the ever increasing operating costs due to unnecessary instrumentation.

A very expensive SCADA system was installed a few years back, and justified by the promise of lower operating costs from the new remote management and scalability options. Our residents were assured that with the increased reliability of the SCADA system there would be a much lower need for onsite Operator monitoring. This has not been the case. RDCO operators are still conducting onsite monitoring 7-days a week, weakening the ROI justification and, increasing costs to our residents year over year.

Through casual conversations with private water system operators we have come to learn that we are paying 40% more for the operating costs of the RDCO run systems. Becoming autonomous would allow us the opportunity to shop around for quality, cost effective alternatives from companies which would not only save our residents' money, but could potentially train and employ locals.

The RDCO has budgeted \$3.5M for a UV sterilizing system upgrade on the Killiney Beach Water System and another \$3.7M for the same upgrade on the Westshore Water System. The potential interest on these projects, at the conservative rate of 4%, would tack on an additional \$5.7M, with an expectation that for the next 20+ years 946 properties will be bound to this \$13M debt repayment.

Our communities present a very different reality than a large city centre and the projects planned should match in scale. Over engineering an upgrade for our smaller user base is unaffordable and alternative solutions should be looked into.

Independence would allow us to investigate more affordable and innovative alternatives for water potability, which will not only meet health authority requirements but also meet the unique needs of our communities.

A Governance Study would provide our community residents more insight.

PUBLIC

Killiney Beach

423 Parcels with 286 Connections

Westshore

523 Parcels with 270 Connections

Upper Fintry/Valley of the Sun

337 Parcels with 109 Connections

PRIVATE

La Casa Cottage Resort

300 + Connections

Estamont

Estimated 50-70 Connections

Fintry Delta

Estimated 100 Connections

OTHER

Well Water Supply

Lake Sourced Water Supply

KILLINEY BEACH

Revenue

Under Current RDCO Model

*2020-2024 Financial Plan Budget Numbers for 2022

Water User, Late Pmt & Insp. Fees	\$194,033
Maintenance & Asset Renewal Fees	\$284,256
Parcel Tax will increase to \$190,624 in 2022	\$48,170
Total	\$526,459

The RDCO has planned a parcel tax of \$190,624/year for the next 20 years to partially cover the \$3.5M upgraded UV Disinfection System.

Financing at the estimated 4% for this project could bring an additional \$2.8M burden to the residents of Killiney Beach.

Expenses

Under Current RDCO Model

*2020-2024 Financial Plan Budget Numbers for 2022

Engineering Admin OH	\$5,819
Administrative OH	\$25,570
Operations	\$176,346
Start of the Debt Repayment will increase to \$190,624 in 2022	\$48,170
Transfer to Cap. Reserves	\$270,554
Total	\$526,459

Projects that work for Kelowna may be excessive for the North Westside. Creative thinking and active investigation needs to take place when planning large expenditures within our rural communities.

\$6.3 MILLION IN POTENTIAL SAVINGS

A Governance Study, along with a more in-depth investigation into alternative UV Filtration Systems will be required to prove the exact cost savings for the Killiney Beach residents.

As a municipality we would have more options when it comes to the operations of our water systems. Killiney Beach water system users could see a potential 40% reduction in their operating and administrative costs if we were able to access independent operators.

This savings would allow for increased transfers to the Capital Reserves which could potentially fund an alternative UV Filtration upgrade without financing or a proposed parcel tax.

Revenue

As a Municipality

*2020-2024 Financial Plan Budget Numbers for 2022

Water User, Late Pmt & Insp. Fees	\$194,033
Maintenance & Asset Renewal Fees	\$284,256
Parcel Tax	\$0
Total	\$478,289

Expenses

As a Municipality

*2020-2024 Financial Plan Budget Numbers for 2022

Administrative OH <i>at a modest 40% discount</i>	\$15,342
Operations <i>at a modest 40% discount</i>	\$105,808
Transfer to Cap. Reserves	\$357,139
Total	\$478,289

WESTSHORE

There is an additional UV Disinfection System upgrade planned for the Westshore Water System with a budgeted parcel tax of \$119,624/year over the next 20 years to partially cover the \$3.7M upgrade.

