

Sanitary Sewer Connection Area Financing Framework – Stage 3

Presentation to Council

August 22, 2022

Objectives of the presentation

- ▶ Review of staged approach
- ▶ Summary of reserve transfers
- ▶ Outcomes and next steps
- ▶ Questions

SSCA financial framework updates

- ▶ Stage 1: Amend *Sewerage System User Bylaw No. 3480* and establish *Septic Removal Area Specified Reserve Fund*
- ▶ Stage 2: Rescind and replace *Sewer Connection Charge Bylaw No. 11540*
- ▶ Stage 3: Creation, closing, and updates to financial reserves

Guiding principles

- ▶ Guiding Principles for updated financing framework:
 - ▶ *FAIR*
 - ▶ *EFFICIENT*
 - ▶ *FLEXIBLE*
 - ▶ *OPPORTUNISTIC*
 - ▶ *EQUITABLE*

Summary of reserve transfers

- ▶ Resolutions will result in a *Septic Removal Specified Area Reserve Fund* (Bylaw No. 12316) balance of ~\$5.7M
- ▶ Reserve surpluses are attributed to 20 years of:
 - ▶ Additional development within connection areas;
 - ▶ Grant surpluses;
 - ▶ Interest payments; and
 - ▶ Actuarial surpluses on MFA Debt.
- ▶ The wastewater utility has front-ended cost of construction for some connection areas – debts to be repaid from relevant surplus reserves
- ▶ Once transfers are completed, redundant reserves to be closed

Setup for success

- ▶ SRSARF balance available to leverage future and current grants:
 - ▶ ICIP grant sewer projects in Rio/Terrace and Central Rutland
 - ▶ Open ICIP grant application for Okaview connection area
- ▶ Future grant application will follow the prioritization sequencing established by *Sewer Connection Area Prioritization Bylaw No. 12343* (Stage 2)

ICIP: Investing in Canada Infrastructure Program

SRSARF: Septic Removal Specified Area Reserve Fund

Outcomes (slide from Stage 1 and 2)

- ▶ We have an improved plan

- ▶ Improved health and environmental conditions

- ▶ Ground and surface water quality

- ▶ Financial

- ▶ Grant reliant – setup for success

- ▶ Shovel-ready grant projects

- ▶ Responsible growth and development

- ▶ New framework is required to achieve 2040 OCP (especially in Rutland)
- ▶ Continuing to target highest impact areas

Next steps

Core
framework

- ▶ Stage 1 to 3 – COMPLETE



Supporting
bylaws/policies

- ▶ *Subdivision, Development & Servicing Bylaw No. 7900* amendments
 - ▶ Standards and details for low pressure sewer (septic areas only)
- ▶ Review of *Council Policy No. 304 – Expanding or Adding Properties to Specified Areas*



Questions?

For more information, visit kelowna.ca.