RDOS Area "D" Service & Boundary Study
Fact Sheets
December 2021

ADMINISTRATION SERVICES

➢ What services are provided?

General administration services consist of a variety of functions that support the elected officials of the RDOS and their work, as well as the overall management of the organization, including the following services:

- Corporate Facilities
- Finance
- General Government
- Human Resources
- Legislative Services
- Information Services
- Electoral Area Administration
- Grants in Aid
- Rural Projects, and,
- Equipment Purchases.

Together these services include all of the functions that support the Board and Committee meetings, elections and referenda, finance, human resources, information systems, communications, as well as property, record and risk management. Corporate Facilities, Finance, Human Resources, Legislative Services and Information Services is charged out as an administrative overhead based on the Board's policy.

➢ Who delivers the service?

General government and administration services are delivered primarily by RDOS staff under the direction of the Chief Administrative Officer (CAO), who is responsible for service delivery and organizational management. The RDOS CAO is supported by a senior management team comprised of 9 positions: Managers of Legislative Services, Human Resources, Finance, Information Services, Engineering, Operations, Community Services, Planning and Building & Bylaw Enforcement. The senior management team oversees a total complement of approximately 100 full- and part-time staff.

In addition to the RDOS functions and services, all electoral area residents pay a fee to the office of the Surveyor of Taxes, to cover the cost of collecting taxes on behalf of the province. The Surveyor imposes a fee on taxpayers of $5.25 for each $100 in property taxes levied by regional districts and improvement districts. This fee covers the cost of administration, enforcement and bad debts.

➢ Who makes decisions?

Decisions regarding general government and administrative services are made by the RDOS Board of Directors. Some services apply to all electoral areas and member municipalities, in which case decisions regarding policies and spending would be made by the full Board. Other services which apply just to electoral areas (such as electoral areas administration), would be made by only those Board members representing the areas participating in the service (i.e. electoral area representatives). The CAO is then responsible to implement the directives of the Board, including administrative decisions that occur at the staff level.

➢ What is spent by RDOS on the services?

The total amount spent for general government and administration can be broken down into:

- the 2021 budgeted cost for RDOS general government;
- the 2021 budgeted cost of electoral area administration services;
- the 2021 budgeted cost for general services unaccounted for through other services, such as grants in aid and rural projects in Area "D."
- the Surveyor of Taxes fee for collecting the regional district's taxes (Area "D" amount).

Total budgeted costs for 2021 are shown in Figure 1. The amounts in Figure 1 for represent the total cost of these services, and not the portion that Area "D" residences pay for through tax requisition. The portion for the Grants in Aid, Rural Projects and Surveyor of Taxes is the amount only for Area "D".

It is worth noting that some costs reflect an unusual year. Rural projects, for instance, included a $103,250 cost for the Centennial Park Washrooms (funded through Gas Tax), as well as an extra $40,000 contingency and $45,000 allocation to the operating reserve, all of which resulted in a budget for 2021 that is considerably higher than the more typical $40,500 budget in 2022 and 2023.

➢ How are the costs recovered?

While administration encompasses many services, several of these services are paid by allocating administration costs to each individual service, and recovering that amount from that service and attributing the "recoveries" to some of the administrative services. Accordingly, several of these services are not paid for through directly through tax requisition, but instead are recovered from the individual services. Where amounts have been recovered from individual services already referenced in other fact sheets, those will not be double counted here. Services that are funded primarily from administrative recoveries include Corporate Facilities, Finance, Human Resources, Information Services, Legislative Services and Equipment Purchases.

General government, electoral area administration, rural projects and grant in aid services are not recovered through internal "recoveries" and instead are recovered through property taxes on the basis of converted assessment, including land and improvements. Other revenue sources for general and electoral area government include small portion of grants in lieu of taxes, provincial grants, interest income and miscellaneous revenue.

Figure 1
Cost of Services
2021

Service Component	Cost[1]
RDOS General Government	$1,606,663
Electoral Area Administration	$2,463,411
Area "D" Grants in Aid	$21,457
Area "D" Rural Projects[2]	$227,209
Surveyor of Taxes	$134,833
Corporate Facilities	$532,899
Finance	$160,729
Human Resources	$168,607
Legislative Services	$320,230
Equipment Purchases	$43,028
Information Services	$907,750
Total	**$6,586,816**

1 Cost estimates are from adopted 2021 budget figures
2 2021 was estimated at a higher than usual cost for Rural Projects due to a Gas Tax funded project in Area "D" (centennial park washroom), as well as higher contingency, and some surplus funds that were earmarked for the operational reserve. The total budgeted cost of the Centennial Park Washroom in 2021 was $103,260.

Reserve accounts are created for most services in order to set aside funds for future expenditures. All reserve funds associated with general government and administration are shown in Figure 2.

Figure 2
Reserve Totals
Administration

Service	Reserve Total[1]
General Government Capital	$259,919
General Government Feasibility Fund	$157,509
Rural Area Feasibility Fund	$75,624
Information Systems (Operating Reserve)	$91,062
Information Systems Renewal	$101,889
Electoral Area "D" Community Gas Tax	$614,209
GIS Mapping	$85,149

1 Reserve totals are as at the end of 2020.

The Surveyor of Taxes charges a fee of 5.25% calculated on the total Regional District taxes levied to each property. The amount therefore varies per property, based on services received and assessed value. This amount has not been included in the RDOS rates referenced in individual service *Fact Sheets*, as not to double count.

➢ What is the cost to the typical resident?

Figure 3 provides the cost to a typical Area "D" residence for general administration services. The 2021 property tax impact of administration services provided by RDOS to Area "D" is approximately $525,618. This translates into $175 on a home assessed at $450,000. In addition, owners pay the Surveyor of Taxes fee of 5.25% on the total amount of regional district taxes collected (for all services, not just administration), bringing the total to $220. As referenced above, the actual Surveyor of Taxes fee paid by residents will reflect 5.25% of the regional district tax requisition for each specific property, and the services received (and paid for) by that property.

Figure 3
Cost Impact on Typical Residence
2021

Service	Tax Req.	Res. Rate	Owing[1]
Area "D" General Government	$76,225	0.0564	$25.38
Area "D" EA Admin	$406,785	0.3010	$135.43
Grants in Aid	$16,762	0.0124	$5.58
Rural Projects	$25,846	0.0191	$8.61
Surveyor of Taxes[2]	$134,833	0.0998	$44.89
Total	**$660,451**		**$219.89**

1 Impact is calculated on a home assessed at $450,000

2 Total Surveyor of Taxes fee paid depends upon the services received by (and tax requisition paid by) each property. Figure shown is an average based on total collected in Area "D" and the $450,000 assessed value

➢ What impact would incorporation have on these services?

Incorporation is not expected to have a significant impact on any of the administrative services referenced in this Fact Sheet. The services that are delivered to all electoral areas would be delivered to a smaller service area, and those delivered just to Electoral Area "D" would be adjusted depending on the incorporated area. Where services lose contributions from the newly incorporated municipality (i.e. electoral area administration), there may be a corresponding reduction in the costs for those services, resulting in minimal changes to the overall taxation requirements.

Once incorporated, a municipality would no longer contribute to electoral area administration, nor grants in aid or rural projects. The same types of grants and projects could be funded through the new municipality. Municipal residents would contribute to the costs of the municipal administration, which would support a council of 5 or 7 members, rather than the shared cost of electoral area directors. A new municipality would also require a municipal hall for staff and Council, whether through a lease of existing space, or through ownership of a building.

