



REGIONAL DISTRICT NORTH OKANAGAN

MEMBER MUNICIPALITIES:

CITY OF ARMSTRONG VILLAGE OF LUMBY
CITY OF ENDERBY CITY OF VERNON
DISTRICT OF COLDSTREAM TOWNSHIP OF SPALLUMCHEEN

ELECTORAL AREAS:

"B" – SWAN LAKE "E" – CHERRYVILLE
"C" – BX DISTRICT "F" – ENDERBY (RURAL)
"D" – LUMBY (RURAL)

OFFICE OF: UTILITIES

OUR FILE No.: 5770.06.15.05

October 5, 2023

Owner Name & Address

Dear Property Owner:

RE: Corix Multi-Utility Services Inc.: Okanagan Landing Water Utility - Rolling Hills Service Area Petition to Connect to Greater Vernon Water (GVW)

The Interior Health Authority requires Okanagan Landing Water Utility owned and operated by Corix Multi-Utility Services Inc. to complete upgrades to become compliant with the *BC Drinking Water Protection Act* and meet fire protection standards. The existing small water system does not have treatment, disinfection, or back-up power; cannot supply adequate fire flows and does not have storage capacity for fire protection. One way for the utility, referred to as the Rolling Hills Service Area (Rolling Hills), to become compliant is to connect to Greater Vernon Water (GVW) as per the Regional District of North Okanagan's (RDNO) *Utility Acquisition Policy*. The owner of the utility has approached the RDNO to request Rolling Hills be permitted to connect to GVW.

In order for water systems to connect to GVW, they must meet GVW standards within *GVW Subdivision and Development Servicing Bylaw No. 2650, 2013* (available at www.rdno.ca/gvw). For Rolling Hills to comply, the following works would be required:

- Upsizing the distribution water mains to support fire flows to the area;
- Installing approved fire hydrants;
- Installing new water service connections to individual lots with a meter pit assembly on the benefitting property at property line; and
- Connecting to the GVW on Okanagan Landing Road. This connection allows access to the GVW distribution network and infrastructure and will provide treated water that meets provincial standards and the required storage capacity for fire protection;

In accordance with the *Utility Acquisition Policy*, an engineering design study was completed by Monaghan Engineering & Consulting Ltd. to determine the estimated cost. The total costs to connect to GVW, including construction costs and other fees, would be borne by the benefitting Rolling Hills property owners and are detailed in Table 1 on page 3 of this letter. To finance this work so it is feasible for the property owners, it is proposed that the RDNO borrow internally from its GVW Capital Reserve on behalf of the property owners to be paid back over 20 years as a fee charged on their quarterly utility invoice administered by the City of Vernon.

The next step to move this project forward requires petitioning property owners within the Rolling Hills Service Area to determine if there is sufficient support to connect to GVW and the proposed funding mechanism. By connecting to GVW, benefitting properties will have access to treated potable water that meets provincial standards and improved fire flows and fire storage capacity.

Regional District of North Okanagan
9848 Aberdeen Road
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Phone: 250.550.3700
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Web: www.rdno.ca
E-Mail: utilities@rdno.ca

By supporting this petition (enclosed), property owners are authorizing funding the project through borrowing from GVW Capital Reserves and repaying the RDNO with interest as set out in this petition through a fee applied to their utility bills for a time period of 20 years. The borrowed funds will be used to complete the works and pay the required fees to connect to GVW.

In order for the connection to GVW project to be approved through this petition process:

- *The person signing the petition must be a registered owner of the property;*
 - *Where two (2) or more persons are owners of the property, a majority must sign (for example, two (2) are required where there are three (3) owners, three (3) are required where there are four (4) owners);*
 - *If the property is owned by a corporation, the signatory must have signing authority and state his/her position with the company;*
- *The petition must be signed by the owners of at least 50% of the parcels that would be subject to a Rolling Hills fee applied to the quarterly utility bill; and*
- *The persons signing must be the owners of parcels that in total represent at least 50% of the assessed value of land and improvements that would be subject to a quarterly fee.*

A petition (enclosed) has been mailed to each affected property owner. Petitions must be received at the office of the Regional District on or before the deadline date of November 30, 2023 in order to be counted. Petitions received after the deadline date will not be counted.

Please note that petitions:

- **returned signed will count as a YES vote**
- **returned unsigned or not returned will count as a NO vote**

If majority support is received: the Regional District of North Okanagan will finance the project by borrowing internally from the Greater Vernon Water Capital Reserve for the purposes of funding the construction of the water main and related infrastructure and paying all related fees to connect to Greater Vernon Water and that the costs of borrowing will be recovered by means of a Rolling Hills Fee that will be included on quarterly utility bills as administered by the City of Vernon, with the following terms:

- The total amount proposed to be borrowed is up to a maximum of \$1,780,000.
- The full project cost, plus interest, will be recovered by a Rolling Hills Fee starting after project completion.
- The term of the borrowing and repayment schedule will be twenty (20) years.
- The interest rate will be 4.58% based on the current interest rate that the RDNO would receive by borrowing through the Municipal Finance Authority of BC over twenty (20) years.
- The estimated annual fee is \$2,600 per year for twenty (20) years, or \$650.00 per quarter, and will be collected by the City of Vernon on each property's quarterly utility bill.
- A property may choose to commute the charge following project completion by paying their property's share of the total project cost up front, estimated to be \$33,585 per property, to avoid the fee that will be paid over twenty (20) years with interest. The exact payment deadline is to be determined.

