

Minutes of the *REGULAR BOARD MEETING* of the Regional District of Central Okanagan held at Regional District Offices, 1450 KLO Road, Kelowna, B.C. on Monday, October 26, 2015

Directors:

J. Baker (District of Lake Country)
C. Basran (City of Kelowna)
W. Carson (Central Okanagan West Electoral Area)
M. DeHart (City of Kelowna)
D. Findlater (City of West Kelowna)
C. Fortin (District of Peachland)
G. Given (City of Kelowna)
T. Gray (City of Kelowna)
P. Hanson (Central Okanagan East Electoral Area)
D. Ophus (City of West Kelowna)
B. Sieben (City of Kelowna)
L. Stack (City of Kelowna)
M. Werstuik, alternate for C. Derickson (Westbank First Nation)

Staff:

B. Reardon, Chief Administrative Officer
R. Fralick, Manager of Planning
M. Kopp, Director of Parks
C. Radford, Director of Community Services
M. Rilkoﬀ, Director of Financial Services
B. Smith, Communications
M. Drouin, Manager - Corporate Services (recording secretary)

1. **CALL TO ORDER**

Chair Given brought the meeting to order at 7:13 p.m.

2. **ADDITION OF LATE ITEMS**

No late items to the agenda.

6.2 Report regarding a FrontCounter BC referral application to purchase three parcels of land currently under tenure for private driveway, utility corridor, waste transfer site, and park purposes on Crown land in the vicinity of La Casa Lakeside Cottage Resort (CL-15-10) Central Okanagan West Electoral Area ***WITHDRAWN from the agenda***

3. **ADOPTION OF THE AGENDA**

#187/15

BAKER/BASRAN

THAT the agenda be adopted as amended.

CARRIED Unanimously

4. **ADOPTION OF MINUTES**

4.1 Regular Board Meeting – September 28, 2015 and Public Hearing – September 28, 2015 (*All Directors – Unweighted Vote*)

#188/15

STACK/GRAY

THAT the Regular Board meeting minutes of September 28, 2015 be adopted.

AND FURTHER THAT the Public Hearing minutes of September 28, 2015 be received.

CARRIED Unanimously

5. CORRESPONDENCE

5.1 Okanagan Basin Water Board Meeting Highlights – October 9, 2015

#189/15

FINDLATER/STACK

THAT the Okanagan Basin Water Board meeting highlights of October 9, 2015 be received for information.

CARRIED Unanimously

5.2 Okanagan-Kootenay Sterile Insect Release Board Meeting Highlights – September 18 & October 9, 2015

#190/15

SIEBEN/BAKER

THAT the Okanagan-Kootenay Sterile Insect Release Board meeting highlights of September 18 and October 9, 2015 be received for information.

CARRIED Unanimously

6. COMMUNITY SERVICES

Planning

6.1 Report regarding a FrontCounter BC referral application to withdraw Crown land from disposition for the purpose of transferring the land as an addition to the Westbank Indian Reserve in the vicinity of Highway 97C, adjacent to Trepanier Road. (CL-15-09) Central Okanagan West Electoral Area (*All Directors – Unweighted Vote*)

Staff report dated October 19, 2015 outlined the referral application for the disposition of six Crown land parcels for the purpose of transferring the land as an addition to Westbank Indian Reserve for an indefinite term. The disposition is associated with a negotiated land exchange between Westbank First Nation (WFN) and the Ministry of Transportation and Infrastructure for lands required for a highway improvement project.

The parcels are located within the Trepanier area of Central Okanagan West Electoral Area, approximately 92½ acres of land. Staff reviewed an overhead of the subject property. There is no information available as to what the future land use is being proposed by WFN.

Staff noted the District of Peachland has provided a letter of opposition to the application listing issues such as: property is located in their watershed, Trepanier Road is not designed for large volumes of traffic which may become an issue in the future should gravel production begin within the site, property should be included in the West Kelowna Fire Protection contract with WFN and that the property will not conflict with the proposed Hwy 97 bypass in this area.