To offset administrative costs, a new municipality would also receive a provincial Small Community Grant from the Province toward administration costs (just as regional districts receive a grant for administration costs). The new municipality would also have access to a few different funds that are not available to regional districts, including a 1% utility tax and a franchise fee for natural gas.

As a municipality, residents would no longer pay the provincial Surveyor of Taxes. Instead the municipality would be responsible for issuing tax notices and collecting and remitting taxes to the appropriate authority.

It is difficult to determine the overall impact of the changes in administration, particularly before confirming the tax base and population that will share in both the additional costs as well as the additional revenue sources.

Residents would continue to contribute to the General Government costs shared amongst all the RDOS municipalities and electoral areas. From a governance perspective, a municipal council member would represent the municipality as a director on the RDOS Board, and the municipal director would participate in discussions and decisions regarding regional services in which the municipality participates

RDOS Area "D" Service & Boundary Study
Fact Sheets
November 2021

BYLAW ENFORCEMENT SERVICES

➢ What service is provided?

Bylaw Enforcement
Area "D" has established regulatory bylaws and service areas for:

- dog control;
- untidy and unsightly premises;
- noise control; and,
- electoral area planning.

Each of these services includes a bylaw enforcement component. Bylaw enforcement staff respond to contraventions of these bylaws and services, primarily on a complaint basis, guided by RDOS enforcement policies. Bylaw enforcement is therefore not a separate service, but rather a component of several services.

On its website, the RDOS notes that "the goal of any proactive Bylaw Enforcement program is not to penalize residents but rather to achieve voluntary compliance with reasonable standards through increased public education and awareness of our regulations and the rationale for them." The website also notes that a new Bylaw Enforcement Procedures Policy was adopted in 2018 to provide direction and consistency to staff, elected officials, and members of the public on how bylaw enforcement complaints will be processed. The policy states that the RDOS relies primarily on written citizen complaints as a means of enforcing regulatory bylaws, and that the RDOS has no duty to take enforcement action with respect to every contravention of every bylaw that may be occurring within its jurisdiction, allowing discretion based on need and urgency.

Enforcement of bylaws, policies and regulations in service areas other than the four services referenced above, is generally done by RDOS staff who deliver the service, such as building inspectors for the Building Bylaw. Bylaw enforcement staff are typically only involved in services other than those mentioned above when fines are issued.

Dog Control
Dog control is a service that regulates the licensing and control of dogs. In addition to enforcement and education, the service includes shelter operations for impounded or dangerous dogs. A shelter is provided in Penticton and Oliver.

Untidy and Unsightly Premises
Untidy and unsightly premises service includes regulations to address issues related to the collection of garbage, water and other materials on properties as well as noxious weeds, graffiti and safety hazards from natural materials. The policy for triggering bylaw enforcement for this service within Area "D" is that a property must be referenced by three unrelated complainants from within the Electoral Area. As noted for all RDOS untidy/unsightly premises services, all complaints must be in writing and filed on the appropriate form. Due to the challenges in enforcement with these issues, complainants must be willing to appear as a witness in the event the matter proceeds to enforcement through the courts.

Noise Control
Noise control regulates noises that disturb neighbours, including the operation of equipment, idling of certain vehicles and barking dogs. Noise control is provided to six of the nine electoral areas. Bylaw 1527.01 indicates that no person shall cause or permit to be cause, any noise in Electoral Area "D" that disturbs the quiet, peace, rest, enjoyment, comfort or convenience of the neighbourhood. The bylaw also notes exceptions,

including acceptable days/times for operating equipment.

Electoral Area Planning

The majority of bylaw enforcement activity involves the enforcement of the RDOS land use regulations (zoning bylaws) that are part of the Electoral Area Planning service. Bylaw enforcement is only one component of the broader service of Electoral Area Planning. The scope and costs of that service are detailed in a separate *Planning & Building Services Fact Sheet*. All land use related complaints must be in writing and signed, and while contact information for the complainant must be provided, it is kept confidential to protect the identity of the complainant. There are no criteria as to who may lodge a complaint for land use infractions.

➢ Who makes decisions?

The full RDOS Board of Directors makes decisions regarding the bylaw enforcement budget, policy and procedures, and decisions concerning legal action to be pursued. Decisions specific to electoral area planning (e.g., approval of new land use and zoning bylaws) are made by the group of directors that participate in this service. In the case of electoral area planning, all nine electoral areas participate.

Bylaws related to dog control, noise and untidy premises are approved the entire Board, with unweighted voting, because they represent regulatory services.

➢ Who delivers the service?

RDOS Development Services department manages all bylaw enforcement and dog control matters. Bylaw enforcement staff includes one full-time coordinator and one clerk. A temporary bylaw coordinator was added for 6-month term to assist with workload. The RDOS contracts the delivery of bylaw enforcement fieldwork and dog control through two separate contracts. Currently, both contracts are held by South Okanagan Security Services.

The RDOS utilizes the Town of Oliver Animal Shelter and the City of Penticton Animal Shelter to house dogs as required. The shelters, and operation of them, are provided by the respective municipalities through contracts. The SPCA and other rescue agencies provide adoption services for unclaimed dogs.

➢ What is spent by the RDOS on the service?

The cost of the individual services is summarized in Figure 1, including the following:

- 2021 budgeted cost of the bylaw enforcement service;
- 2021 budgeted cost of the dog control service (all participating areas);
- 2021 budgeted cost of the untidy and unsightly premises service (just areas “D” and “I”);
- 2021 budgeted cost of the noise control (combined total for Areas “D,” “F” and “I”).

It is important to note that while the cost of the bylaw enforcement service is included in the chart ($271,721), the bylaw enforcement budget is recovered (funded) from the electoral area planning service, dog control, as well as untidy and unsightly premises and noise control service budgets from each of the participating areas. The bylaw enforcement budget is therefore already accounted for in the *Planning & Building Services Fact Sheet*, as well as other service budgets shown here. The amount shown in Figure 1 is therefore not in addition to the costs already referenced in other service budgets.

Figure 1
Cost of Services
2021

Service Component	Cost[1]
Bylaw Enforcement[2]	$169,435
Dog Control[3]	$117,075
Area "D" & "I" Unsightly/Untidy Premises	$52,312
Area "D" & "F" Noise Control	$5,531

1 Cost estimates are from adopted 2021 budget figures

2 Bylaw Enforcement budget includes $20,825 of Dog Control budget, plus all of the untidy and noise bylaw amounts

3 Dog Control cost is for 8 Electoral Areas, not just Area "D."

Costs associated specifically with the dog control service are largely for contracted services ($96,000), shelter rentals ($17,000) and bylaw enforcement ($27,707). The untidy premises and noise bylaw costs are comprised primarily of enforcement and contract costs, with some administration. The untidy premises service also has legal fees as an expense.

➢ How are the costs recovered?

As noted above, the of bylaw enforcement expenses are recovered from the electoral area planning and the combined unsightly/untidy premises service. These two services account for about 80% of the bylaw enforcement revenues. The remainder are recovered through dog control and noise control. Taxpayers therefore contribute through property taxes to bylaw enforcement, but the amounts are recovered through the requisitions for these other services.

The costs of the dog control service were recovered primarily through property taxes levied on land and improvements, combined with the enforcement ($6,000) and impound ($1,000) fees as well as licensing revenue ($20,000). Typically property taxes account for approximately 80 per cent of service costs, and enforcement and licensing revenues raise the remainder.