Financing at the estimated 4% for this project could bring an additional \$2.96M burden to this small pool of taxpayers.

Taking into consideration the unique needs of the Westshore Estates community could alleviate decades of a financial obligation for an upgrade that could be obsolete and in need of replacement before it is even paid for.

Revenue	
Under Current RDCO Model	
<i>*2020-2024 Financial Plan Budget Numbers for 2022</i>	
Water User, Late Pmt & Insp. Fees	\$198,872
Maintenance & Asset Renewal Fees	\$367,488
Parcel Tax <i>will increase to \$119,624 in 2022</i>	\$30,228
Total	\$596,588

Expenses	
Under Current RDCO Model	
<i>*2020-2024 Financial Plan Budget Numbers for 2022</i>	
Engineering Admin OH	\$7,038
Administrative OH	\$30,925
Operations	\$213,279
Start of the Debt Repayment <i>will increase to \$119,624 in 2022</i>	\$30,228
Transfer to Cap. Reserves	\$315,118
Total	\$596,588

\$6.6 MILLION IN POTENTIAL SAVINGS

Alternative commercial UV Filtration systems, which can be tailored to the unique needs of the Westshore Water System, could potentially save the entire planned project cost

Revenue	
As a Municipality	
<i>*2020-2024 Financial Plan Budget Numbers for 2022</i>	
Water User, Late Pmt & Insp. Fees	\$198,872
Maintenance & Asset Renewal Fees	\$367,488
Parcel Tax	\$0
Total	\$566,360

Expenses	
As a Municipality	
<i>*2020-2024 Financial Plan Budget Numbers for 2022</i>	
Administrative OH <i>at a modest 40% discount</i>	\$18,137
Operations <i>at a modest 40% discount</i>	\$127,967
Transfer to Cap. Reserves	\$420,256
Total	\$566,360

Having the ability to contract out the water system Operations would save the residents of Westshore Estates 40% in operating and administrative costs.

This would allow for increased transfers to the Capital Reserves which could potentially fund the alternative UV Filtration upgrade without financing or a parcel tax.

UPPER FINTRY/VALLEY OF THE SUN

Revenue	
Under Current RDCO Model	
<i>*2020-2024 Financial Plan Budget Numbers for 2022</i>	
Water User, Late Pmt & Insp. Fees	\$104,330
Maintenance & Asset Renewal Fees	\$79,300
Parcel Tax	\$220,605
MOTI Parcel Tax Contribution	\$6,536
Total	\$410,771

Expenses	
Under Current RDCO Model	
<i>*2020-2024 Financial Plan Budget Numbers for 2022</i>	
Engineering Admin OH	\$3,131
Administrative OH	\$13,758
Operations	\$94,881
Debt Repayment	\$227,141
Transfer to Cap. Reserves	\$71,860
Total	\$410,771

The residents in Valley of the Sun and Upper Fintry are fearful that an expensive upgrade, similar to the ones planned for Killiney & Westshore Estates, may be proposed before they are able to pay off the current debt-load for their water system of \$654/year per parcel, for the next 22 years.

Having the ability to manage the procurement of service contractors, Upper Fintry and Valley of the Sun residents would see a potential decrease of Administrative OH & Operating costs by \$46,587, allowing an increase to the Capital Reserves investment .

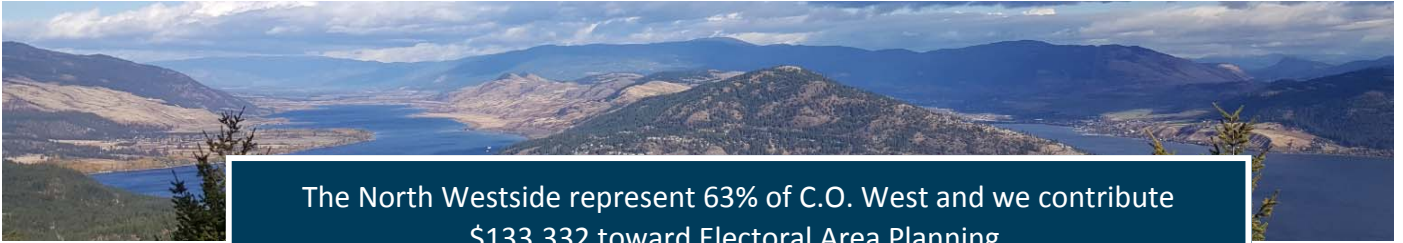
Increasing the reserves and investigating alternatives to any future upgrades could alleviate any borrowing or further parcel taxes.

