



STAFF REPORT

TO: Board of Directors

File No: 3900.3069

FROM: Corporate Services

Date: March 18, 2026

SUBJECT: Swan Lake Wastewater Loan Authorization Bylaw No. 3069, 2026

RECOMMENDATION:

That Swan Lake Wastewater Loan Authorization Bylaw No. 3069, 2026 be given First, Second and Third Readings; and further,

That Bylaw No. 3069, 2026 be forwarded to the Inspector of Municipalities for approval; and further,

That staff be directed to undertake an alternative approval process for the entire service area pursuant to section 342(4) of the *Local Government Act* to determine the opinion of the electors with regard to adopting Swan Lake Wastewater Loan Authorization Bylaw No. 3069, 2026; and further,

That the Regional District of North Okanagan (RDNO) make an application to the Okanagan Basin Water Board (OBWB) for a Sewerage Facilities Assistance Grant (SFA) based upon the RDNO's portion of the North Okanagan Wastewater Recovery project.

SUMMARY:

The RDNO has previously adopted the *North Okanagan Wastewater Recovery Service Establishment Bylaw No. 2797, 2018* and *North Okanagan Wastewater Recovery System Loan Authorization Bylaw No. 2798, 2018*. Bylaw No. 2797 provided for the development and operation of a wastewater recovery system within portions of Electoral Areas "B" and "C" of the Regional District of North Okanagan and Bylaw No. 2798 provides for the ability to borrow up to \$5.2 million to facilitate the acquisition, development and operation of a wastewater recovery system.

The purpose of *Swan Lake Wastewater Loan Authorization Bylaw No. 3069, 2026* is to borrow up to \$4.8 million dollars for the purposes of funding the North Okanagan Wastewater Recovery project collections work. More specifically, this funding will be the portion of financing that is supported by the 16% SFA Grant from the OBWB. The OBWB's Grant does not provide the funds up front but rather supports the debt servicing costs of the equivalent amount of debt over twenty years. Consequently, the RDNO needs to undertake a borrowing process to obtain the funds necessary for construction.

DISCUSSION:

To date, the North Okanagan Wastewater Recovery Project has been led by the Township of Spallumcheen as it was the recipient of the Investing in Canada Infrastructure Program (ICIP) Grant (\$24.3 million) and have awarded the contracts to date with service providers in advancing the project to this point. It is the participants vision that the common works (treatment assets and possibly some trunks mains and related infrastructure) would be collectively owned through a service at the RDNO

and that the individual collection works would be owned by the respective jurisdictions. Spallumcheen has the corporate powers to own its own collection system and the RDNO has (through Bylaw No. 2797) the authorization to own its collection system. At this time, the collective service as envisioned by the Swan Lake Wastewater Treatment Service Establishment Bylaw No. 2984, 2024 has not been adopted. With the deadlines for project completion established under the terms of the ICIP Grant, the partners are moving forward with this project with Spallumcheen being responsible for the Treatment and Spallumcheen collection works and the RDNO taking responsibility for the collection works with Electoral Areas 'B' and 'C'.

Under the original plan, the Township of Spallumcheen (Spallumcheen) was going to frontend the equivalent of the full OBWB grant. Consistent with the revised approach is the division of the anticipated OBWB Sewerage Facilities Assistance grant between Spallumcheen and the RDNO and the requirement that each jurisdiction undertake the necessary borrowing process to provide the funds needed for construction of this project.

FINANCIAL/BUDGETARY CONSIDERATIONS:

The current estimated costs for this project are:

Accrued Expenditures to Date	(\$ millions)
ICIP	\$5.6
Common Works / Spallumcheen	
ICIP	\$13.3
ICIP Interest	\$0.8
Reserves	\$1.5
OBWB SFA Debt	\$2.9
	\$18.5
Collections Works RDNO	
ICIP	\$5.4
Supplemental Provincial Grant	\$9.5
Interest on Grant	\$0.4
OBWB SFA Debt	\$4.8
Borrowing Bylaw (Original)	\$5.2
Community Works Fund from Electoral Area(s)	\$0.4
	\$25.7
Total	\$49.8

Based on current interest rates, the annual debt payment on \$4.8 million over 20 years will be approximately \$370,000 per year. The anticipated OBWB SFA Grant for the RDNO portion of the works will be an equivalent amount.

As part of the loan authorization process, it is important to apply for and confirm the amount that the OBWB will grant to the RDNO.