Costs for untidy and unsightly premises and noise control services are raised through property taxes levied on land and improvements. The Area "D" unsightly/untidy premise service has an operating reserve fund, which totaled $7,894 at the end of 2020. There are no operational reserve funds associated with the dog control and noise control services.

➢ What is the cost to a typical residence?

In 2021, residences throughout Area "D" assessed at $450,000, paid $23.78 in property taxes toward dog control, untidy premises and noise control services. Figure 2 summarizes the cost impact on a typical residence. The property tax contribution that residents make to electoral area planning services (which includes some bylaw enforcement) is accounted for in the separate *Planning & Building Services Fact Sheet*, and is not reiterated here, as not to double count the contribution.

Figure 2
Cost Impact on Typical Residence
2021

Service	Tax Req.[1]	Res. Rate	Owing[2]
Dog Control[3]	$27,760	0.0205	$9.23
Area "D" Unsightly Premises[3]	$32,692	0.0242	$10.88
Area "D" Noise Bylaw[3]	$4,326	0.0081	$3.67
Total			**$23.78**

1 Tax requisition & owing amount excludes 5.25% Surveyor of Taxes fee

2 Impact is calculated on a home assessed at $450,000

3 Tax requisition amount is for Area "D" only

➢ What impact would incorporation have on these services?

If any part of Area "D" were to be incorporated, the new municipality would assume the responsibility for enforcing its own bylaws. The municipal Council would therefore be the governing or decision-making authority that could choose to create new a new enforcement policy and procedures, or could adopt one the same as, or similar to that used in RDOS. How actively the municipality wanted to pursue enforcement, and the service level, would be up to the local municipal Council to determine. It is worth noting that local governments are not legally required to enforce their bylaws. This is true for both regional districts and municipalities. Any Council would also become responsible for determining when a bylaw enforcement issue should be pursued in court. Currently that decision would be made by the RDOS Board.

Service delivery of bylaw enforcement could be done by staff hired by the municipality to enforce their own bylaws, or some municipalities choose to contract that service to the regional district, to achieve economies of scale, or just due to the fact that their bylaw enforcement might not warrant full-time staff members.

The cost of the service would depend upon the service level provided. There is no obvious reason,

as a result of incorporation, that the cost for a similar service level would be any different for the incorporated area. As with the RDOS service, bylaw enforcement costs are typically recovered through a combination of taxes, as well as tickets/fine revenues.

One change that would occur in the event of an incorporation is that the new municipality would have the authority to regulate businesses. Generally regional districts do not have the ability to regulate businesses or require business licences. Business licences provide a source of revenue, but only as a means of supporting a service that requires monitoring and inspections, as well as the creation and enforcement of regulations. Many municipalities find that business licencing can be an effective tool to enforce regulations supported by the community.

RDOS Area "D" Service & Boundary Study
Fact Sheets
November 2021

ECONOMIC DEVELOPMENT SERVICES

➢ What service is provided?

Electoral Area "D" participates in two economic development services – one is a regional service that is set up to provide a grant to the Okanagan Film Commission, and the other is a service focused solely on promoting economic development within Electoral Area "D."

Film Commission
The Okanagan Film Commission offers location scouting, tech surveys and liaison and facilitating services. The Film Commission also provides a digital photo library of locations and a crew database of experienced workers in the Okanagan. The Commission is jointly funded by RDOS and the regional districts of the North Okanagan, Central Okanagan, and Kootenay Boundary. Additional funding is provided through the Province of British Columbia.

Electoral Area "D" Economic Development
In 2007 Weyerhaeuser announced that they would be closing their Okanagan Falls plant. In response, the RDOS, on behalf of Electoral Area "D," applied for a grant to assist in economic development for the area. As part of that proposal, the RDOS established an economic development service for Electoral Area "D" and an Economic Development Service/Community Services Office in Okanagan Falls.

Initially the service was focused on finding a new user for the Weyerhaeuser site; however, the broader purpose is to assist the area in attracting business and industry, supporting the health and growth of current businesses and industry, as well as promoting uses that will create jobs.

The service is provided through an office located in Okanagan Falls, separate from the RDOS main office in Penticton. The office is to provide a local point of contact for those seeking information on the electoral area, its economy, community, local services, programs, businesses and development opportunities. The office also provides a home for the volunteers who operate the Okanagan Falls Visitor Information Centre. The service is supported by a website and is led by an economic development coordinator.

An Economic Development and Recovery Plan was completed for Okanagan Falls in 2020. The plan identified 7 goals, and key action items for each goal were developed to provide a work focus for the community and RDOS staff for the next three years. Many of the action items require collaboration, so strong working relationships with the RDOS, Okanagan Falls organizations, and residents are required to implement the plan.

➢ Who makes decisions?

The entire RDOS Board makes decisions regarding the Electoral Area "D" Economic Development service, due to the fact that one Electoral Area Director cannot make decisions on a service alone. Decisions are made on the advice of staff.

The OK Film Commission has an 8-person Board that makes decisions for the Commission. The Board includes representatives from the four regional districts, including one representative from RDOS.

➢ Who delivers the service?

The economic development service is delivered by RDOS staff, under the direction of the Manager of Planning. The service has an economic development coordinator, as well as administrative clerk working in the Okanagan Falls office.

➢ What is spent by RDOS on the service?

Figure 1 shows the total 2021 budgeted cost for delivering the regional and Electoral Area "D" economic development services. The amount of the Area "D" service can vary depending on the projects undertaken. In 2021 the overall service cost was greater due in part to a surplus from a previous year (which then permits a greater contribution to the operating reserves). The service is generally budgeted to have a cost of approximately $180,000 over the next few years.

Figure 1
Cost of Services
2021

Service	Cost[1]
Regional Ec. Dev. - OK Film Commission	$36,050
Economic Development - Area "D"	$211,894
Total	**$211,894**

1 Cost estimates are from adopted 2021 budget figures

The regional economic development service cost is based on a $35,000 annual grant contribution to the OK Film Commission (plus administration). The grant amount is not budgeted to change in the upcoming years.

In addition to the service cost, there is also an operating reserve account created for the Electoral Area "D" economic development service. The reserve total is shown in Figure 2.

Figure 2
Reserve Total
2020

Service	Reserve Total[1]
Area "D" Economic Development Reserve	$15,883

1 Reserve totals are as at the end of 2020.

➢ How are the costs recovered?

Property taxes are the source of funding for both economic development services. Occasionally grant funding or prior years' surplus may be available, but the service is typically funded through property taxes on land and improvements. The Electoral Area "D" service is only recovered from property tax levied on Area "D" properties.

The regional economic development service costs (OK Film Commission) are recovered from all jurisdictions within the RDOS through property tax on assessed values. As noted previously, four regional districts – RDOS, RDNO, RDCO and RDKB provide funds to the Commission, as well as the provincial government.

➢ What is the cost to a typical residence?

The cost of the economic development services are recovered from Electoral Area "D" taxpayers on the basis of property assessments. In 2021 a residence assessed at $450,000 in Area "D" paid approximately $63, as shown in Figure 3.

Figure 3
Cost Impact on Typical Residence
2021

Service	Tax Req.[1]	Res. Rate	Owing[2]
Regional Ec. Dev	$36,050	0.0014	$0.63
Area "D" Ec Dev	$186,386	0.1379	$62.06
Total			**$62.69**

1 Tax requisition amount excludes 5.25% Surveyor of Taxes fee

2 Impact is calculated on a home assessed at $450,000

➢ What impact would incorporation have on these services?

