
MEETING TYPE: Regular Council Meeting
MEETING DATE: May 21, 2024
AUTHOR: Kiel Wilkie, Utilities Manager
DEPARTMENT: Utilities
ITEM TITLE: Carr's Landing Water Servicing Strategy – Coral Beach Water System
DESCRIPTION: Consideration of Coral Beach Water System cost recovery as it relates to the Carr's Landing Water Servicing Strategy.

PURPOSE

To consider if the Coral Beach Water System falls within the Carr's Landing Local Service Area (LSA), and if not, how their portion of costs would be recovered should the Carr's Landing LSA be successful.

RECOMMENDATION

THAT the Coral Beach Water System, as shown in Attachment A to the report to Council dated May 21, 2024, be included in the Carr's Landing Local Service Area, subject to public feedback and to be finalized at the establishment of the local service area bylaw.

EXECUTIVE SUMMARY

The District's 2023 Water Master Plan identified a servicing concept to address water distribution issues in the Carr's Landing area, including aging infrastructure, water quality concerns, and inadequate fire protection. The Carr's Landing Water Servicing Area (Attachment B) encompasses the Coral Beach Water System, a satellite system under District ownership since the late 90s, and if faced with the same issues stated. Improving this system as part of the Carr's Landing water servicing strategy offers cost efficiencies. Council direction is sought on cost recovery options for Coral Beach water system properties.

DISCUSSION/ANALYSIS

When the Coral Beach water system was taken over by the District in the late 90s, owners were provided with options for the extent of improvements to be completed. At the time, the owners in the Coral Beach water servicing area elected to complete the bare minimum improvements in order to keep their water system functional. Their improvements were paid for as part of an LSA which has since expired.

Currently the Coral Beach Water system has the following issues:

- Aging infrastructure
- Water quality concerns (non-compliant with IHA standards)
- Inadequate fire protection

Improving the Coral Beach water system within the Carr's Landing project is deemed the most cost-effective to resolve the issues. Three options for cost recovery are presented:

Option 1 – Incorporate the Coral Beach Water System parcels into the Carr's Landing LSA. The Coral Beach water system properties would be included in the LSA bylaw, which will detail the vote process and cost recovery methodology.

Option 2 – Recover the Coral Beach Water System's portion of costs through their water rate structure. The portion of Carr's Landing water improvement costs benefiting Coral Beach customers would be deducted from the Carr's Landing LSA and collected through Coral Beach water rates. This approach maintains the Coral Beach water system as a satellite entity separate from the larger Lake Country Water System.

Option 3 - Recover the Coral Beach Water System's portion of costs from the larger Lake Country water users. The portion of Carr's Landing water improvement costs benefiting Coral Beach customers would be deducted from the Carr's Landing LSA and incorporated into the larger Lake Country water users rate structure. Coral Beach water rates historically have only been able to fund their own daily operation and maintenance expenses. Adding these costs to the larger Lake Country water system will increase the water rates.

APPLICABLE LEGISLATION, BYLAWS AND POLICY

The LSA petition process and taxation methods are governed by Part 7, Division 5 of the Community Charter.

Councils' ability to charge and set fees for the provision of a service such as water are governed by Part 7, Division 2 of the Community Charter.

IMPACT ON INFRASTRUCTURE, SERVICES AND STAFF CAPACITY (if applicable)

The Carr's Landing LSA process and potential project will have significant impacts on infrastructure, services, and staff capacity. However, the impacts of this discussion are not considered significant to staff capacity in context of the overall process.

FINANCIAL IMPLICATIONS

☐ None ☐ Budget Previously Approved ☒ Other (see below)

Whether through LSA taxes or rate structures, costs to individual Coral Beach properties are expected to be similar. Recuperating the Coral Beach's portion of cost through their own rate structure will require the water system to be identified as a separate satellite system.

Alternatively, cost recovery from the larger Lake Country system will lead to increased rates for the larger Lake Country system.

CONSULTATION (Internal referrals, External Agencies, Committees, Stakeholders)

N/A

COMMUNICATIONS (if applicable)

Effective communication with residents is crucial for making informed decisions. Communicating Council's preferences resulting from this discussion will assist the community and Council in making informed decisions when the petition process is initiated.

ALIGNMENT WITH COUNCIL STRATEGIC PRIORITIES

- ☐ Create and Support Opportunities for a Healthy, Active and Inclusive Community
- ☒ Create Infrastructure That Meets Community Needs
- ☐ Encourage Growth of the Downtown Core
- ☒ Ensure Sustainable Water Service Delivery for the Community
- ☐ Explore Opportunities to Engage With Regional Local Governments for the Betterment of the Community
- ☐ Honour Reconciliation by Strengthening Relationships and Inclusiveness With Our Indigenous Partners
- ☐ Identify and support improvements to the Development Process
- ☐ Implement the Agricultural Plan
- ☐ Preserve, Protect and Enhance Our Natural Environment
- ☐ Secure long term wastewater service delivery for our community
- ☐ Support Opportunities to Diversify Lake Country's Tax Base

ALIGNMENT WITH MASTER PLANS

- | | |
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| <input type="checkbox"/> Agricultural Plan | <input type="checkbox"/> Official Community Plan |
| <input type="checkbox"/> Climate Action Charter | <input type="checkbox"/> Parks & Recreation Master Plan 2019 |
| <input type="checkbox"/> Housing Needs Report | <input type="checkbox"/> Sanitary Sewer System Map |
| <input type="checkbox"/> Liquid Waste Management Plan Stage 1/2 Report | <input type="checkbox"/> Transit Future Plan-Central Okanagan Region-DRAFT |
| <input type="checkbox"/> McCoubrey Plateau Area Structure Plan | <input type="checkbox"/> Transportation for Tomorrow |
| <input type="checkbox"/> Mobility Master Plan | <input checked="" type="checkbox"/> Water Master Plan |

OPTIONS

- A. THAT the Coral Beach Water System, as shown in Attachment A of this report, be included in the Carr's Landing Local Service Area, subject to public feedback and to be finalized at the establishment of the local service area bylaw;
- B. THAT the Coral Beach Water System, as shown in Attachment A of this report, portion of cost as they relate to the Carr's Landing water servicing strategy be recuperated through their water rates, subject to public feedback and to be finalized at the establishment of the local service area bylaw;
- C. THAT the Coral Beach Water System, as shown in Attachment A of this report, portion of cost as they relate to the Carr's Landing water servicing strategy be recuperated through the Lake Country water system rate structure, subject to public feedback and to be finalized at the establishment of the local service area bylaw;

Respectfully Submitted,
Kiel Wilkie, Utilities Manager

Report Approval Details

Document Title:	Carr's Landing Local Service Area - Coral Beach Water System.docx
Attachments:	- Attachment A - Coral Beach Water System.pdf - Attachment B- Carr's Landing Water Servicing Area.pdf
Final Approval Date:	May 16, 2024

This report and all of its attachments were approved and signed as outlined below:

No Signature found

Trevor James, CFO, Director of Finance & Administration - May 9, 2024 - 2:14 PM

Reyna Seabrook, Director of Corporate Services - May 15, 2024 - 11:56 AM

Paul Gipps, Chief Administrative Officer - May 16, 2024 - 7:50 AM