A Governance Study would provide our residents with the exact costs savings, if any.

Revenue	
As a Municipality	
<i>*2020-2024 Financial Plan Budget Numbers for 2022</i>	
Water User, Late Pmt & Insp. Fees	\$104,330
Maintenance & Asset Renewal Fees	\$79,300
Parcel Tax	\$220,605
MOTI Parcel Tax Contribution	\$6,536
Total	\$410,771

Expenses	
As a Municipality	
<i>*2020-2024 Financial Plan Budget Numbers for 2022</i>	
Administrative OH <i>at a modest 40% discount</i>	\$8,255
Operations <i>at a modest 40% discount</i>	\$56,929
Debt Repayment	\$227,141
Transfer to Cap. Reserves	\$118,447
Total	\$410,771

ELECTORAL AREA PLANNING



The North Westside represent 63% of C.O. West and we contribute \$133,332 toward Electoral Area Planning.

As a municipality we would most likely pay the same amount of taxes, however, we would actually see the benefits by building assets and reserves.

That is what makes communities successful.

Revenue

Fees/Map Sales	\$15,606	3%
Kelowna	\$193,278	37%
Peachland	\$2,715	1%
Lake Country	\$3,849	1%
West Kelowna	\$38,259	7%
C. O. West - 1981 Residents	\$211,637	40%
C. O. East	\$57,262	11%
	\$522,606	100%

Expenses

		C.O West %
Administrative OH	\$66,182	\$26,801
Operations	\$456,425	\$184,836
	\$522,607	\$211,637

Revenue

North Westside - 1250 Residents \$133,331.57 63%

Expenses

	North Westside
Administrative OH	\$16,885
Operations	\$116,447
	\$133,332

When comparing similar sized municipalities, who's yearly planning costs range from \$25,000—\$50,000, we realized that we are paying a considerable amount more under the current form of government, with very little being invested back into our communities.

We want more local control to develop a community vision and make community based decisions on land use, development and environmental issues.

For many years the development of our communities was dictated by Kelowna, yet they were not paying for the right. Now with the Area Fringe law finally being enforced the voice of our residents still depends on the vote of the EA East Director. How can the director of an area who has no interest in our evolution, that only contributes 11% to the Electoral Area Planning and does not have a Fringe Agreement with us, have the veto vote in how we shape and develop our areas?

This is a critical issue to which a governance study would provide an accurate, in-depth look and narrative and possibly some solutions and direction.

PARKS

\$106,756

Total cost for this structure



- 2020 - WESTSHORE PICNIC SHELTER



This project is a perfect example of our communities' inability to access cost saving alternatives and receive transparent and accountable cost information from RDCO staff. Our communities are teaming with talented, experienced and licenced contractors, some of whom were even sub-contracted to work on this project, yet we have no voice

or ability to employ our own residents or reap the benefits from community volunteers.

The exceptionally high cost for this project had residents asking questions. On November 17, 2020 I reached out to RDCO staff for a price justification identifying the individual elements making up the approximate final cost of this project, my request for details went ignored. This request was not unreasonable and could have been a great start to alleviating the erosion of trust, which is impacting our communities working relationships with RDCO staff, as well as an opportunity for the RDCO to ensure there is no misinformation or misunderstandings being communicated to our residents.

A request for access through the Freedom of Information and Protection of Privacy Act was filed on December 10, 2020, this time requesting the financial breakdown for all three picnic shelter projects completed in our EA in the summer/fall of 2020.

On December 23, 2020 we received a Request for Access to Records—Notice of Fee Estimate from the RDCO totalling \$1997.50 to process our request. To our residents this was viewed as a punitive action to a reasonable request. Unfortunately this seems to be the common reaction when asking for transparency from the RDCO.

The RDCO declared in the 2017 North Westside Services and Community Issues Review—Next Steps report that ***“RDCO staff and certainly the Regional Board make every attempt at being transparent and accountable”***. The situation noted above proves just one of our struggles in working collaboratively and receiving reliable, trustworthy and transparent information from the RDCO.