It is expected that a newly incorporated municipality would continue to participate in and contribute to the regional economic development service (contribution to OK Film Commission).

A new municipality would be able to decide whether it wanted to provide and deliver an economic development service focussed solely on the municipality, or whether it wants to participate in a broader initiative with the surrounding electoral area(s). While communities often benefit from a broad marketing of the area, often it is difficult to create consensus about the direction of shared economic development services, or the right focus or funding levels, and there can be a sense of "competing" to attract developers or employers to the area. While a more regional model is used in some areas of the province, others prefer the narrower focus of providing a municipal economic development service.

It is therefore difficult to predict the impacts of incorporation on the service that is divided. It may depend in part upon the boundary, and how much of the area surrounding Okanagan Falls would be contained within a municipality boundary. Given that the Electoral Area "D" service is only provided to that area, it can be estimated that a similar service could be provided at a similar cost by a new municipality. The cost for taxpayers may change, however, depending on the boundary, and who is contributing to the service cost. Providing the same service to a smaller tax base may not result in proportional decreases in service costs.

Regardless, there would be a change in governance. Within a municipality, it would be the municipal Council that would have the authority to make decisions regarding the service, service levels, and whether to participate in a broader regional service or to create a local service provided by the municipality.

RDOS Area "D" Service & Boundary Study
Fact Sheets
November 2021

EMERGENCY SERVICES

➢ What services are provided?

Fire Protection

Part of Area "D" receives fire protection services from the Okanagan Falls Volunteer Fire Department (Figure 1). The department is comprised of a paid-on-call fire chief, a deputy chief and approximately 22 paid on-call firefighters. The fire department is authorized to provide:

- fire protection services
- fire prevention program (public education)
- auto extrication/road rescue services
- medical first responder services ,
- rescue services (still water rescue, low angle rescue, marine rescue, ice rescue), and
- property fire inspections[1]

Portions of Electoral Area "D" that lie outside of the fire service boundary receive no fire protection service. Responsibility for wildfires, as well as Crown lands, rests with the provincial the Wildfire Management Branch, although are often initially responded and attended to by the Okanagan Falls department. Within the Province of B.C. there are 6 fire centres and within each centre are zones. Area "D" is within the Penticton zone.

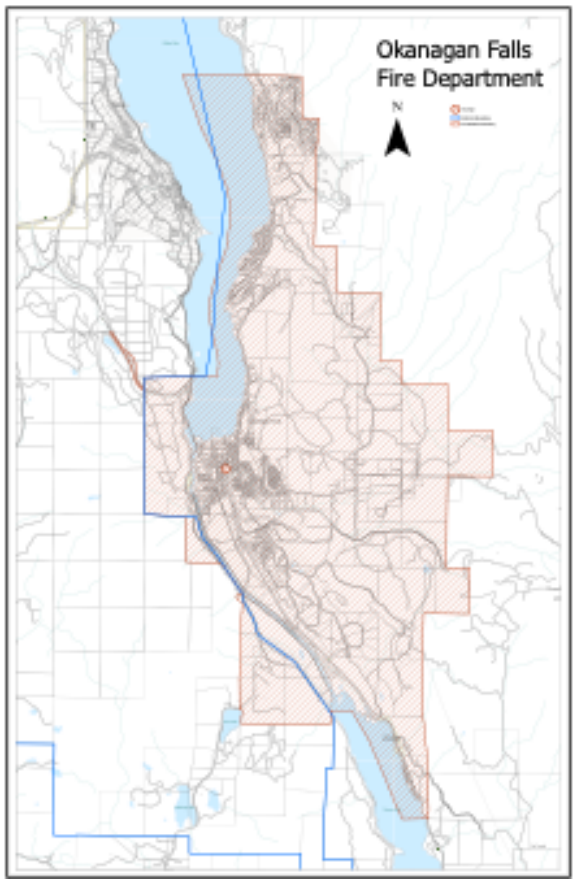
Emergency Planning

The RDOS is the lead local government authority for emergency management throughout the Okanagan-Similkameen region, including all of Area "D". This includes an emergency plan for the entire regional district, a Manager of Emergency Services, an Emergency Program Coordinator, an element of local planning, training and coordination specific to Area "D", and an annual contribution agreement for regional Search & Rescue.

911 Emergency Call System

As with emergency planning, the RDOS also provides 911 emergency telephone service for the entire regional district, including the Penticton Indian Band.

Figure 1: Okanagan Falls Fire Service Area



[1] This service was previously provided on contract. While the department has training, the department is not currently undertaking fire inspections.

Victim Services
Victim services are provided locally by the RCMP, but are supported by the regional district through subsidies from the electoral areas. RCMP Victim Services offers assistance and resources to those in need.

➢ Who delivers the service?

Fire Protection
The Okanagan Falls VFD services the area shown in Figure 1, which includes the communities of Okanagan Falls, Vaseux Lake, Skaha Estates and Heritage Hills. The VFD department is also a signatory to a mutual aid agreement that includes fire departments in Kaleden, Willowbrook, Oliver, Osoyoos, Penticton, Princeton, Summerland, the Hedley Improvement District, the Oliver Fire Protection District, and the Osoyoos Rural Fire Protection District whereby any one of them may, in situations where the resources of their own fire department are insufficient, request assistance from the others to bring the situation under control.

Emergency Services
Emergency planning, coordination and preparedness initiatives are delivered on a region-wide basis to all electoral areas and municipalities within the regional district by the RDOS, overseen by a Manager of Emergency Services who reports to the Manager of Community Services.

Within the boundaries of the Regional District there are four volunteer SAR teams: Keremeos, Oliver/Osoyoos, Penticton and Princeton. These four separate teams combine their efforts to provide mutual aid service throughout the region. Calls for service from Area "D" are generally responded to by Penticton Search and Rescue. The RCMP with jurisdictional authority is responsible for all SAR activity within their catchment areas. Municipal and provincial governments also contribute towards SAR operations within the Okanagan-Similkameen region.

E911 Emergency Call System
Operation of the E911 service is contracted to the Regional District of Central Okanagan in partnership with E-Comm – an emergency communication centre located in the Lower Mainland. The current agreement with E-Comm is valid until December 31, 2021. 911 fire calls for the South Okanagan-Similkameen region are relayed to a secondary dispatch centre at the Kelowna fire hall. 911 medical first response calls are relayed from E-Comm to the Provincial BC Health Services Emergency Dispatch Operations Centre in Kamloops.

Victim Services
Victim Services is one of the programs provided by the RCMP's Community Policing Unit from the detachment in the City of Penticton.

➢ Who makes decisions?

The Okanagan Falls fire chief has operational authority over the fire department, and responsibility for complying with the BC firefighter training "Playbook". Decisions regarding the regional district volunteer fire services, including decisions pertaining to budget and capital expenditures are made by the RDOS Board of Directors. The RDOS has a relatively new Fire Department Operational Bylaw that states that the Chief Administrative Officer oversees the operation of fire services for the regional district, but the bylaw ensures that the RDOS consults with the fire departments on major decisions, such as training programs, operational guidelines and the hiring of new chiefs.

In 2018 the Fire Chiefs created the South Okanagan Similkameen Fire Chiefs' Association, including the chiefs and deputy chiefs of Naramata, Kaleden, Okanagan Falls, Willowbrook, Keremeos and Anarchist Mountain volunteer fire departments. Tulameen Fire Department opted not to participate in the society. The purpose of the society is to benefit volunteer members through sharing training methods, equipment and information. The society also carries out the recruitment process for vacant fire chief positions.

