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**MEETING TYPE AND DATE:** REGULAR MEETING – NOVEMBER 2, 2021  
**AUTHOR:** DIRECTOR OF POLICY AND LEGAL AFFAIRS  
**SUBJECT:** OPERATIONAL RISK MANAGEMENT POLICY REVIEW

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**ESSENTIAL QUESTION:** Does Council think that by adopting these operational risk management policies, they are reducing the District's exposure to risk and liability?

**OPTIONS:**

- A. THAT Slope Stability Management Policy 191, 2021 be adopted;  
AND THAT Fire Hydrants (Water Systems) Inspection and Maintenance Policy 192, 2021 be adopted.
- B. THAT Slope Stability Management Policy 191, 2021 not be adopted;  
AND THAT Fire Hydrants (Water Systems) Inspection and Maintenance Policy 192, 2021 not be adopted.
- C. THAT adoption of Slope Stability Management Policy 191, 2021 and Fire Hydrants (Water Systems) Inspection and Maintenance Policy 192, 2021 be postponed pending receipt of additional information as identified by Council.

**EXECUTIVE SUMMARY:** The District of Lake Country is a member of the Municipal Insurance Association of British Columbia (MIABC). As a Risk Management tool, MIABC strongly recommends its member municipalities have Operational Risk Management Policies in place. This initiative is to ensure the safety of the public and staff, and to minimize adverse financial effects to the municipality and to provide staff with direction and certainty in optimizing services to the community.

MIABC has a Grant Program to develop risk policies for its member municipalities. Lake Country was successful in receiving a grant and has worked with an MIABC consultant in developing these Operational Risk Management Policies suited to the needs of our community.

These policies are intended to read as standalone documents and recognize that, balanced against the nature and quality of the risk involved, the District's system of inspections is reasonable in light of all circumstances, including budgetary limits, available personnel and equipment, in the criteria of wanting to meet the standard duty of care.

**BACKGROUND/HISTORY**

The Municipal Insurance Association of BC (MIABC) is a member-owned and operated organization. It provides, among other services, liability coverage for its members. The Association currently insures approximately 170 Municipalities and Regional Districts in British Columbia. This represents approximately 90% of Local Governments in the Province. The District of Lake Country has been a member of MIABC since incorporation.

MIABC also provides Risk Management Services to its members. This includes Risk Management advice and education. The Association offers outreach programs to its members. Funding for Risk Management initiatives is part of the outreach program. The District did receive a grant from MIABC to be used in planning and developing Operational Risk Management Policies and Procedures.

The development and implementation of these policies and procedures is twofold. They are used to minimize adverse financial effects of losses to the District and they also provide District staff with certainty to optimize service levels in the community.

The methodology used to develop these policies and procedures included consultation with the District's Director of Engineering and Environmental Services, Public Works Manager and Utilities Manager. The consultation focused on the process and frequency used for inspections and maintenance of the various areas of the Municipality's operations.

The Slope Stability Management Policy 191, 2021 background information and draft policy was presented to Mayor and Council on February 2, 2021, March 2, 2021 and April 6, 2021. Council directed staff to revise the policy to:

- i. Reference to Public Health and Safety needs to be placed higher up the list within the policy
- ii. Standards for recordkeeping should be clarified within the policy
- iii. The policy should clarify the content of public, private, or the lands involved in an event
- iv. The revised policy to be brought back to council.

During the preparation of the Fire Hydrants (Water Systems) Inspection and Maintenance Policy 192, 2021, the City of Kelowna, the District of Peachland, Glenmore Ellison Irrigation District and the Fire Underwriters Survey (FUS) were consulted. The FUS noted, "Generally we look for a managed maintenance program with specific testing criteria left to the municipality."

## ANALYSIS OF OPTIONS FOR CONSIDERATION

OPTION A: If Council approves the attached policies, it will reduce the district's risk and minimize the financial effects of losses to the municipality.

OPTION B: If Council does not approve the attached policies, it may open the municipality to unwanted liability.

OPTION C: If Council postpones the approval of the attached policies, staff will work to ensure additional information is provided and will return for Council's consideration at the next possible meeting.

A recent Supreme Court of Canada decision suggests unwritten operational policy decisions may not offer municipalities immunity from liability. Further, we are entering a season of rain, snow and freeze/thaw which may put the District at higher risk of land slip without a Council policy to address the matter.

Respectfully Submitted,

Michael J. Mercer, P.Eng.  
DIRECTOR OF POLICY AND LEGAL AFFAIRS

This report has been prepared with the collaboration of the following individuals:

COLLABORATORS	
TITLE	NAME
Public Works Manager	Scott Unser
Utilities Manager	Kiel Wilkie
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This report has been prepared in consultation with the following departments:

CONCURRENCES	
DEPARTMENT	NAME
Chief Administrative Officer	Tanya Garost
Director of Engineering & Environmental Services	Matthew Salmon
Director of Utilities	Greg Buchholz

ATTACHMENTS:

Attachment A - Slope Stability Management Policy 191, 2021

Attachment B - Fire Hydrants (Water Systems) Policy 192, 2021