

Report to Council



Date: November 19, 2018
File: o600-10
To: City Manager
From: Deputy City Clerk
Subject: Establishment Bylaw – Local Area Service for the Southeast Kelowna Integration Project

Recommendation:

THAT Council receive the report of the Deputy City Clerk regarding the establishment of a Local Area Service for the Southeast Kelowna Integration Project, dated November 19, 2018 for information;

AND THAT Council give readings to Bylaw No. 11623 being the 'Establishment of Southeast Kelowna Water Local Area Service'.

Purpose:

To establish a water local area service for Southeast Kelowna as required by a Provincial Order-in-Council related to the water integration project.

Background:

On June 04, 2018, the B.C. Provincial Government signed an Order-in-Council (OIC) related to the integration of the South East Kelowna Irrigation District (SEKID) with the City of Kelowna. The dissolution order allows the City of Kelowna to lend funds internally to cover the SEKID portion of the construction costs associated with the integration project. The project will separate the irrigation water supply and provide for the supply and installation of a new potable domestic water supply for residents in Southeast Kelowna.

As part of the Order-in-Council, the City must adopt an establishment bylaw that describes the service to be provided, defines the boundaries of the local service area, and identifies the methods of cost recovery and the portion of the costs of the service that are to be recovered by the local service tax.

The local area service incorporates the boundaries of SEKID that are within the City of Kelowna according to their amended Letters Patent.

Following completion of the project work, the City will recover the portion of the total project costs through the benefitting parcels in the local service area.

Legal/Statutory Authority: Province of British Columbia, Orders of the Lieutenant Governor in Council, Order-in-Council No. 276-2018, approved and ordered June 04, 2018.

Legal/Statutory Procedural Requirements: Community Charter s.211(2)(3)

Financial/Budgetary Considerations:

The May 14, 2018 Budget Amendment for the Kelowna Integrated Water Supply Plan Phase One included internally financing the SEKID portion of the project costs, estimated to be in the amount of \$15,342,226. The estimated carrying costs and the cost of internal financing is in the amount of \$5,971,327 with the total cost to be recovered by the Southeast Kelowna Water Local Area Service being the amount of \$21,313,553.

Internal Circulation:

Divisional Director Financial Services
City Clerk
Senior Engineer – Infrastructure
Utility Services Manager
Financial Planning Manager
Communications Advisor

Considerations not applicable to this report:

Existing Policy:

Personnel Implications:

External Agency/Public Comments:

Communications Comments:

Alternate Recommendation:

Submitted by:

K. Needham, Deputy City Clerk

Approved for inclusion: Stephen Fleming, City Clerk

cc: Financial Planning Manager