

North Westside Water Systems Generators – Financial Implications

Committee of the Whole Meeting

January 19, 2023

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Purpose

- To inform the Board of the Financial Implications to incorporate five (5) back-up generators into the Killiney Beach and Westshore Estates water systems.

Background

- Detailed Service Review of the Fintry, Killiney and Westshore Water Systems began in May 2020
 - How to effectively meet both Canadian Drinking Water Guidelines (CDWG) and Interior Health Regulations (IHR) for potable water.
- Urban Systems presented their final report to the Regional Board on September 26, 2022.
 - The Regional Board adopted the recommendations in the report related to the future interconnection of the Fintry/Killiney and Westshore Water Systems. And
 - Requested that a detailed report on the financial implications of installing generators be prepared for further Board consideration.

Review Parameters and assumptions

- Operational and financing costs for generators have been included in the operations budget for each water system and include:
 - Staff, fuel, repairs and maintenance costs.
 - Financing costs and debenture repayment costs.
- Replacement costs for generators have been included in the Asset Renewal Fees for each water system.
 - All properties will pay increased Asset Renewal Fees, regardless of development status. (vacant land)

Estimated Capital Costs of Generators

- Based upon the September 2022 Engineering Report by Urban Systems:

Community	Land Purchase	Engineering and Design	Equipment and Improvements	Community Total
Killiney Beach	\$50,000	\$72,725	\$405,000	\$527,725
Westshore Estates	\$0	\$66,675	\$262,500	\$329.175

Total Capital Budget: \$856,900

Baseline – No Generators

- The change in total fees based upon a comparison to existing 2022 rates using recommended 2023 fee rates:

Community	2022 Total Fees	Baseline
Killiney Beach	\$1337	\$1494
		+ \$157 (+11.7%)
Westshore Estates	\$1450	\$1537
		+\$87 (+6.0%)

Option 1 – Debenture Financing of Generators

- The change in total fees based upon a comparison to existing 2022 rates:

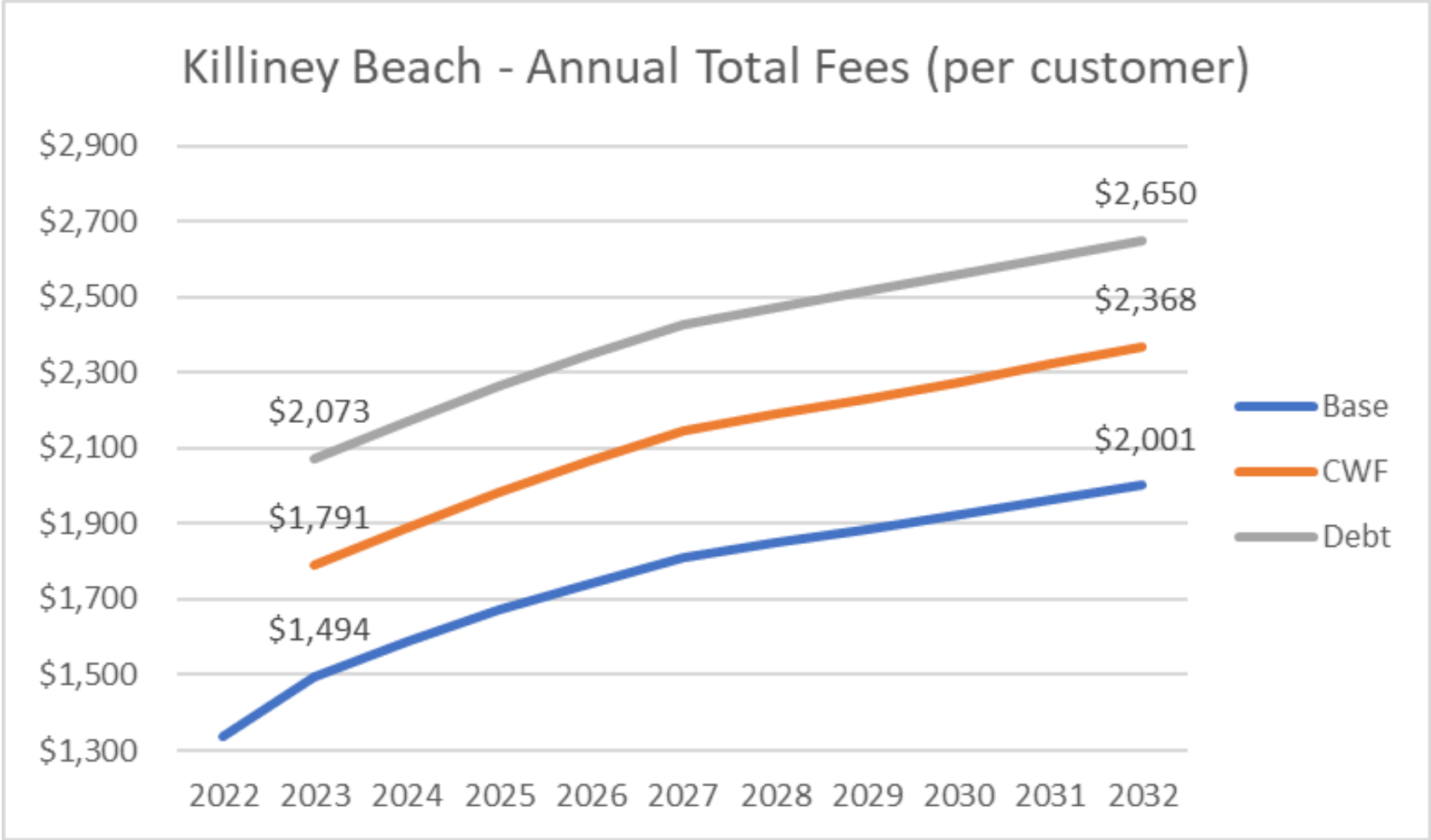
Community	2022 Total Fees	Option 1 Debt
Killiney Beach	\$1337	\$2073
		+ \$736 (+55.0%)
Westshore Estates	\$1450	\$1857
		+\$407 (+28.1%)