Staff report outlined various agency comments including Parks Services comments regarding RDCO's ongoing interests in the area for recreational trail connection opportunities. Historically, FrontCounter does take the conditions provided by RDCO into consideration.

The Board was reminded that RDCO does not have any decision making authority and that FrontCounter has indicated their desire to move forward with a decision shortly. It was noted that addition to reserves takes a long time and can be a frustrating process for the applicant. Often lands are not contiguous to current First Nation lands. It was further noted that WFN could purchase any Crown land and local governments would have no opportunity for comment.

Councillor Werstuik addressed comments raised at the Board table. Westbank First Nation live in the area and water is critical to their people as it is with others, provincial legislation applies to forestry work, environmental protection is critical to their people—laws of general application apply, their laws meet or exceed provincial standards, the gravel pit has not been in operation for years, as good neighbours would not do something contradictory to local areas, road right-of-way is not included or subject to the agreement. WFN has fulfilled their obligations in respect to the highway upgrades and believes the land falls within their aboriginal lands and title.

The question was raised if Trepanier residents have been asked to comment. It was noted that community meetings are not normally held for a provincial referral application such as this.

#191/15

BAKER/BASRAN

THAT FrontCounter referral application for the purpose of withdrawing Crown land from disposition for the purpose of transferring the land as an addition to the Westbank Indian Reserve (indefinite term) under the *Land Act* in the vicinity of Highway 97C, adjacent to Trepanier Road (CL-15-09) for Ministry of Transportation and Infrastructure be conditionally supported subject to:

- The issues and concerns of the District of Peachland, Ministry of Forests, Lands and Natural Resource Operations (Resource Management) and Regional District Parks and Planning staff (noted and appended in the October 19, 2015 Board report) being addressed or applied as conditions to the application for disposition of the subject Crown land parcels.
- Any issues or concerns submitted from the City of West Kelowna being addressed or applied as conditions to the application for disposition of the subject Crown land parcels.

CARRIED (opposed: Carson, Fortin)

6.2 Report regarding a FrontCounter BC referral application to purchase three parcels of land currently under tenure for private driveway, utility corridor, waste transfer site, and park purposes on Crown land in the vicinity of La Casa Lakeside Cottage Resort (CL-15-10) Central Okanagan West Electoral Area (*All Directors - Unweighted Vote*) **WITHDRAWN FROM THE AGENDA AT THE REQUEST OF LA CASA STRATA**

Bylaws: (Second & Third Reading & Adoption)

6.3 Zoning Amendment Bylaw No. 871-231 for R. & T. Hill (owners) Rafter 4K Contracting Ltd. (agent) to amend the zoning from A1 Agricultural to A1s Agricultural (Secondary Suite) to develop a legal suite within the existing single detached house adjacent to Anderson Road (Z15/05) Central Okanagan East Electoral Area (*All Directors – Unweighted Vote*)

Staff report dated October 19, 2015 outlined the application to legalize a secondary suite in an existing single detached house.

#192/15

BAKER/FINDLATER

THAT Zoning Amendment Bylaw No. 871-231 (application Z15/05) be given second and third readings and adopted.

CARRIED Unanimously

Bylaws: (Adoption)

6.4 Zoning Amendment Bylaw No. 871-230 for R. & K. Ensign (owners) to amend the zoning from RU3 Rural 3 to RU3s Rural 3 (Secondary Suite) to develop a legal suite within a proposed single family dwelling adjacent to Trepanier Road (Z15/04) Central Okanagan West Electoral Area (*All Directors – Unweighted Vote*)

#193/15

BAKER/FINDLATER

THAT Zoning Amendment Bylaw No. 871-230 (application Z15/04) be adopted.

CARRIED Unanimously

Environmental

6.5 Regulations Bylaw and Water System Fees and Charges Bylaws for Regional District Owned Water Systems – Central Okanagan East and Central Okanagan West

Staff report dated October 19, 2015 outlined the changes proposed to the six water systems in the two electoral areas. Open houses were held earlier in the year to inform area residents of the proposed changes—the Open Houses were well attended. One regulatory and six individual water system bylaws have been developed. Staff noted that there are separate fee structures for each water system.

