



Regional Board Report

TO: Regional Board

FROM: David Komaike
Director of Engineering Services

DATE: September 27, 2021

SUBJECT: Forgiveness of Water Fees – Bylaw Amendments

Voting Entitlement: *(All Directors Present – Unweighted Vote – Simple Majority – LGA 207)*

Purpose: To bring forward bylaw amendments that forgive 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 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 79 structures and impacted more the 1300 properties in the North Westside community.

At the September 9th, 2021 meeting, the Regional Board directed staff to bring forward amendments to the applicable bylaws to forgive of part of the Water Fees for the impacted areas

The Board also moved to forgive any later penalties which may have been incurred during this period.

The amending bylaws forgive the “User Fees” portion of the Water Utility Fees for the period from August 1st to September 30th; and Late Payment Penalties for the 2nd Quarter of the billing cycle.

RECOMMENDATION:

1. THAT Regional District of Central Okanagan Killiney Beach Water System Fees and Charges Amendment Bylaw No. 1494, 2021 be given first, second and third readings, and be adopted;
2. THAT Regional District of Central Okanagan Upper Fintry, Shalal Road, and Valley of the Sun Water System Fees and Charges Amendment Bylaw No. 1495, 2021 be given first, second and third readings, and be adopted;

3. THAT Regional District of Central Okanagan Westshore Estates Water System Fees and Charges Amendment Bylaw No. 1496, 2021 be given first, second and third readings, and be adopted.

Respectfully Submitted:



David Komaike
Director of Engineering Services

Approved for Board's Consideration



Brian Reardon, CAO

Prepared by: Clark Kruiswyk, Environmental Services Analyst

Attachment(s):

1. Bylaw No. 1494: Amending Regional District of Central Okanagan Killiney Beach Water System Fees & Charges Bylaw No. 1371, 2015
2. Bylaw No. 1495: Amending Regional District of Central Okanagan Westshore Estates Water System Fees & Charges Bylaw No. 1375, 2015
3. Bylaw No.1496: Amending Regional District of Central Okanagan Upper Fintry, Shalal Road and Valley of the Sun Water System Fees & Charges Bylaw No. 1376, 2015

Implications of Recommendation:

Financial: 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.

Legal/Statutory Authority: Amendments to the Fees and Charges require amendments to each area specific bylaw.

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 include:

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 partially funds the infrastructure replacement and improvement.
3. Late Payment Penalties, which fund the operation of the water system.

To forgive the User Fees portion of the Water Utility Fees for the period from August 1st to September 30th; and Late Payment Penalties for the 2nd Quarter of the billing cycle.

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

- Killiney Beach Water System: \$32,000
- Westshore Water System: \$39,000
- Fintry Water System: \$23,000

Increased Operating Costs

In addition to the lost revenue, these water systems have all experienced a significant increase in operating expenses due to the White Rock Lake wildfire. The utility operators assisted firefighting efforts and helped to maintain the water systems for emergency use throughout the event. Efforts to bring the water systems back into full operation are nearing completion. 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.

Alternative Recommendation:

THAT the Regional Board receives the Forgiveness of Water Fees – Bylaw Amendments report from the Director of Engineering Services, dated September 27, 2021, for information

Considerations not applicable to this report:

- *Operational Considerations*