

ADMINISTRATIVE REPORT

TO: Board of Directors

FROM: J. Zaffino, Chief Administrative Officer

DATE: November 7, 2024

RE: **Vintage Views and Lakeshore Waterworks Utilities Assent Vote**

Administrative Recommendation:

THAT Vintage Views Wastewater System Service Establishment Bylaw No. 3068, 2024, being a bylaw to establish the Vintage Views Wastewater System as a service of the Regional District of Okanagan-Similkameen, and the Vintage Views Wastewater System Loan Authorization Bylaw No. 3069, 2024, being a bylaw to authorize the borrowing of \$6,962,000.00 for capital upgrades to the Vintage Views Wastewater System, be read a first, second, and third time and be forwarded to the Inspector of Municipalities for approval; and

THAT Lakeshore Waterworks System Service Establishment Bylaw No. 3071, 2024, being a bylaw to establish the Lakeshore Waterworks System as a service of the Regional District of Okanagan-Similkameen, and the Lakeshore Waterworks System Loan Authorization Bylaw No. 3072, 2024, being a bylaw to authorize the borrowing of \$13,530,000.00 for capital upgrades to the Lakeshore Waterworks System, be read a first, second, and third time and be forwarded to the Inspector of Municipalities for approval; and

THAT upon approval of the Inspector, elector assent for Bylaw Nos. 3068, 3069, 3071, and 3072, be obtained within the respective service areas through an Assent Voting (referendum) process in accordance with the *Local Government Act*; and

THAT the assent voting opportunities take place on Saturday April 12, 2025; and

THAT Christy Malden be appointed as the Chief Election Officer and Gillian Cramm be appointed as Deputy Chief Election Officer for the Vintage Views Wastewater System and Lakeshore Waterworks System Assent Voting opportunities;

THAT the assent vote question with respect to the Vintage Views Wastewater System be:

‘Are you in favour of the Regional District of Okanagan-Similkameen adopting Vintage Views Wastewater System Service Establishment Bylaw No. 3068, 2024, to operate, maintain, and upgrade the Vintage Views Wastewater System, and Vintage Views Wastewater System Loan Authorization Bylaw No. 3069, 2024, to authorize the borrowing of up to \$6,962,000.00 (six million, nine hundred and sixty two thousand dollars) for capital upgrades of the Vintage Views Wastewater System?’; and

THAT the assent vote question with respect to the Lakeshore Waterworks System be:

‘Are you in favour of the Regional District of Okanagan-Similkameen adopting Lakeshore Waterworks System Service Establishment Bylaw No. 3071, 2024, to operate, maintain, and upgrade the Lakeshore Waterworks System, and Lakeshore Waterworks System Loan Authorization Bylaw No. 3072, 2024, to authorize the borrowing of up to \$13,530,000.00 (thirteen million, five hundred and thirty thousand dollars) for capital upgrades of the Lakeshore Waterworks System?’.

Purpose:

To establish the Vintage Views Wastewater System and the Lakeshore Waterworks System as services of the Regional District and to authorize the borrowing for capital upgrades to the two utility systems.

Reference:

Local Government Act Part 4 Division 2

RDOS Utility Acquisition Policy

[Vintage Views Wastewater System Assessment](#)

[Lakeshore Waterworks System Assessment](#)

Business Plan Objective:

Key Success Driver 2.2: To meet public needs through the continuous improvement of key services

Key Success Driver 3.3: To develop an environmentally sustainable region

Background:

The Vintage Views sewer system and wastewater treatment plan was constructed in 2003 and currently services 78 households and 33 vacant lots, a total of 111 connections.

Lakeshore Waterworks system currently serves a total of 332 parcels with about 41 being vacant lots. It received its authorization to construct and operate the water system in 1975.

On November 15, 2022, the Regional District received expression of interest letters from Vintage Views Developments Ltd. and Lakeshore Waterworks Ltd. to sell the respective sewer system and water system to the Regional District. These utilities are located in Electoral Area “D” on the east side of Skaha Lake.

On December 15, 2022, the Regional District approved the initiation of due diligence for the Utility Acquisition Policy for the sewer and water systems.

Ecora Engineering & Resource Group Ltd. (Ecora) was retained to complete engineering and financial assessments of the Vintage Views Wastewater and Lakeshore Waterworks systems. These

reports can be viewed online at rdosregionalconnections.ca/vintage-views-wastewater-lakeshore-waterworks-acquisition-process

Analysis:

The assessment report for the Vintage Views system states that there are numerous problems with the existing wastewater treatment plan and infiltration field, and recommends several significant upgrades. The Lakeshore Waterworks assessment report also lists many proposed improvement projects to ensure compliance with regulatory and health and safety (fire fighting) standards.

The Regional District has signed purchase agreements with the owner of the two utilities, conditional on receiving the assent of electors to the adoption of the service establishment and loan authorization bylaws. The agreements state that on or before July 31, 2025, the Regional District will have enacted the bylaws and obtained all required public and third party approvals necessary to establish the new services and authorize the necessary borrowing to finance capital improvements. In order to meet this timeline, the assent voting opportunities must be held in the spring of 2025.

The option exists to obtain elector approval through an alternative approval process (AAP) but administration is recommending the assent process due to the large amount to be borrowed.

Financial Implications:

Property owners within each service area will receive a quarterly or annual utility bill for user fees and ongoing operational maintenance of the system.

After adoption of the service establishment and loan authorization bylaws, the Board will be asked to consider two bylaws imposing a parcel tax for the debt servicing for the capital upgrades for each of the utilities. Parcel taxes are separate from the property value taxes, which are levied on the assessed value of a property. Administration estimates that the annual parcel tax for the Vintage Views Wastewater utility will be approximately \$4,308.30 annually over 30 years, and \$2,869.17 annually over 30 years for the Lakeshore Waterworks utility.

Staff will be seeking grant opportunities in order to lessen the financial impact on property owners.

Alternatives:

1. THAT Bylaw Nos. 3068, 3069, 3071, and 3072, not proceed.
2. THAT elector approval be obtained for Bylaw Nos. 3068, 3069, 3071, and 3072, through an alternative approval process.

Communication Strategy:

The draft communications plan is attached. Public engagement initiatives include the following:

- The statutory requirements for advertising the assent vote in accordance with the *Local Government Act*.
- RDOS Facebook and Twitter social media sites.
- Open houses in the community

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- A data sheet containing the details of the bylaw and assent voting process will be included on the Regional Connections webpage, along with the bylaws and all required forms.

Respectfully submitted:

Endorsed by:

"Gillian Cramm"

G. Cramm, Deputy Corporate Officer

C. Malden, Corporate Officer/Deputy CAO