Staff provided an overview of why the rates were reviewed and why they need to increase. Overall, the current operating revenue is not sufficient to fund operating costs. Each system is financially independent and must be self-sustaining. Asset renewal was not under review for the current study, only active customers. The current user fees collected are not meeting the operating costs. In the past, any shortfall has been made up by the asset renewal and that is not the intent of asset renewal. This means that undeveloped parcels have been subsidizing active users.

Objectives of the rate structure review included:

- Financial accountability
 - o Operation and maintenance costs to be fully funded by users
- Encourage conservation
 - o Promote conservation and the value of water
- Equitably funded
 - o Rates should be equitable and defensible

Open houses were well attended in the communities. Residents had the opportunity to come out and offer comments. The numbers in the report presented today were presented at the open houses. Staff are recommending option 3 as it gives the best financial accountability, promotes conservation and is equitable amongst the customers. It was noted that the rates for Sunset Ranch and Upper Fintry have been reduced due to new growth since June.

There is a base fee as part of the user fee represented by 80% for fixed costs. The other 20% is focusing on the consumption side. Since 2010, RDCO is making every effort to meter to find out what is being used. Staff are seeing a downward trend in consumption since metering began.

Increasing rates for water is not unique to the Central Okanagan, many local governments are in the process of raising water rates. BC Water & Waste Association in 2015 assessed water rates in BC to determine if rates are recovering full costs of the service. The study showed in BC the majority of local governments do not generate sufficient revenues from fees to pay for the full cost of providing services. Half of municipality water rates need to increase by 125% or more to cover true costs.

In discussion it was noted:

- Conservation can create a disconnect as operating costs remain the same but revenue may fall due to conservation. Staff have analysed each of the operations and that is why option 3 is recommended. Option 3 will capture the fixed costs. Financial risk will be avoided through this rate structure.
- Staff are confident moving forward with this direction and meeting current upgrades (ie:leakage). Annual reviews will be done.
- There are more vacant parcels contributing to the asset renewal than active users. Vacant parcels do not contribute to user fees.
- Rates are not unlike other municipal rates.
- Operating costs are what they are and must be met by the users.
- Open houses clearly stated rates were to increase. They were well attended.
- Staff reviewed the consultation process: it has been extensive; all information presented today was presented through newsletters, justification why review taking place; development of material explaining justification was put on website including a rate calculator; after that six open houses were held and well attended, over 100 participants as well as feedback received; staff followed up on residents who had more questions.
- Concern noted that asset renewal was used to cover operating costs. That is the exact reason why rate increases are required.
- Rate increases were done in 2012 but they do not cover the current operating costs.
- Small water systems are expensive. Each system has to be self-funding.
- Water quality is important to all citizens receiving water. Local governments have a duty to produce clean, high quality water and that means investment in systems.

Councillor Werstuik left the meeting at 8:50 a.m.

- The CAO provided an overview of the legal opinion received regarding voting on this matter. Under the *Local Government Act* if only one director is allowed to vote, 791(11) the full Board is required to vote on an issue.
- An option is to give first reading to the bylaws which would provide the electoral area directors time to continue review of the Board report.
- The bylaws will come forward for further readings and adoption at the November 12th Board meeting.

- a) RDCO Water Systems Regulations Bylaw No. 1370, 2015, **1st reading, 2nd and 3rd readings and Adoption** (All Directors – Unweighted Vote)

#194/15

FINDLATER/BASRAN

THAT RDCO Water Systems Regulations Bylaw No. 1370, 2015 be given first reading this 26th day of October 2015.

