



Regional Board Report

TO: Regional Board

FROM: David Komaïke
Director of Engineering Services

DATE: October 14, 2021

SUBJECT: Engineering Services 2021-2025 Financial Plan Amendment Requests

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

Purpose: To amend the RDCO 2021 – 2025 Financial Plan in support of ongoing projects associated with the Westside Sewer System: Treatment Plant, the Regional Rescue Service, Fleet Services, and the Falcon Ridge Water System.

Executive Summary:

Staff are requesting the following budget amendments to the 2021-2025 Financial Plan:

401 Westside Regional Wastewater Treatment Plant - Asset Management Plan Project **Budget amendment & Request for an additional \$20,000**

The RDCO has successfully applied for and been approved to receive \$65K of grant funding for this project. Staff request that these revenues be included in the Financial Plan. Further, staff request a \$20K increase to the RDCO's expenditure towards the project. The increase request is due to market adjustments that have taken place over the last year. If approved, the RDCO's overall contribution would increase from \$15K to \$35K, and the total Projected Project Budget would increase from \$80K to \$100K.

192 Regional Rescue Service - EOC Modernization Project 2021 **Budget amendment**

The RDCO has successfully applied for and been approved to receive \$102,442 funding for this project. Staff request that these revenues be included in the Financial Plan. The project does not require an RDCO contribution amount as it is completely funded through the 2021 UBCM CEPF grant.

199 Fleet Services – Renew Fleet Services Equipment **Budget amendment, Renewal of equipment**

Staff purchased a Fleet Services Truck for less than anticipated in 2021 and requests that \$13K of the Vehicle capital expenditure surplus be moved to the Equipment capital expenditure budget to purchase a new welder/compressor/generator unit for the Emergency Fleet Service Truck.

303 Falcon Ridge – Additions to Water System
Budget amendment

Property owner has contributed funds to connect to the Falcon Ridge Water System. Staff are recommending corresponding value of \$19,500 be added to the capital expenditure budget to undertake the work to connect the system.

RECOMMENDATION:

1. **THAT** the Regional Board approves amending the 2021 year of the RDCO 2021-2025 Financial Plan Bylaw No. 1475 for Function 401 – Westside Sewer System: Treatment Plant as outlined in the Engineering Services 2021-2025 Financial Plan Amendment Requests report dated October 14th, 2021;
2. **THAT** the Regional Board approves amending the 2021 year of the RDCO 2021-2025 Financial Plan Bylaw No. 1475 for Function 192 – Regional Rescue – Emergency Operations Centre as outlined in the Engineering Services 2021-2025 Financial Plan Amendment Requests report dated October 14th, 2021;
3. **THAT** the Regional Board approves amending the 2021 year of the RDCO 2021 - 2025 Financial Plan Bylaw No. 1475 for Function 199 – Equipment Pool as identified in the Engineering Services 2021-2025 Financial Plan Amendment Requests report dated October 14th, 2021;
4. **THAT** the Regional Board approves amending the 2021 year of the RDCO 2021 – 2025 Financial Plan Bylaw No. 1475 for Function 303 – Falcon Ridge Water System: Treatment Plant as outlined in the Engineering Services 2021-2025 Financial Plan Amendment Requests report dated October 14th, 2021;

Respectfully Submitted:



David Komaike
Director of Engineering
Services

Approved for Board's Consideration



Corie Griffiths, Director of Corporate
Services/Acting CAO

Prepared by: Mareike Mimi Miller, Asset Management Analyst

Implications of Recommendation:

Strategic Plan:	Supports the Sustainable Communities Strategic Priority by applying for grant funding in relation to infrastructure, equipment, and training related projects.
Organizational:	Supports efficient and effective organizational operations by allowing for the related projects to move forward.
Financial:	Supports transparent financial practices, integration of grant funding, and long-term capital planning.

Background:
401 – Westside Regional Wastewater Treatment Plant Asset Management Plan

In November 2020, the Regional Board supported grant applications to both the FCM Municipal Asset Management Program (\$50K), and the UBCM Asset Management Planning Grant (\$15K) to develop an Asset Management Plan for the Westside Regional Wastewater Treatment Plant (WWTP). The RDCO was successful in applying for \$65K of grant funding for this project.

The WWTP serves the areas on the west side of Okanagan Lake including, the City of West Kelowna, the District Municipality of Peachland, and the Westbank First Nation. The Asset Management Plan (AMP) will address inventory information gaps, asset criticality, risk, and inform a long-term capital plan. Originally, total project costs were estimated at \$80,000 including administrative overhead. Due to longer grant approval processes than anticipated, the project has been delayed by a year. Recent bids for similar projects are reflecting a higher overall project cost. Staff proposes a new project cost (including administrative overhead) of \$100,000.