Assuming the OBWB SFA Grant is approved in full, the grant will be sufficient to cover the annual debt servicing costs under this loan authorization bylaw and consequently will not have any impact on taxation or sewer user fees to ratepayers in the service area.

LEGAL/STATUTORY PROCEDURAL REQUIREMENTS:

Statutory procedural requirements to adopt a Loan Authorization Bylaw through an Alternative Approval Process would include the following:

1. First, Second and Third Readings of *Swan Lake Wastewater Loan Authorization Bylaw No. 3069, 2026* by the Board;
2. Statutory approval by the Inspector of Municipalities;
3. Approval of the electors through an Alternative Approval Process (AAP); and,
4. Upon receiving approval of the electors, Bylaw No. 3069, 2026 can be Adopted by the Board.

COMMUNICATIONS CONSIDERATIONS:

The RDNO will be undertaking a communications strategy in conjunction with the AAP consistent with the requirements of the *Local Government Act*.

Submitted by:



Ashley Bevan
Corporate Officer

Reviewed and endorsed by:



Stephen Banmen
General Manager, Finance

Approved for Inclusion:



David Sewell
Chief Administrative Officer

REGIONAL DISTRICT OF NORTH OKANAGAN

BYLAW No. 3069

A bylaw of the Regional District of North Okanagan to authorize the borrowing of up to \$4,800,000 for the North Okanagan Wastewater Recovery Service in support of the Okanagan Basin Water Board Sewerage Facilities Assistance Grant

WHEREAS pursuant to section 406 [*Regional district loan authorization bylaws*] of the *Local Government Act*, and section 179 [*Loan authorization bylaws for long term borrowing*] of the *Community Charter*, the Board of the Regional District of North Okanagan may, by a Loan Authorization Bylaw, borrow money for any purpose of a capital nature;

AND WHEREAS this Bylaw relates to the *North Okanagan Wastewater Recovery Service Establishment Bylaw No. 2797, 2018* to fund the North Okanagan Wastewater Recovery project collections work;

AND WHEREAS the Regional District proposes to borrow a sum not exceeding four million, eight hundred thousand dollars (\$4,800,000), with repayment of the debt over a term up to twenty (20) years, to fund the North Okanagan Wastewater Recovery project collections work;

AND WHEREAS the Okanagan Basin Water Board provides Sewerage Facilities Assistance Grants that support the debt servicing costs of 16% of eligible costs;

AND WHEREAS the estimated eligible costs of the construction of the collection works are approximately thirty million dollars;

AND WHEREAS the participating jurisdictions are Electoral Areas “B” and “C” within the Regional District of North Okanagan;

AND WHEREAS the Board has, by resolution, provided that approval of the electors be given by alternative approval process within the entire Service Area;

AND WHEREAS pursuant to section 345 [*Approval by alternative approval process*] of the *Local Government Act* and section 86 of the *Community Charter* participating area approval has been obtained within the entire service area for borrowing money for any purpose of a capital nature to fund the North Okanagan Wastewater Recovery project collections work;

AND WHEREAS the authority to borrow under this bylaw expires five years from the date on which this bylaw is adopted;

NOW THEREFORE the Board of the Regional District of North Okanagan, in open meeting assembled, hereby **ENACTS AS FOLLOWS:**

CITATION

1. This Bylaw may be cited as “**Swan Lake Wastewater Loan Authorization Bylaw No. 3069, 2026**”.

LOAN AUTHORIZATION

2. The Regional District of North Okanagan is hereby empowered and authorized to borrow upon the credit of the Regional District up to a sum of four million, eight hundred thousand dollars (\$4,800,000).
3. The debt incurred in this Loan Authorization Bylaw relates specifically to the *North Okanagan Wastewater Recovery Service Establishment Bylaw No. 2797, 2018*.
4. To acquire such real property or fund capital expenditures including the installation of pipe, construction of lift stations and associated treatment works as may be requisite or desirable for or in connection with the North Okanagan Wastewater Recovery project collections work.
5. The maximum term for which a debenture debt may be issued to secure the debt created by this bylaw is for a term not to exceed twenty (20) years.

Read a First, Second and THIRD Time this day of , 2026

Approved by the Inspector of Municipalities this day of , 2026

Received Elector Approval by Alternative Approval Process this day of , 2026

ADOPTED this day of , 2026

Chair
Shirley Fowler

Corporate Officer
Ashley Bevan