CARRIED (opposed Carson/Hanson)

- b) RDCO Water System Fees and Charges Bylaws, **1st reading, 2nd and 3rd readings and Adoption** (All Directors – Unweighted Vote)

- Killiney Beach Water System Fees & Charges Bylaw No. 1371
- Falcon Ridge Water System Fees & Charges Bylaw No. 1372
- Sunset Ranch Water System Fees & Charges Bylaw No. 1373
- Dietrich Water System Fees & Charges Bylaw No. 1374
- Westshore Estates Water System Fees & Charges Bylaw No. 1375
- Upper Fintry, Shalal Road, and Valley of the Sun Water System Fees & Charges Bylaw No. 1376

#195/15

FINDLATER/BAKER

THAT Killiney Beach Water System Fees & Charges Bylaw No. 1371 be given first reading this 26th day of October, 2015;
THAT Falcon Ridge Water System Fees & Charges Bylaw No. 1372 be given first reading this 26th day of October, 2015;
THAT Sunset Ranch Water System Fees & Charges Bylaw No. 1373 be given first reading this 26th day of October, 2015;
THAT Dietrich Beach Water System Fees & Charges Bylaw No. 1374 be given first reading this 26th day of October, 2015;
THAT Westshore Estates Water System Fees & Charges Bylaw No. 1375 be given first reading this 26th day of October, 2015;
THAT Upper Fintry, Shalal Road, and Valley of the Sun Water System Fees & Charges Bylaw No. 1376 be given first reading this 26th day of October, 2015;

CARRIED (opposed Carson/Hanson)

6.6 RDCO Solid Waste Management Regulation Amendment Bylaw No. 1377, **1st reading, 2nd and 3rd readings and Adoption** (EA Directors – Weighted Vote)

Staff report dated October 19, 2015 outlined a new regulation for the addition of a late penalty payment. This will align the solid waste management bylaw with other utility bylaw regulations for water and sewer.

In the past late fees have not been charged and bills do not get paid so they get transferred to taxes. This is best practice by other local governments. This rate is consistent with other governments.

#196/15

CARSON/HANSON

THAT RDCO Solid Waste Management Regulation Amendment Bylaw No. 1377, 2015 be given first reading this 26th day of October 2015.

CARRIED Unanimously

6.7 RDCO Central Okanagan East Sewer Systems Amendment Bylaw No. 1378, **1st reading, 2nd and 3rd readings and Adoption** (All Directors – Weighted Vote)

Staff report dated October 14, 2015 outlined the fee increases for the Sunset Ranch sewer system. The proposed fee increases are necessary to offset the increase in costs from the City of Kelowna and operational costs.

The Sunset Ranch sewer system is connected to the City of Kelowna and the fees charged make up approximately 70% of the expenses associated with the budget for Sunset Ranch. Proposed fee increases will result in a 12% increase to costs for connected parcels.

#197/15

SIEBEN/BAKER

THAT RDCO Central Okanagan East Sewer Systems Amendment Bylaw No. 1378 be given first reading this 26th day of October 2015.

CARRIED Unanimously

6.8 Westshore Water System – Reservoir Capital Project (*All Directors – Unweighted Vote*)

Staff report dated October 19, 2015 outlined the background for increasing the Westshore Water System budget in order to building two new reservoirs. The new reservoirs will replace the two existing reservoirs that service the entire Westshore Water System. The current reservoirs are not able to be properly maintained and cleaned, corrosion of the construction material is thought to be negatively impacting water quality and leakage. New reservoirs will also ensure fire flow and peak capacity is met. The increase in project scope and budget will take advantage of the economies of scale from combining the Westshore reservoirs project with the improvement of the Killiney Beach Water System.

In 2015, it was originally anticipated to complete work on one reservoir. Staff noted it has been a struggle getting contractors to bid on small rural contracts. Staff anticipate moving forward with projects such as this early in the year may increase the number of bids received. It is anticipated the increase in scope will qualify for water improvement community works grants. At this time staff need to be assured the Board will support the project in order to move forward in Q1 in 2016.

#198/15

BAKER/OPHUS

THAT the Regional Board receive the Westshore Water System – Reservoir Capital Project report for information.