Project Funding:

UBCM Asset Management Planning Grant	\$15,000
FCM Municipal Asset Management Planning Grant	\$50,000
RDCO Contribution - WWTP Operating Budget 2021	<u>\$35,000*</u>
Total Anticipated Project Budget	\$100,000

**An RDCO contribution of \$15K was approved by the Regional Board in March 2021. Staff is requesting an additional \$20K in RDCO contributions towards the project.*

192 – Regional Rescue Service Emergency Operations Centre Training and Equipment

In March 2021, the Regional Board and Member Municipalities supported an application to the UBCM Community Emergency Preparedness Fund for Emergency Operations Centre (EOC) grant funding. The RDCO was successful in applying for \$102,442 funding.

The project will build emergency response capacity by increasing the knowledge of staff, allowing for practiced and efficient workflow in a virtual environment during emergency events and supporting virtualization with new laptops.

Project Funding:

UBCM Community Emergency Preparedness Fund	<u>\$102,442</u>
Total Anticipated Project Budget	\$102,442

199 – RDCO Fleet Services Compressor/Welder Units

The Emergency Fleet Service Truck requires a new compressor/welder/generator combo unit in order to provide reliable service to the RDCO's fire departments. All funds budgeted for the renewal of the Fleet Service Truck (earlier this year) were not required as the RDCO was successful in purchasing a truck for less than the estimated cost. Staff is requesting that the remaining \$13K be transferred from the Fleet Services capital vehicles line to the capital equipment line to renew the compressor/welder/generator unit.

303 – Falcon Ridge Water System - System Buy-In Fee

In December 2020, the Regional Board adopted Bylaw No. 1471 'A bylaw to amend the boundary of the Falcon Ridge Water system in Central Okanagan East Electoral Area'. Bylaw 1471 amends the previously established service area (Bylaw No. 369, 1990) to include:

- District Lot 3742, ODYD, Exc. Plan A237, 23539, 27945 – Highway 33E, and
- Part S ½, Section 13, Township 27, ODYD, Exc. Plan A237, 22000, 22193, 22289, 23539, 27945 – Highway 33E

The Regional District has received the 'water system buy-in' fees associated with one of the newly added properties through Building Permit No. 8220-20. The fees are \$9750 per connection, this property is eligible for up to two connections totally \$19,500 in system buy-in fees. Staff is requesting that this revenue and associated expenditures be included in the 2021-2025 Financial Plan.

Financial Considerations:

401– Westside Regional Wastewater Treatment Plant (Operating Budget)

The new request for RDCO contributions equalling \$20K for the development of an asset management plan at the Westside Regional Wastewater Treatment Plant. A \$15K RDCO contribution was already approved in March 2021, with the total RDCO contribution, if additional funding is approved, equalling \$35K, for a total project budget of \$100,000:

- increase the Building/Equipment Assessment operating expense budget by \$85,000 from \$15,000 to \$100,000, and
- increase the Federal Government Grant operating revenue line by \$65,000 from \$0 to \$65,000, and
- increase the Operating Reserve operating revenue line from \$0 to \$20,000

The Westside Sewer System Operating Reserve currently has a balance of \$380,082, with the remainder of project funding equalling \$65K to come from grants (FCM MAMP and UBCM Asset Management Planning).

192 – Regional Rescue Service (Operating Budget)

The addition of \$102,442 in successful grant funding from UBCM CEPF grant for Emergency Operations Centre training and equipment:

- increase the Federal Government Grant operating revenue line by \$102,442, and
- increase the Emergency Plan Training operating expenses line by \$75,000 from \$8,000 to \$83,000
- increase the Equipment operating expense line by \$16,442 from \$9,043 to \$25,485

- increase the Contract Services operating expense line by \$11,000 from \$0 to \$11,000
- Total Project Budget \$102,442.

199 – Fleet Services (Capital Budget)

Reallocating \$13K from the capital vehicles line to the capital equipment line for the purchase of a new welder/compressor/generator unit for the Emergency Fleet Service Truck:

- decrease the 2021 Vehicles capital expenditure budget by \$13,000 from \$59,836 to \$46,836, and
- increase the 2021 Equipment capital expenditure budget by \$13,000 from \$13,000 to \$26,000

303 – Falcon Ridge Water System (Capital Budget)

The addition of \$19,500 in capital funding and expenditures will include:

- increase the Homeowner Contribution capital budget funding line by \$19,500 from \$0 to \$19,500; and
- increase the Equipment and Improvements capital budget expenditure line by \$19,500 from \$36,200 to \$55,700

Alternative Recommendation:

THAT the Regional Board receive the Engineering Services 2021-2025 Financial Plan Amendment Requests report for information only.

Considerations not applicable to this report:

- *Organizational Issues*
- *External Implications*