



STAFF REPORT

TO: Greater Vernon Advisory Committee

File No: 5770.06.15.03

FROM: Utilities Department

Date: December 6, 2023

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

RECOMMENDATION:

That the report dated December 6, 2023 from the Utilities Department titled “Corix Multi-Utility Services Inc.: Rolling Hills Service Area Petition to Connect to Greater Vernon Water (GVW) – Results” be received.

BACKGROUND:

At the Board of Directors meeting on July 21, 2021, the following motion was passed:

“That staff be directed to begin working with the owner of the Rolling Hills Water Utility, Corix Utilities Inc., upon receiving their letter application to begin the Expression of Interest process of the Regional District of North Okanagan Utility Acquisition Policy No. ENG-WTR-002 to connect to Greater Vernon Water.”

At the Board of Directors meeting on September 27, 2023, the following motions were passed:

“That staff be directed to proceed assisting Corix Utilities Inc. with the petition process to connect benefitting users within the Rolling Hills Service Area to Greater Vernon Water.”

“That if the petition to connect benefitting users within the Rolling Hills Service Area to Greater Vernon Water is successful, the project costs including construction and associated fees be financed by borrowing internally from the Greater Vernon Water (GVW) Capital Reserve; and further,

That the project cost be included in the 2024 Greater Vernon Water capital budget and the recovery of principal and interest to repay the GVW Capital Reserve be through a fee to be included in the GVW Rates Imposition Bylaw and to be applied to the Rolling Hills Service Area for a period of twenty (20) years; and further,

That the interest rate be set at 4.58%, representing the projected interest rate by the Municipal Finance Authority of BC for their next long term debt issue.”

SUMMARY:

The Regional District of North Okanagan (RDNO) petitioned the property owners in the Rolling Hills Service Area (RHSA) in order to determine the future direction of the RHSA. The two (2) options for the property owners were to connect to GVW, with GVW upgrading infrastructure, or upgrade the system to provincial standards through Corix Multi-Utility Services Inc. (Corix). The petition results indicated that only 42% were in favour of connecting to GVW; therefore, the RHSA will continue to be owned and operated by Corix.

DISCUSSION:

Okanagan Landing Water Utility (previously called the Rolling Hills Water Utility) is owned and operated by Corix who submitted a letter of expression to connect to Greater Vernon Water (GVW) in 2021. The properties serviced are located within the City of Vernon in the Okanagan Landing Area that services residents on Myriad, Osprey, Chukar and Quail Roads and referred to in this report as the Rolling Hills Service Area (RHSA). The RHSA is currently supplied by a well with no treatment, no storage for fire capacity, the pipes are undersized for fire flows and there is no backup power generation. Corix is required by Interior Health to complete improvements to the utility to meet provincial standards. To achieve this, their options were:

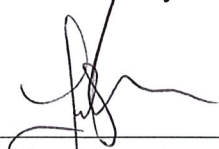
1. Connect to GVW following the process outlined in the RDNO Utility Acquisition Policy No. ENG-WTR-002 (Acquisition Policy). After review, it has been established that this will entail upsizing the pipe mains, installing hydrants for fire flows, installing meters and connecting to the GVW 600mm supply main on Okanagan Road, OR
2. Upgrade the system to provincial standards that would include building a water treatment facility, an enclosed reservoir and pump station with backup generation with a fire pump as well as upsizing all the pipe mains to accommodate fire flows.

The petition letter provided a deadline for submissions of November 30, 2023. An open house was conducted on October 17, 2023 at the RDNO office, with representatives from Corix, to discuss concerns and answer any questions. In addition, staff also fielded calls and email inquiries.

Petition Results:

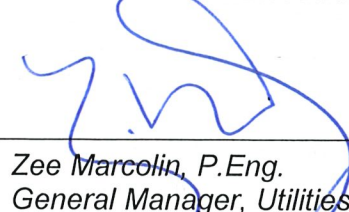
Of the 53 parcels within the RHSA, 22 parcels (42%) provided the RDNO with returned signed petition forms, representing \$8,601,400 (39%) of the total assessed value of land and improvements. The RHSA will not be connected to GVW since the minimum threshold of 50% of the parcels, representing at least 50% of the total assessed value of land and improvements that would be subject to a Rolling Hills fee applied to the quarterly utility bill was not achieved.

Submitted by:



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Reviewed and endorsed by:



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Reviewed and endorsed by:



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Approved for Inclusion:



David Sewell
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