CARRIED Unanimously

7. FINANCIAL & ADMINISTRATIVE SERVICES

7.1 RDCO 2015 – 2019 Financial Plan Amending Bylaw No. 1379, 1st, 2nd and 3rd readings and Adoption (*All Directors – Weighted Vote*)

Staff report dated October 16, 2015 outlined the amendments to the 2015-2019 Financial Plan including:

- Change in project timing and costs – Killiney Beach Water System
- Amended reservoir project costs – Westshore Water System
- Addition of funds for the Joe Rich Fire Department Cisterns project

- The overall project was approved in July, but the budget amendment was not done at that time. The plan is to complete the project in Q1 2016.

Director Carson requested further time to consider the amendment to 307 – Westshore Water System; therefore, it was agreed by consensus to remove that amendment from the proposed bylaw. Staff will provide further information on the benefits of the project to the Director and a further budget amendment will be brought forward to the November 12th Board meeting.

#199/15

BAKER/FORTIN

THAT Regional District of Central Okanagan 2015 – 2019 Financial Plan Amending Bylaw No. 1379, as amended removing 307-Westshore Water System, be given first, second and third readings and adopted.

CARRIED Unanimously

7.2 Information Report – Purchase Commitments >\$100,000 during 3Q 2015
(All Directors – Unweighted Vote)

Staff report dated October 13, 2015 outlined as per the Purchasing Policy, the purchase commitments greater than \$100,000 during the third quarter of 2015.

#200/15

BASRAN/BAKER

THAT the Regional Board, as per section 4.6 of the RDCO Purchasing Policy, receive for information the report on the purchase commitments which exceeded \$100,000 made during the third quarter, ending September 30, 2015.

CARRIED Unanimously

7.3 RDCO Audit and Financial Statements Review (All Directors – Unweighted Vote)

Staff report dated October 13, 2015 outlined a request to the Board that going forward the audit and financial statement direction come directly to the Board rather than the Audit Committee as has been the practice. In the past, due to timelines it has been a challenge to have the Audit Committee review the statements in advance of the Board requirements to approve the statements. The Board can delegate their authority to the Audit Committee to approve the statements but the policy currently states the Audit Committee review the statements first. This creates extra costs to have the auditor report the same information to the Audit Committee and then to the Board.

#201/15

OPHUS/FINDLATER

THAT all information with respect to the Audit and Financial Statements come directly to the Regional Board rather than via the Audit Committee.

CARRIED Unanimously

7.4 Updated Financial Signing Authorities and Authorizations Policy (*All Directors – Unweighted Vote*)

Director Baker left the meeting at 9:30 p.m.

Staff report dated September 24, 2015 outlined proposed changes to the financial signing authorities and authorization policy including:

- Reflect staff titles,
- Document other payment authority processes,
- Add component that addresses electronic fund transfers,
- Limit for cheques/payments requiring Board signature from \$10,000 to \$25,000 (this limit has not changed in 18 years).

#202/15

FORTIN/STACK

THAT Regional Board Policy 7.8 – Cheque Signing Policy be repealed;

AND FURTHER THAT the Regional Board approve Policy 7.81 – Financial Signing Authorities and Authorizations.

CARRIED Unanimously

Director Baker returned at 9:35 p.m.

7.5 2016 – 2020 Budget Process Timeline Report – For Information Only (*All Directors – Unweighted Vote*)

Staff report dated October 13, 2015 outlined the budget process timelines for 2016.

#203/15

BAKER/GRAY

THAT the report for the 2016-2020 budget process timelines be received for information.

CARRIED Unanimously

7.6 2016 – 2020 Financial Plan Request Items for Preliminary Discussion – For Information Only (*All Directors – Unweighted Vote*)

Staff report dated October 13, 2015 provided a preview of significant items and estimates for possible inclusion in the 2016-2020 Financial Plan. This is provided at this time for information and further direction, if required.

Staff is aiming for little to no requisition increases in the 2016 budget. This will be balanced with building reserves and sustainable asset management. Of note, most capital projects are funded through reserves.

The review of the fire prevention service will come forward Nov 12th.

Regional Parks – there is a proposed increase in the number of operating projects. The whole picture needs to be looked at when surpluses or deficits are calculated. Putting dollars in reserves last year had a tax impact. There are staff increases proposed.

