



Regional Board Report

TO: Regional Board

FROM: David Komaïke
Director of Engineering Services

DATE: September 9, 2021

SUBJECT: Forgiveness of Water Fees – Evacuation Areas

Voting Entitlement: All Directors – Weighted Vote – Simple Majority – LGA 208.1

Purpose: To consider forgiving a portion of the Water Fees levied to residents of the Killiney Beach, Westshore and Fintry/Shalal/Valley of the Sun Water Systems.

Executive Summary:

The White Rock Lake Fire continues to place a significant strain not only on the emergency personnel tasked with controlling the blaze but those residents forced from their homes by the Evacuation Orders. At the time the order was lifted residents were away from their homes for more than 5 weeks.

Administration recognizes that this unprecedented event has put significant emotional and financial strain on many residents and is proposing that the Regional Board provide some relief by waiving a portion of the Water Fees in the impacted areas.

RECOMMENDATION:

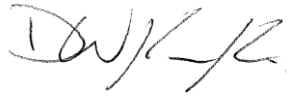
THAT the Regional Board receives for information the Report from the Director of Engineering Services regarding the Forgiveness of Water Fees for the Evacuated Areas of the Regional District;

AND THAT the Regional Board approves the waiving of a portion of the Water Fees in the impacted areas and requests amendments to the following Bylaws to be prepared and forwarded to the September 27, 2021 Board Meeting for consideration:

- Regional District of Central Okanagan Killiney Beach Water System Fees & Charges Bylaw No. 1371, 2015;
- Regional District of Central Okanagan Westshore Estates Water System Fees & Charges Bylaw No. 1375, 2015; and

- Regional District of Central Okanagan Upper Fintry, Shalal Road and Valley of the Sun Water System Fees & Charges Bylaw No. 1376, 2015.

Respectfully Submitted:



David Komaike
Director of Engineering Services

Approved for Board's Consideration



Corie Griffiths,
Director of Corporate Services

Implications of Recommendation:

Financial: The impact of lost revenue and increased operating costs will impact future water system budget.

Background:

The evacuation order for the White Rock Lake Fire was issued on August 2, 2021. The order was downgraded to an evacuation alert on September 2, 2021. The devastating fire has significantly damaged or destroyed 78 structures and impacted more the 1300 properties in the North Westside community. While preparations are now underway to bring the residents back into the area, many will face significant emotional and financial burdens from the event. Administration is proposing to provide assistance by the forgiveness of part of the of the Water Fees for the impacted areas.

Financial Considerations:

Lost Revenue

Each water utility is operated as its own unique cost centre and the financial impact of waving fees will depend upon the services area and the population served. In general, the fee structure for all service areas are comprised as follows:

1. User Fees; which fund the operation of the water system:
 - a. through a base fee, and
 - b. a consumption fee.
2. Asset Renewal Fees; which partial funds the infrastructure replacement and improvement.

Administration is proposing to forgive the User Fees portion of the Water Utility Fees for the period from August 1st to September 30th.

The loss in revenue to the impacted water systems would be approximately:

Killiney Beach Water System: \$30,920

Westshore Water System: \$38,235

Fintry Water System: \$22,490

Increased Operating Costs

In addition to the lost income, these water systems have all experienced a significant increase in operating expenses due to the wildfires. The utility operators assisted firefighting efforts and helped to maintain the water systems for emergency use throughout the event. In order to bring

the water systems back into full operation, each will require cleaning, flushing, reservoir disinfection and testing prior to the residents return. The impact of these additional costs are still being assessed.

Budget Impact

The lost revenue and increased operating costs will result in significant budget challenges for these water systems for the remainder of the year and will necessitate a budget amendment once the final costs are known. For the short-term, it will likely lead to a reduction in the planned Transfer to Capital Reserves. This may also have an impact upon utility rates moving forward unless other sources of revenue can be found.

Administration has reached out to UBMC to request clarification whether Gas Tax Funds can be used to assist with restoration of water service for this areas, but has not received a response as of the writing of this board report.

Summary of Proposed Cost Adjustments – By Service Area

Water System	Number of Users	Fee Type	\$ per Month	2 Month Cost	Adjusted Fees	Lost Revenue
Killiney Beach		Average Monthly Cost				
		User - Basic	\$ 44.67	\$ 89.33	0	-\$ 89.33
		User - Consumption	\$ 7.74	\$ 15.48	0	-\$ 15.48
		Asset Renewal	\$ 57.00	\$ 114.00	\$ 114.00	\$ -
		Total Cost per lot	\$ 109.41	\$ 218.81	\$ 114.00	-\$ 104.81
		295 Total losts Revenue	-\$	30,919.93		
Westshore		Average Monthly Cost				
		User - Basic	\$ 50.00	\$ 100.00	0	-\$ 100.00
		User - Consumption	\$ 16.38	\$ 32.76	0	-\$ 32.76
		Asset Renewal	\$ 60.00	\$ 120.00	\$ 120.00	\$ -
		Total Cost per lot	\$ 126.38	\$ 252.76	\$ 120.00	-\$ 132.76
		288 Total losts Revenue	-\$	38,234.88		
Upper Fintry		Average Monthly Cost				
		User - Basic	\$ 68.67	\$ 137.33	0	-\$ 137.33
		User - Consumption	\$ 7.83	\$ 15.66	0	-\$ 15.66
		Asset Renewal	\$ 20.67	\$ 41.33	\$ 41.33	\$ -
		Total Cost per lot	\$ 97.16	\$ 194.33	\$ 41.33	-\$ 152.99
		147 Total losts Revenue	-\$	22,490.02		

Alternative Recommendation:

THAT the Regional Board receives, for information, the Report from the Director of Engineering Services regarding the Forgiveness of Water Fees for the Evacuated Areas of the Regional District.