If majority support is not received: the project would not proceed and the properties within the Rolling Hills Service Area will not be connected to GVW.

Estimated Costs

Property owners should be aware that the project costs (see Table 1) does not include upgrading private services. The following provides what the project includes:

- transferring ownership of utility assets to GVW, including reserve funding that will be used solely for services that benefit properties in the Rolling Hills Service Area;
- upgrading the existing water system to meet GVW standards;
- decommissioning the existing water supply system;
- providing a water meter setter pit and assembly (includes meter & pressure reducing valve) at the property line;
- installing a service main from the water main and connecting it to the property service line at the property line: and
- payment of connection and latecomer fees.

Costs for the project would be spread over twenty (20) years and applied to your quarterly utility bill. We estimate the quarterly cost to cover the total acquisition costs for the Rolling Hills Service Area to be \$650.00 per quarter, per parcel or unit (the maximum of) over the twenty (20) year term. Note that this quarterly fee would be in addition to the regular water rates and fees charged under *Greater Vernon Water Utility Rates Imposition Bylaw No. 2864, 2020*, as amended (on our website: www.rdno.ca/gvw under Bylaws).

Table 1. Estimated Total to connect Rolling Hills Service Area to GVW

New Water Main Construction Costs <i>Includes water meter pit, water meter installation and pressure reducing valve (PRV)¹</i>	\$1,050,000	Cost Estimate to upsize the remaining water mains as per Monaghan engineering estimate. As part of construction, meters and PRVs will be installed on the benefiting properties at the property line. Cost includes installation of meter pit assembly, PRV and water meter and the meter inspection.
Latecomer Fee	\$191,000	Latecomer payment for installation of Osprey pipe main to 6190 Okanagan Landing Rd and service connections to fronting lots.
Other Acquisition requirement Costs	\$10,000	Legal fees for land, title, and SRO transfer & registration.
RDNO Connection Fees ²	\$116,000	Connection fee (\$2,180/parcel or unit (the maximum of))
RDNO Local Service ² Administration Fee	\$2,500	Local Area Service Admin Fee
Sub-Total	\$1,370,000	
Contingency 30%	\$411,000	
Total Project Cost³	\$1,780,000	For connection of 53 parcels / units

1. Installation of the meter and PRV at property line is to reduce renovation requirements from installing meters in existing homes and to protect the property water service from pressure changes due to the connection. GVW will not install meters in houses and home owners requesting a meter in the house are required to pay a plumber for their own installation. Refusal to allow the installation of a meter will result in the property being charged the unmetered rate as per the *Greater Vernon Water Utility Rates Imposition Bylaw No. 2864, 2020, as amended*. Connection to GVW and the costs to install the meter at a later date will be the responsibility of the home owner.

2. Fees based on *Greater Vernon Water Utility Rates Imposition Bylaw No. 2864, 2020, as amended*.
3. Estimates rounded to nearest \$1,000.

Table 2. Estimated Per Parcel Costs of Connection and Quarterly User Fees

Capital Cost of Extensions / Upgrades	\$33,585	Estimate per parcel/unit (53 parcels) - based on estimated Total Cost provided in Table 1 – financed by the RDNO and repaid on utility bills (fee is estimated to be \$650.00 per quarter for 20 years).
Quarterly Water Use Fees per parcel with one unit ¹	\$108	Infrastructure Base Fee per unit
	\$110	Consumption Fee – approximate and based on metered volume used, this is based on an average residential use of 210 m ³ /year + meter renewal fee.

1. Fees provided in *Greater Vernon Water Utility Rates Imposition Bylaw No. 2864, 2020, as amended*

Additional Comments:

Meter pits at property line will also contain a PRV. The meter pit assembly and the PRV will become the property owners' in the future and the meter will be the property of GVW. The PRV at property line is important to protect your onsite plumbing as the system pressure will increase from 60 psi to 110 psi and may impact your service.

Questions and/or need additional information?Come to the Open House:

When: Tuesday, October 17, 2023 from 3:30 – 6:30 pm

Where: Regional District of North Okanagan Board Room
9848 Aberdeen Road, Coldstream, BC

Who: Representatives from Corix Multi-Utility Services Inc. and the Regional District of North Okanagan will be present

The deadline to receive returned petition documents back from all property owners is **November 30, 2023**. To simplify the return process, we have enclosed a postage paid return envelope for your convenience.

Sincerely,



Jonathan McLuskie, AScT
Quality Assurance Inspector, Utilities

JM/ls

Enc.

- Petition
- Self-addressed, stamped, return envelope