Okanagan Regional Library – projected cost reductions. The Library Board is reviewing percentage increases for electoral areas and WFN. A Board decision is likely in November. Their proposal is to use the population figures for the RDCO, not BC Statistics which are shown to be unfair.

#204/15

BASRAN/DEHART

THAT the update on the 2016-2020 Financial Plan request items be received for information.

CARRIED Unanimously

8. PARKS SERVICES

8.1 2016 UBCM Age-friendly Community Planning & Project Grant (*All Directors – Weighted Vote*)

Staff report dated October 19, 2015 outlined the UBCM Age-friendly Community Planning & Project grant. To continue to improve information to the public including improvement to signage for users to find and navigate the regional parks, staff are recommending support for an application for \$20,000 to the Union of BC Municipalities (UBCM).

#205/15

OPHUS/SIEBEN

THAT the Regional Board approves staff to complete and submit a grant application to the 2016 UBCM Age-friendly Community Planning & Project Grant Program for \$20,000 of funding towards the completion of a Regional park Age-friendly Recreational Access Project.

CARRIED Unanimously

8.2 Strategic Wildfire Prevention Initiative – Support for Projects (*All Directors – Weighted Vote*)

Staff report dated October 19, 2015 outlined the UBCM Strategic Wildfire Prevention Initiative grant applications for funding of operational fuel management treatments in Mill Creek and Black Mountain/Sntsk'il'nten Regional Parks.

The question was raised whether grant funds can be applied to community parks such as Killiney Beach Park. It was noted that UBCM would likely not support funding for small community parks. Of note, staff worked with WFN when they were doing fire mitigation work on adjacent lands in Westshore. There is no government grant funding for private lands. Staff will continue to review operational needs in the community parks.

#206/15

OPHUS/BAKER

THAT the Regional Board support the October 2015 UBCM Strategic Wildfire Prevention Initiative applications for funding of operational fuel management treatments in Mill Creek and Black Mountain/Sntsk'il'nten Regional Parks including planned activities and overall grant management for these forest fuel reduction treatments;

AND FURTHER THAT the Regional Board continues to support future RDCO applications to the UBCM Strategic Wildfire Prevention Initiative which include planned activities and overall grant management for both forest fuel reduction prescriptions and onsite operational fuel treatments in regional parks in accordance with the 2015-2019 Financial Plan.

CARRIED Unanimously

8.3 City of Kelowna Licence of Occupation – Mission Creek Regional Park Bus Stops (*All Directors – Weighted Vote*)

Staff report dated September 28, 2015 outlined the request from the City of Kelowna for approval of a five-year Licence of Occupation to permit the construction and operation of two transit stops/shelters at Mission Creek Regional Park along Springfield Road.

#207/15

BAKER/STACK

THAT the Regional Board approves providing a 5-Year Licence of Occupation to the City of Kelowna for the construction and operation of two transit/shelters over a 71.7m² and 44.4m² portion of Mission Creek Regional Park along Springfield Road for a 5-Year term.

CARRIED Unanimously

10. DIRECTOR ITEMS (*information items*)

- Directors noted there are Halloween events being held at the Oyama Community Hall and Westshore in Central Okanagan West.
- The Interior Heart & Surgical Centre has officially been opened. The Regional Hospital District's financial contribution to the project was well represented.

12. ADJOURN IN CAMERA

#208/15

OPHUS/BAKER

THAT pursuant to Section 90 (c), (g), (i), (k) of the *Community Charter* the Regional Board adjourn and convene to an 'In-Camera' session to discuss:

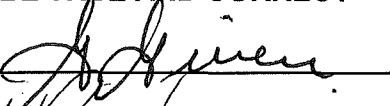
- Employee relations
- Litigation
- Receipt of advice that is subject to solicitor-client privilege
- Negotiations related to a service

CARRIED Unanimously

There being no further business the meeting was adjourned at 10:02 p.m.

CERTIFIED TO BE TRUE AND CORRECT

G. Given (Chair)



B. Reardon (Director of Corporate Services)

