



# Regional Board Report

## Request for Decision

*Approved for Board Consideration*

A handwritten signature in black ink, appearing to read "Brian Reardon".

*Brian Reardon, CAO*

**To:** Regional Board

**From:** David Komaike, Director of Engineering Services

**Date:** September 26, 2022

**Subject:** Falcon Ridge – Water Service Area Expansion – Electoral Area East

**Voting Entitlement:** *All Directors – Unweighted Corporate Vote (LGA s.207) – 2/3 Majority Adoption (LGA s. 214)*

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**Purpose:** To expand the west portion of the Falcon Ridge Water Service Area and proceed with the works to connect three properties to the water system in response to petition from the property owners.

### **Executive Summary:**

In 2020, the Regional District was approached by property owners within the Falcon Ridge community to explore the potential for connecting to the RDCO system as a cost-effective alternative to their existing private water systems.

The RDCO received a cost estimate for the works, and initiated petitions in Falcon Ridge for those areas that expressed interest in connecting to the water system. In response to the petition, additional properties were added as future users of the Falcon Ridge Water Service Area, however, the process to borrow funds, complete the design, and begin construction have been delayed by unexpected events, including the pandemic in 2020 and the fire season in 2021.

Three future users along the West Portion of the Falcon Ridge Water Service Area approached the RDCO to offer payment in full to initiate construction in 2022 and forgo the mandatory legislated waiting periods associated with borrowing. The properties on the East Portion of the Falcon Ridge Water Service Area expansion have been provided an opportunity to be included under this proposed plan and have indicated their intention to wait until the borrowing process in 2023.

The amendment to the establishment bylaw for board consideration is to add two properties to the Falcon Ridge Water System service area and permit the works to be undertaken and paid for by the requesting three properties.

### **Recommendation #1:**

**THAT** Regional District of Central Okanagan Falcon Ridge Water Service Specified Area Amendment Bylaw No. 1511, 2022 be given first, second and third reading.

**Recommendation #2:**

**THAT** Regional District of Central Okanagan Falcon Ridge Water Service Specified Area Amendment Bylaw No. 1511, 2022 be adopted;

**AND THAT** the 2022-2026 Financial Plan be amended to remove \$170,000 from 2022 Capital Revenue, funded from Internal Transfer, decreasing the value to \$0;

**AND THAT** the 2022-2026 Financial Plan be amended to add \$148,500 to 2022 Capital Revenue, funded from Property Owner Contributions, increasing the value from \$0 to \$148,500 for the year 2022;

**AND FURTHER THAT** the 2022-2026 Financial Plan be amended to remove \$21,500 from 2022 Capital Expenses, for the Distribution System, decreasing the value from \$170,000 to \$148,500 for the year 2022.

*Prepared by:* Travis Kendel, Manager of Engineering Services and Sandi Horning, Supervisor-Corporate Services

Respectfully Submitted:



David Komaie  
Director of Engineering Services

Attachment(s): Director Consent (EA East)  
Corporate Officer Certificate of Sufficiency  
Bylaw No. 1511, 2022  
Presentation

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**Strategic Plan Alignment:**

Priorities: Sustainable Communities

Values: Relationships, Good Governance

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**Background:**

To move forward with the project, a procurement process was undertaken in July 2022 to update the cost of the works. The cost of the work to connect the future users to the water system have come back higher than the original values presented in the initial 2020 petitions. The residents have been notified of the updated costs, and due to legislated wait limits associated with borrowing and the need for a new petition with higher construction value, have agreed to consider the project for the next construction season in 2023.

Following the announcement of the delayed construction, future users along the West Portion of the Falcon Ridge Water Service Area approached the RDCO to offer payment in full to initiate construction

in 2022 and forgo the mandatory legislated waiting periods associated with borrowing. The three property owners have since submitted a new petition, with updated construction estimates and cost per property to fund the works. Petition responses from each property are summarized below:

Property	Response
7135 HWY 33E	Yes
7263 HWY 33E	Yes
7387 HAWK RD	Yes

The proposed bylaw enables the expansion of the West Portion of the service area to include the properties located at 7135 Highway 33 E and 7387 Hawk Road. The property located at 7263 Highway 33 E is already included in the service area and has signed the petition to confirm that the property owner wishes to connect to the service and is prepared to pay the costs associated with that connection.

Construction work required to extend the West Portion of the Falcon Ridge Water Service Area, pending Board approval, can be completed in 2022. The estimated \$148,500 cost of the project to complete the West Portion of this project will be funded by the new customers with a \$15,900 contribution through the Community Works Funding to install a Fire Hydrant.

Procurement of construction services will not be completed until full contributions have been received by each of the three properties to be connected.

Construction work required to physically connect the remaining properties within the East Portion of the Falcon Ridge Water Service Area to the water system is expected to occur in 2023 under next year's budget, subject to a successful petition and approval of the Board.

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## Considerations:

### ***Financial:***

The property owners that have elected to be within the water service area will not be charged for water services until the provision of those services has commenced. There are no financial implications to those properties already connected to the water system and paying related service fees and charges. Total estimated cost to service the expanded Service Area is \$164,400.

Expanding the Service Area allows the existing and new customers to benefit from economies of scale. The property owners that have opted to connect to the Falcon Ridge water system pay for their portion of the required capital works to physically connect to the system in addition to a portion of capital works for the existing treatment capacity. Contributions were offered by impacted residents for the West Portion of the expansion project are being paid in full, without borrowing, to enable construction in 2022. Any unused portions contributed by the property owners for construction of the West Portion of the Falcon Ridge Water System will be returned to the property owners.

### ***Legal/Statutory Authority:***

Bylaw No. 369 established the Falcon Ridge Water Service Area in 1990. Section 349 of the *Local Government Act* provides for the amendment of establishing bylaws.

Section 347 of the *Local Government Act* requires the electoral area director's consent in writing to the adoption of the amending bylaw.

The *Regional District Establishing Bylaw Approval Exemption Regulation 113/2007* exempts the requirement for the Inspector of Municipalities approval to add parcels to the service area. Although approval of the bylaw is not required by the Inspector of Municipalities, the Regional District is required to forward the adopted bylaw to the Ministry.

*Alternate Recommendation:*

**THAT** the Regional Board receive the report from the Director of Engineering Services dated September 26, 2022 with respect to the proposed expansion of the Falcon Ridge Water Service Area for information.

Considerations not applicable:

- Organizational/External
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