The Chiefs report directly to a Fire Services Committee established by the Board of Directors. The Committee is composed of the directors from the areas that have the regional volunteer fire departments.

Emergency Planning and 911
Decisions for emergency planning and E911, as region-wide services, are made by the full Board of Directors.

Victim Services
Victim Services is provided to a smaller subset of electoral areas; decisions are made by the RCMP that provide the service; the service is structured solely to make a financial contribution to the RCMP's service.

➢ What is spent by RDOS on the service?

The 2021 budget for each of the emergency services are as outlined in Figure 2. It is worth noting that the Okanagan Falls fire service budget was significantly higher than usual in 2021, due to some capital expenditures (fire hall planning and construction). General operating expenses generally range from $380,000 to $400,000. Similarly the Emergency Planning budget undertook a $600,000 wildfire preparedness program initiative in 2021, paid for through a grant; in future years the budget is generally in the range of $515,000 to $530,000, supported by both tax requisition and grants.

Figure 2
Cost of Services
2021

Service	Cost[1]
OK Falls VFD[2 3]	$727,068
Emergency Planning[3]	$1,119,462
911 Emergency Call System	$1,070,522
Victim Services	$13,743
Total	**$2,930,795**

1 Cost estimates are from adopted 2021 budget figures
2 Service area is shown on Figure 1 map
3 Service cost figures represent an unusual year (see text)

In addition to the service costs, there are also operating reserve accounts created for most services, and others have capital reserves as well. It is useful to consider the amounts that the region has set aside for future expenditures.

Figure 3
Reserve Totals
2020

Service	Reserve Total[1]
OK Falls VFD - Equipment	$803,531
OK Falls VFD - Building	$225,023
Emergency Planning Operating	$13,078
911 Capital	$460,747
911 Operating	$297,328
Victim Services Operating	$3,726

1 Reserve totals are as at the end of 2020.

➢ How are the costs recovered?

Fire Protection
The cost of the Okanagan Falls volunteer fire department is raised primarily through property taxes. The tax requisition amount is raised from the properties within the service area based on the assessed value of the property (building and land). The cost of auto extrication services outside of a fire department boundary is funded provincially using a task number assigned by Emergency Management BC.

Emergency Planning
The cost of emergency planning is shared by all jurisdictions (electoral areas and municipalities) in the region, and the costs are raised primarily through property taxes based on assessed value (land and improvements).

E911 Emergency Call Service
Tax requisitions for E911 emergency telephone services are based on the assessed value of improvements only. The costs are shared by all the region's jurisdictions (electoral areas and municipalities).

Victim Services
The requisition for the victim services contribution is raised through property taxes within a defined service area. Area "D" is within a service area that includes Areas "D", "E", "F" and "I".

➢ What is the cost to a typical residence?

The tax impact on areas within Area "D" receiving fire protection from an RDOS volunteer fire department and/or emergency services is shown in Figure 4. The amount owing is based on a home valued at $450,000, of which 50% of the value is assumed to be land value, and 50% improvement or building value.

For example, a residence valued at $450,000 within Okanagan Falls would pay approximately $163 in taxes for fire protection for 2021, along with $21 for other emergency planning, victim services and 911 service.

Figure 4
Cost on Typical Residence
2021

Service	Tax Req.[1]	Res. Rate	Owing[2]
OK Falls VFD	$424,786	0.3626	$163.18
Emergency Planning	$253,245	0.0099	$4.46
911 Emergency Call[3]	$939,069	0.0675	$15.19
Victim Services	$8,743	0.0024	$1.06
Total			**$183.89**

1 Tax requisition amount excludes 5.25% Surveyor of Taxes fee

2 Impact is calculated on a home assessed at $450,000

3 Assessed on improvements only (assumed at $225,000)

➢ What impact would incorporation have on these services?

It is expected that a newly incorporated municipality would continue to participate in and contribute to the RDOS regional services of emergency planning, 911 emergency call services. The costs, services and service levels for these services would therefore not change in an incorporation scenario.

Victim services would continue to be provided by the RCMP; the municipality would be expected to make its own contribution to the service.

Whether the new municipality would assume responsibility for the Okanagan Falls VFD may depend on how the fire service boundary relates to any proposed incorporation boundary. If the boundary encompasses the VFD service area, new municipalities are more likely to want control over the fire department. If any of the existing service areas are not included in a future municipal boundary, those areas could either receive service from a municipal fire department through a fee-for-service contract, or, if agreed to by the municipality and the electoral area, the fire service could remain with the regional district, similar to the Keremeos volunteer fire department.

It is typical that a municipality will provide fire service to all properties within the municipal boundary although this is not required. Depending on the boundary of a proposed incorporation area, this could potentially impact both the service boundaries and how the cost of that service is shared amongst the municipal taxpayers. There could be pressure for a municipal fire department to expand service to cover the entire municipal boundary (if it did not already).

If the fire department becomes a municipal fire service, the new municipality would be required to meet obligations under the *Fire Safety Act* to undertake fire inspections and investigations — obligations that are not imposed on regional districts. While the Okanagan Falls VFD is currently certified to undertake both inspections and investigations, it does not currently complete that work. Extra responsibilities are likely to increase the workload demands of the department and may require the new municipality to increase the stipend for the Fire Chief position or consider a full-time chief in place of the existing POC Fire Chief position.

A change in governance would also occur with an incorporation. The municipal Council would have the authority and responsibility to make decisions regarding the services, service levels, and any agreements to provide services beyond the municipal boundaries.

RDOS Area "D" Service & Boundary Study
Fact Sheets
November 2021

ENVIRONMENTAL SERVICES

➢ What services are provided?

Environmental services within the RDOS include the following services:

- **Destruction of Pests (formerly Noxious Insect Control) Program** – this service includes monitoring, verification of infestations and public education to ensure bylaw compliance for the control of noxious insects (fruit tree pests) delivered to the City of Penticton, District of Summerland, Town of Oliver, Village of Keremeos and all but 1 electoral area (Area "H") within the RDOS. The program focuses on pests not addressed by the Sterile Insect Release Program (outlined later in this section), such as the Western Cherry Fruit Fly, Spotted Wing Drosophilia, Clear Wing Moth and Fire Blight. The goal of the program is to educate individuals that are considering planting a fruit bearing tree or shrub, or already have plantings, about their responsibility to care for their fruit trees and prevent or control destructive pests.

- **Mosquito Control Program** – this service consists of site monitoring of approximately 375 – 425 properties from March to September each year for mosquito larva in all Electoral Areas except Area "E" as well as in Osoyoos, Oliver, Penticton, and Summerland. Regional District technicians check stagnant (still) water bodies for mosquito larvae as well as for the predators that eat the larvae. Once each larval/predator monitoring is complete, non-toxic organic larvicide is applied where required.

- **Invasive Species Program** (formerly noxious weeds) – this service involves the removal of both land-based and aquatic invasive plant species, as well as prevention, education and public relations related to invasive species, delivered on a region-wide basis.

- **Environmental Conservation Service** – this service was created in 2016 to promote protection of natural areas, habitat, water, the environment and wildlife. Participating areas include Electoral Areas "A", "C", "D", "E", "F", and "I" as well as the municipalities of Penticton, Summerland and Oliver. The service administers a Conservation Fund that provides financial support for projects that will contribute to the conservation of the region's valuable natural areas. The intent is to provide funding for conservation projects that are not the existing responsibility of the federal, provincial or local governments.