Contractor was out of Squamish, BC

Cost of the structure \$16,375

Shipping to Squamish \$4,750

Total cost for structure **\$21,825**

Shipping from Squamish, earthworks, permitting & erection **\$84,681**

Total project cost \$106,756

* above information provided by the manufacturer & contractor

NORTH WESTSIDE FIRE DEPARTMENT

Our community residents stand proud in the outstanding accomplishments of building three fire halls, which service our rural communities. These halls would not have come to fruition without the determination of our community volunteers, dedicated fire chiefs, the strong voice of our residents and a Regional District team that listened and worked collaboratively.



**Station
101**



**Station
102**



**Station
103**

Since the RDCO Board began following the “single employee” model in roughly 2012 our fire halls, along with others within in the RDCO, have been plagued with turmoil, high turnover of seasoned and extremely skilled officers and fire chiefs all due to substandard HR and fire services management.

We are not a career fire department. We depend on the recruitment of community volunteers who are willing to volunteer time each week for practice, training and on-call response. Our community residents have lost faith and, we believe, that is directly impacting recruitment. Residents are feeling vulnerable and frustrated with the current form of management.

Our volunteer department requires strong community leadership from management who has the sufficient training, experience and local knowledge to tailor the fire department to the unique needs and requirements of our communities. A community member, with a vested interest in our residents, recruitment, leadership and training of volunteers.

We are unable to return to the great leadership we once had when our fire department is being managed from Kelowna, by an RDCO employee who lacks the local knowledge, experience and presence to effectively manage and lead our rural fire department. They do not live within our communities; they are unfamiliar with our people, our road networks, terrain and are unable to provide on-scene leadership in the critical opening moments of an incident.

Our communities have proven our ability to run a strong, dedicated and experienced fire department. Should a governance study favour incorporation we have demonstrated our ability to manage our department efficiently and effectively with the best interests of our communities in mind.

NORTH WESTSIDE FIRE DEPARTMENT CONT...

The RDCO is planning a \$3.356M truck replacement program starting in 2024.



A cost effective solution for our residents would be to keep trucks that meet all the annual maintenance inspections and pumping requirements in service. Trucks shouldn't be replaced for the sake of replacing.

Under our current form of governance we have no ability to utilize the resources of our fire department to its full potential. Negotiating Mutual Aid Agreements with the City of Vernon, Okanagan Indian Band and NORD would be a really great start. NWFR has the ability to provide marine rescue, water supply, fire and emergency response, along with search & rescue. Expanding mutual aid is a great way to increase the emergency management planning and would be of great benefit for all parties. The NWFR would receive excellent training and experience opportunities, while bringing in a revenue stream outside of taxation. City of Vernon and NORD residents would receive peace of mind along with a hefty insurance discount while our indigenous community of OKIB would receive timely access to much needed services.

HOW CAN WE DO BETTER?

Currently Contribute \$495,000

- Decrease our subsidization of RDCO staff through large administrative & operational expenses (**Currently we pay \$42,000 for Administrative OH, \$28,000 for Electoral Area Fire Prevention and \$425,000 for Operations (\$22,000 of which goes towards the fire service manager's salary)**)
- Reach out to our neighbours, Provincial Emergency/Forestry Programs and Search & Rescue groups to develop beneficial Mutual Aid Agreements
- Implement a work experience program where graduates would receive excellent training and skills development opportunities, while our communities would reap the benefits of :
 - marine rescue
 - manned fire stations
 - timely and effective by-law enforcement
 - hall security
 - decreased response time (first medical response)
 - community CPR courses
 - life guard for our community beaches
 - advanced career opportunities within our communities

CONCLUSION



No matter what form of local government is in place, the future will remain uncertain. There will always be change, or pressure for change, that will affect service levels, property taxes, community policies and people's satisfaction with how their local government works.

Municipal status would offer the communities of the North Westside new opportunities, increased flexibility and more autonomy. It would provide us with the ability to respond to the unique needs of our communities and open doors for grants that we are not currently eligible for, allowing us to build and shape our amenities and services.

We thank you for your consideration of our request for a governance study.