Option 2 – Community Works Funding of Generators

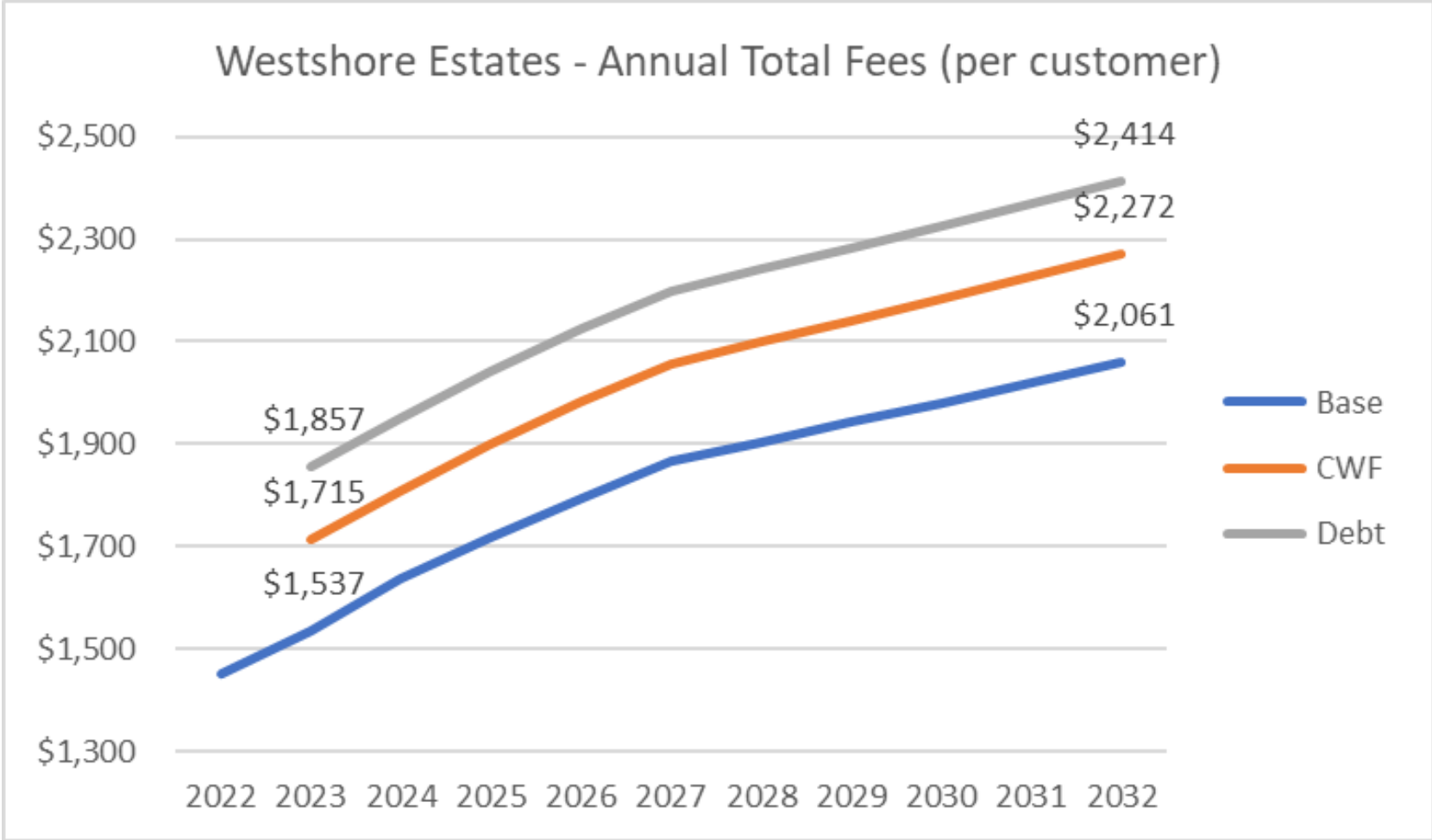
- The change in total fees based upon a comparison to existing 2022 rates:

Community	2022 Total Fees	Option 2 CWF
Killiney Beach	\$1337	\$1791
		+ \$454 (+34.0%)
Westshore Estates	\$1450	\$1835
		+\$265 (+18.3%)

Summary – Killiney Beach Options



Summary – Westshore Estates Options



Recommendations

- THAT the Regional Board receives the North Westside Water System Generators – Financial Implications from the Director of Engineering Services report, dated January 19, 2023, for information.
- AND THAT a Board Policy on the apportionment of gas tax funds be developed for Board consideration prior to the allocation of Community Works (Gas Tax) funds in 2023.