The RDOS also participates in and contributes to two related pest control partnership programs that are delivered on a multi-regional basis:

- **Nuisance (Starling) Control Program** – this service consists of a starling control (juvenile trapping) program for the protection of agriculture and native bird species. The program is delivered in partnership with the BC Fruit Growers' Association, the BC Cherry Association, BC Grapegrowers Association, Okanagan Tree Fruits Cooperative, the Regional District of Central Okanagan (RDCO) and the Regional District of North Okanagan (RDNO).

- **Okanagan-Kootenay Sterile Insect Release Program** – this service exists to protect tree fruit from the codling moth population and includes monitoring, education, enforcement and population control measures (sterile moth

release, mating disruption, blossom/fruit removal, cardboard banding and/or pesticide application) in partnership with the RDCO, RDNO, Columbia Shuswap Regional District (CSRD) and growers throughout participating regions. All of the RDOS participates in the program except for Area "H", the Town of Princeton and a portion of Area "I."

➢ Who delivers the service?

The Destruction of Pests and Mosquito Control programs are delivered on a seasonal basis to the participating electoral areas and member municipalities by the RDOS Engineering Services department. The Destruction of Pests program updated all of the educational materials and prepared information videos in 2021 to aid in the program delivery. The Mosquito Control Program employs 2 seasonal labourers who carry out all of the monitoring and treatment of the identified sites. The delivery of the Invasive Plant Species is contracted out to the Okanagan and Similkameen Invasive Species Society.

The Environmental Conservation service is delivered by RDOS, but is supported by contracted administrative management support, as well as a Technical Advisory Committee appointed by the RDOS Board that provides expertise in the review and recommendation of projects and recipients of the Environmental Conservation Fund.

The Nuisance Starling Control program is funded jointly by the program partners, and is overseen by a Management Committee that includes representatives from the RDOS, BC Fruit Growers' Association, the BC Cherry Association, the BC Grapegrowers' Association, BC Ministry of Agriculture, landowners whose properties are typically used for trapping and an environmental/naturalist club representative. The program is delivered on a year-round basis through the BC Grapegrowers' Association, which administers the program on behalf of the program partners. Trapping is carried out by a team of professional contracted trappers throughout the three Okanagan Regional Districts - RDOS, RDNO, and RDCO.

The Okanagan-Kootenay Sterile Insect Release (OKSIR) program was established in 1992 as an independent corporation. The program employs and is delivered by a General Manager along with approximately 16 full-time staff and 70 seasonal staff. SIR offices are located in Kelowna, Penticton, Vernon and Osoyoos.

➢ Who makes decisions?

Operational decisions related to the programs delivered by the RDOS (Noxious Insect Control, Mosquito Control, Invasive Plant and Environmental Conservation programs) are made by the RDOS directors representing the participating areas with input from the Manager of Engineering Services and Chief Administrative Officer. Decisions regarding budget matters, the financial plan, regulatory bylaws or borrowing are made by the full Board of Directors.

All matters related to the Nuisance Starling Control program are considered by the Management Committee, and any recommendations are referred to the BC Grapegrowers Association's Board of Directors for decision. The RDOS has 1 representative on the Management Committee. The total number of committee members fluctuates depending on the number of participating landowners.

The OKSIR Board of Directors is the chief governing body for the SIR program. All key decisions related to the program are made by the board. The Board has eight voting and two non-voting members. The voting members are regional district directors (or alternates) appointed by the participating regional districts, and three grower representatives (one of whom is a certified organic grower). The two non-voting members are senior government representatives from Agriculture and Agri-Food Canada and the other from the BC Ministry of Agriculture. Only the five regional district directors vote on financial matters.

➢ What is spent by RDOS on the services?

The total cost of the environmental services that impact Area "D" are shown in Figure 1. The

Figure 1
Cost of Services
2021

Service	Cost[1]
Destruction of Pests	$9,959
Mosquito Control Program	$202,695
Invasive Species Program	$76,033
Environmental Conservation	$461,570
Nuisance Starling Control Program	$25,750
OK Sterile Insect Release Program	$877,587

1 Cost estimates are from adopted 2021 budget figures

amounts shown represent the total cost of these services, and not the portion that Area "D"

residences pay for through taxes. In addition to the service costs, there are also operating and capital reserve accounts created for future expenditures. Reserve totals are included in Figure 2

Figure 2
Reserve Totals
2020

Service	Reserve Total[1]
Destruction of Pests Operating[2]	$9,334
Mosquito Control - Capital	$5,156
Mosquito Control - Operating	$52,555
Invasive Species Operating	$8,380
Environmental Conservation Operating	$518,901

1 Reserve totals are as at the end of 2020.

2 Reserve is for areas participating in the program. A separate operating reserve exists for pest control bylaw enforcement in Summerland only ($7,307).

➢ How are the costs recovered?

Destruction of Pests – the costs of this program are recovered primarily through property taxes in the participating rural areas (levied on assessed values for land and improvements). Contract revenue from participating municipalities pays for the services within municipalities.

Mosquito Control – costs for this program are recovered through a tax requisition, and on transfers from operating reserves as needed. The amount to be recovered from tax requisition is apportioned to each participating area based on a three-year average of how much time was spent by staff in each jurisdiction over the season. Once allocated to each jurisdiction, that amount is raised through property taxes levied on assessed values for improvements only.

Invasive Species Program – the costs of this region-wide service are shared by all jurisdictions within the RDOS, and recovered through property tax requisition (levied on assessed values for land and improvements).

Environmental Conservation – the funds for this service are raised through tax requisition, levied on assessed values in the participating jurisdictions.

Nuisance Starling Control Program - the RDOS participates on a region-wide basis and contributes approximately $25,000 annually towards this program, the costs of which are raised through property taxes levied on assessed values for land and improvements.

Sterile Insect Release Program – the costs of this program are raised through a combination of property taxes and parcel taxes in the participating areas. General taxpayers (including growers) pay property taxes on the basis of the assessed value of their land only (i.e. not improvements), and orchard growers pay through parcel taxes levied on a per acre basis. In 2021 grower parcel taxes paid for approximately 37% of the overall SIR program costs.

➢ What is the cost to the typical resident?

The combined tax impact on residents within Area "D" for the collection of environmental services is shown in Figure 3. The amount owing is based on a home valued at $450,000, of which 50% of that assessed value represents the value of the improvements, or structures, and 50% represents the value of the land.

In addition, under the SIR program, each parcel of property that is 0.3 acre or greater in size with 20 or more codling moth host trees (apple, pear, crabapple and/or quince) are also levied a parcel

tax. In 2021, the parcel tax was set at $139.26 per planted acre. All properties that are levied a SIR parcel tax are assessed for a minimum of 1 acre. This tax only applies to those growers, so in Figure 3 the per acre amount is shown, but not added into the total.

Figure 3
Cost Impact on Typical Residence
2021

Service	Tax Req.[1]	Res. Rate	Owing[2]
Destruction of Pests	$1,194	0.0009	$0.41
Mosquito Control[3]	$6,397	0.0080	$1.80
Invasive Plant Control	$3,291	0.0024	$1.08
Environmental Conservation	$23,415	0.0173	$7.79
Starling Control	$1,388	0.0010	$0.45
OK Sterile Insect Release[3]	$409,002	0.0396	$8.91
OK SIR Parcel Tax[4]	$478,660	$139.26	
Total			**$20.43**

1 Tax requisition amount excludes 5.25% Surveyor of Taxes fee

2 Impact is calculated on a home assessed at $450,000

3 Mosquito Control is only calculated on improvements, and SIR is only on land. Assumed the $450,000 property is 50% improvemnts, 50% land

4 OK SIR parcel tax is only levied on orchard growers, at a rate of $139.26 per acre. is only on land. Assumed the $450,000 property is 50% improvemnts, 50% land

➢ What impact would incorporation have on these services?

