



# REGIONAL DISTRICT OF NORTH OKANAGAN

MINUTES of a **SPECIAL** meeting of the **GREATER VERNON ADVISORY COMMITTEE** held in the Board Room at the Regional District Office on Tuesday, January 24, 2012

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<b>Members:</b>	Director M. Macnabb	Electoral Area "C" (Chair)
	Director R. Sawatzky	City of Vernon
	Alt. Director B. Spiers	City of Vernon
	Alt. Director C. Lord	City of Vernon
	Alt. Director J. Garlick	District of Coldstream (Vice-Chair)
	Councillor G. Kiss	District of Coldstream
	Director B. Fleming	Electoral Area "B"
	T. Osborn	Agricultural Representative
	K. Smith	School District 22 Representative
<b>Staff:</b>	T. Hall	Administrator
	D. McTaggart	General Manager Engineering
	D. Sewell	General Manager Finance
	A. Cotsworth	Utilities Manager
	Z. Marcolin	Utilities Engineer
	P. Juniper	Executive Assistant (taking minutes)
<b>Also Present:</b>	Director R. Fairbairn	Electoral Area "D" (Board Vice-Chair)
	Director J. Cunningham	City of Vernon
	Director S. Fowler	City of Armstrong
	Director D. Dirk	District of Coldstream
	Councillor P. McClean	District of Coldstream
	Councillor M. Besso	District of Coldstream
	Media and public	

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## CALL MEETING TO ORDER

The Chair called the meeting to order at 8:00 a.m.

## APPROVAL OF AGENDA

Moved and seconded by Councillor Kiss and Alt. Director Lord  
That the Agenda of the January 24, 2012 Greater Vernon Advisory Committee – Special Meeting be approved as presented.

**CARRIED**

## UNFINISHED BUSINESS

### 2012 Greater Vernon Water Budget Presentation

The General Manager Engineering opened the presentation and advised the Committee that the program objectives for Greater Vernon Water are to provide clean, safe, reliable drinking water to our customers in quantities necessary to meet current and future demand and to make "Water Quality Advisories" a rare event.

Engineering staff provided a presentation to the Committee regarding the Greater Vernon Water Utility. The following was presented:

- Historical overview of the Utility and formation of Greater Vernon Water from three water utilities
- Challenges to the 2002 Master Water Plan
- Review of the 2004 Master Water Plan update
- System challenges
  - o System cobbled together
  - o Many sources each with their own risks
  - o Agricultural demand
    - Noted that agricultural separation is required as demand at Duteau Creek Water Treatment Plant is above current plant capacity at maximum day demand.
  - o Domestic Demand is ever increasing
- Impacts to budget
- Review of Master Water Plan works completed to 2011
  - o 49.6 million has been spent to the end of 2011 on the Master Water Plan and the \$35M Loan Authorization Bylaw No. 1920, 2004 has been fully expended
  - o \$18.4M has been received in grants
  - o Scheduling of one separation plan has been moved up to take advantage of the Ministry of Highways road construction taking place on Highway 6
- Review of current Master Water Plan – 2012 and beyond
  - o Update is expected to be complete in the fall of 2012
- Impacts of delaying the Master Water Plan
  - o Duteau Creek Water Treatment Plant is operating at peak during maximum day demand
  - o Increased operational costs to treat agricultural water
  - o Increased health risk when Duteau Water Treatment Plant is bypassed due to peak demand
  - o No ability to shut down the plant for emergency repairs during summer peak demands
- Review of 2012 budget
  - o Current funding model of \$1.9 million allows for maintenance of the Utility
  - o Total of \$15.1 million is required to maintain the system for 2012 (operating costs of \$13.2 million and \$1.9 million for infrastructure renewal)
  - o Additional \$4 million in capital funding required to continue with separation and filtration projects
  - o Noted that taxation would not be an option for 2012

The regular meeting of the Greater Vernon Advisory Committee recessed at 10:15 a.m.

The regular meeting of the Greater Vernon Advisory Committee reconvened at 10:36 a.m.

### **Financing the Cost of the Master Water Plan**

Moved and seconded by Councillor Kiss and Alt. Director Garlick  
That it be recommended to the Board of Directors that a Special Committee be formed to investigate methods of funding to pay for the Master Water Plan.

**CARRIED**

Moved and seconded by Director Sawatzky and Alt. Director Lord  
That it be recommended to the Board of Directors that the 2012 Greater Vernon Water budget be increased to \$21.7 million which includes:

- \$1.9 million in infrastructure renewable capital; and
- \$6.6million in enhancement capital; and
- \$13.2 million in operations costs.

**CARRIED**

**Opposed: Councillor Kiss**

Moved and seconded by Alt. Director Garlick and Director Sawatzky  
That it be recommended to the Board of Directors that Greater Vernon Water rates be amended to include a 17% increase in 2012 and an additional 17% in 2013 to fund an annual enhancement capital envelope of approximately \$4 million dollars per year.

**CARRIED**

It was noted that recommendation on how to allocate the 17% increase would be discussed at the February 2, 2012 meeting pending receipt of information from staff.

### **Notice of Motion – Water Rates Policy**

The Committee noted that the following Notice of Motion that was postponed from the December 8, 2011 Greater Vernon Advisory Committee meeting:


1. *Whereas infrastructure financing in the past has been recovered through general (ad-valorem) taxation and since the current method of financing through user rates appears to be a departure from normal practices, be it resolved that infrastructure financing for all projects approved by referenda or alternate approval process, including water infrastructure, be recovered through general taxation; and further That until such time as the current infrastructure improvements are paid for, there would be no replacement reserves be collected for replacement of infrastructure currently being financed; and further; That it be recommended to the Board of Directors that these policies be approved.*
2. *Whereas the objectives of the Greater Vernon Advisory Committee are to encourage reduction of water consumption and discourage excessive consumption be it resolved that it be recommended to the Board of Directors that "flat" component of the fee structure is reduced to a comfortable level that will contain a reasonable volume of water quota. This model will reward low consumers and discourage excessive consumption.*

had been discussed and addressed by the Committee therefore additional discussion would not be required.

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 11:25 a.m.

**Certified Correct:**

  
Chair

  
Corporate Officer