Incorporation is not expected to have a significant impact on any of the environmental services referenced in this Fact Sheet. The services are all delivered to a combination of municipalities and electoral areas; it is reasonable to assume this would continue to be the case even after incorporation. The services themselves, and the costs, are not expected to change as a result of incorporation.

The amounts allocated to individual jurisdictions may vary – for instance the Mosquito Control allocation is based on the time spent in each jurisdiction. Depending on the boundary created for a new municipality, and the mosquito issues within it, the amount would fluctuate accordingly.

The primary impact of incorporation on these services is therefore governance, rather than any direct change to the service, service level, or service cost. Once incorporated, a municipal council would have authority to determine whether to participate in (or withdraw from), the various regional environmental services. A municipal council member would represent the municipality as a director on the RDOS Board, and the municipal director would participate in discussions and decisions regarding regional services in which the municipality participates

RDOS Area "D" Service & Boundary Configuration Study
Fact Sheet
October 2021

LIBRARY SERVICES

➢ What service is provided?

Although not delivered directly by the Regional District, the RDOS participates on a library board, contributes toward the upkeep of local branches, and collects taxes that are forwarded to the regional library board.

Library service is provided to Electoral Area "D" by the Okanagan Regional Library (ORL). ORL is a large library system of 29 branches, a service area that stretches from Osoyoos to Golden, and a service population of more than 400,000. The RDOS is one of four regional districts whose electoral areas receive service from ORL. Nineteen municipalities and one First Nation also participate in the system.

Area "D" is served primarily by ORL's Okanagan Falls branch, located in Okanagan Falls (see Figure 1). The Okanagan Falls branch is open 4 days a week for a total of 25 hours. ORL Library cards are free to those who live in, or own property within Area "D".

Many residents in Area "D" also make use of the Penticton Public Library, which is a municipal library, and not part of the ORL system. While Area "D" residents cannot obtain a Penticton Library Card for free (an annual card is $75 for non-residents), because they contribute taxes to the public library system, residents can obtain a free BC OneCard which provides borrowing privileges at any BC public library. At Penticton Library, RDOS residents may borrow up to 15 items at a time, as well as renew materials, place holds, etc. with a OneCard. Materials can be returned to Penticton Library or one of the ORL Library branches.

In addition to the selection of fiction and non-fiction books, magazines, newspapers, and reference materials available at the local branches, the ORL library card gives access to:

- programs for children and adults;
- free Internet access at computer workstations as well as wireless access;
- DVDs, CDs, audiobooks and eBooks;
- Services for members who are print disabled, living in remote areas or seeking materials in other languages; and,
- BC public libraries via the BC OneCard.

➢ Who makes decisions?

ORL is a stand-alone corporation established under the authority of the *Library Act.* ORL's governing body is its Board of Trustees comprised of representatives of the system's member jurisdictions. As per the legislation, each of the 19 participating municipalities appoints a council member as a trustee to the ORL Board. In addition, each of the 4 participating regional districts appoints one electoral area director as a trustee to represent the regional district's electoral areas as a group.[1] The Board consists of 24 trustees, including one trustee appointed by Westbank First Nation.

ORL's Board of Trustees makes all major decisions related to the service. The entire Board votes on all matters. Most decisions, such as policy, are made using a corporate voting model, in which each Board member receives one vote. Decisions related to the budgets and expenditure of monies, however, are made using a weighted vote system that awards votes to members in proportion to the

[1] The Director for Electoral Area "E" represents the RDOS's electoral areas at present.

population size of their respective jurisdictions. With an unincorporated population participating in the service of 19,790, RDOS receives 19 weighted votes (the total for the board is 407).

The Board is supported in its decision-making by staff, as well as by three permanent standing committees: the Policy & Planning Committee, the Personnel Committee and the Finance Committee.

It is important to understand that the boards of participating regional districts, and the councils of participating municipalities, have no formal involvement in ORL governance other than through their appointed representatives on the ORL Board. ORL is an independent corporation, separate from the municipal and regional district corporations that participate in the system.

The only direct involvement RDOS has in the library service is through approval for branch furnishings, fixtures or equipment on an as-needed basis. Support for the fixtures or equipment for the individual Okanagan Falls branch comes from the Area "D" Rural Projects budget. As with any expenditures made from this budget, decisions are made by the Electoral Area Director. The budget amount itself is set and approved by the entire Board.

➢ Who delivers the service?

ORL staff are responsible for the delivery of all aspects of the library service, including:

- front-line branch services (e.g., check-out, reference, children's programs, etc.)
- branch support services (e.g., transporting collections between branches)
- head office functions (e.g., administration, planning, HR, finance, information systems)

Staff in most branches are assisted in some aspects of the service by community volunteers. In particular, the Okanagan Falls branch, on its website, acknowledges the Lions Club and the Royal Canadian Legion #227 are also involved in a program with the library that funds books for toddlers.

➢ What is spent by RDOS on the service?

Figure 2 shows the total 2021 budgeted cost for delivering the ORL library service to the RDOS at $886,759. This represents the cost of delivering library services to the participating electoral areas (Areas A, B, C, D, E, F, G and I), and does not include the municipalities, which are billed directly by the ORL. While the majority of the budget amount shown below represents the requisition from ORL, there is also a small administration cost component for the RDOS.

The amount in Figure 1 represents the total cost of the service, and not the portion that Area "D" residences pay for through user fees or taxes.

Figure 1
Cost of Services
2021

Service Component	Cost[1]
ORL Library	$886,759
Total	**$886,759**

1 Cost estimates are from adopted 2021 budget figures

The RDOS does not keep reserve accounts for the Okanagan Falls library branch. Any fixtures or equipment are funded for through the Area "D" "rural projects" budget as requested.

➢ How are the costs recovered?

Property taxes represent the primary source of funding for the service. Each year, the ORL determines the total amount it requires from its members. The total requirement is then allocated among the participating jurisdictions based on a combination of converted assessment (50%) and population (50%). Cost sharing on the basis of property assessments reflects a community's ability to pay, and cost sharing on the basis of population reflects a community's usage (or potential usage) of the library. The RDOS then apportions that cost amongst all property owners on the basis of property assessments (land and improvements).

In addition to the property tax contributions identified in Figure 2, as noted earlier, each jurisdiction is responsible for providing the branch furnishings, fixtures and equipment within its boundaries. In RDOS, the Area "D" rural projects budget is used to fund these improvements. The rural projects budget is funded through taxes levied on land and improvements within Area "D." There are no library expenditures specifically identified in the rural projects budget for the next 5 years.

Financial statements for the ORL for the year ending December 31, 2020, indicate that the Okanagan Falls branch had a budget of $120,304 and actual expenses of $118,092, which was virtually identical to the previous year (2019). However, Area "D" residents pay a share of the broader ORL costs, and the requisition is not dependent on the local branch costs alone.

The total tax requisition for the ORL service area within RDOS in 2021 was $885,611 as shown in Figure 2. Residents in Area D contributed close to $200,000.

➢ What is the cost to a typical residence?

The cost of the RDOS library services is recovered from Area "D" taxpayers on the basis of property assessments. A residence assessed at $450,000 in Area "D" paid approximately $66.61 in taxes in 2021 for library services, as shown in Figure 2.

Figure 2
Cost Impact on Typical Residence
2021

Service	Tax Req.[1]	Res. Rate	Owing[2]
ORL Library Services	$885,611	0.1480	$66.61
Total			**$66.61**

1 Tax requisition amount excludes 5.25% Surveyor of Taxes fee

2 Impact is calculated on a home assessed at $450,000

➢ What impact would incorporation have on these services?

If a portion of Area D, including Okanagan Falls, were to be incorporated as a municipality, it could choose to continue having Okanagan Regional Library operate its local library branch, or they could choose to withdraw from the ORL and establish its own municipal library under the *Library Act* (similar to that provided by the City of Penticton).

If the new municipality remained with the ORL, the ORL Board of Trustees would continue to make decisions for the library service. The new municipal council would appoint a trustee to the board — the total number of trustees would therefore increase from 24 to 25. The number of weighted votes the municipality would have depend upon its population. The weighted vote for RDOS would be reduced based on the reduced population in the participating unincorporated areas.

Municipalities are billed by the ORL directly for the service. The estimated ORL requisition for the new municipality would depend upon the population and assessment base of the incorporated area.

RDOS Area "D" Service & Boundary Configuration Study
Fact Sheets
October 2021

PARKS & RECREATION SERVICES

➢ What services are provided?

The Area "D" parks, trails and recreation function consists of two services:

- regional parks and trails, and
- Okanagan Falls recreation programming, parks and facilities

Regional Parks and Trails

The RDOS has 9 regional parks featuring unique topography, flora and fauna; and offering sandy beaches, hiking trails, historic sites, picnic areas, playgrounds, spray parks and baseball diamonds. Two regional parks are located in Area "D" – Lions Park and Kenyon Park.

Regional trails include portions of the Kettle Valley Rail (KVR) Trail (through a licence of occupation and a partnership agreement with the Province), the Similkameen Rail Trail and other multi-use trails. As part of the service, the RDOS also provides the Click, Hike and Bike trail information database. The KVR trestle in Okanagan Falls is also part of the Regional Parks and Trails system.

The RDOS is currently developing a Parks, Trails and Recreation Master Plan to guide decision-making over the next 10 years. The plan is intended to ensure the region has sufficient outdoor and indoor recreation facilities and services, while continuing to protect environmentally significant areas.

Okanagan Falls Recreation, Parks, and Facilities

Okanagan Falls and district recreation, parks and facilities service provides community parks such as Keogan Sports Park, Christie Memorial Park and Garnett Family Park in Heritage Hills. Outdoor amenities at those parks include playgrounds, skateboard parks, ball fields, a cricket pitch, and beach volleyball. In addition, Area "D" includes 9 beach accesses (classified as roads under Provincial Highways) in Okanagan Falls and Skaha Estates (including the Skaha Lake Dog Park and the Skaha Lake boat launch). Centennial Park in Okanagan Falls is owned and operated by the Okanagan Falls Irrigation District, however the Kenny McLean statue, outdoor stage and new public washroom (2022), were funded and built by the RDOS.

Recreation programs offered in Area "D" include activities for seniors, children and families. The RDOS has a long-term use agreement with School District 53 for the elementary school during weekends and evenings as a community centre, including the activity room and gym. The Zen and Fitness Centre and Tennis/Pickleball courts are also leased from the School District for recreational purposes.

The service area for the Okanagan Falls recreation, parks and facilities service is shown in Figure 1.

Although not part of Area "D" services, the residents also have access to the RDOS recreation services located outside of Area "D" (i.e., parks, trails, arenas and pools).

Provincial and Private Recreation

Residents of Area "D" also have access to local provincial parks, including Vaseux Lake Park, sx̌ wəx̌ wnitkw (Okanagan Falls) Park, Skaha Bluffs Park, as well as the Vaseux Protected Areas.

➢ Who makes decisions?

The RDOS Board of Directors (Board) is responsible for the operational decisions related to regional parks and trails. The Okanagan Falls recreation,

parks and facilities service area overlaps two electoral areas, so both directors (Area "D" and Area "I") have an interest in the service. However, as noted below, most of the decisions for the service are made on the advice of staff and the Recreation Commission.

The Board has a Community Services Committee (made up of the full Board) to advise on service decisions related, but not limited to, the operation and control of all public parks, trails, public recreation grounds and facilities.

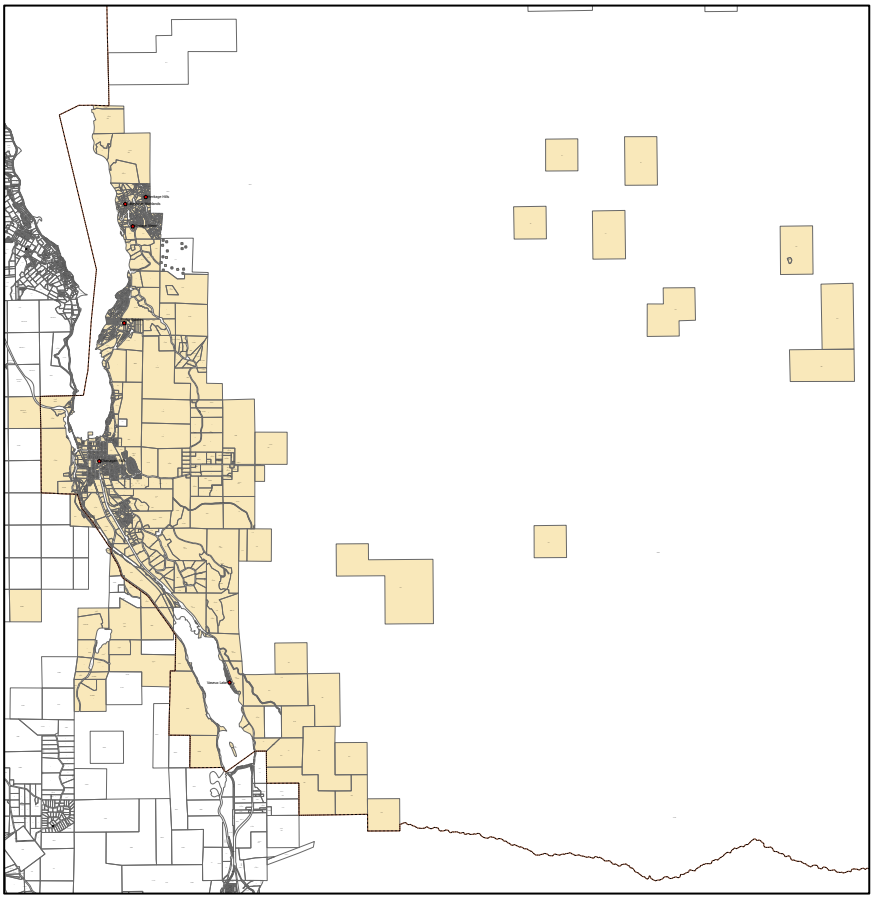
The parks, recreation and trail services are managed by the Community Services Department of the RDOS. Staff make recommendations to the Board considering both local interests and regional perspectives.

The RDOS Board has established the Okanagan Falls Parks and Recreation Commission. Commission directors are appointed by the RDOS Board for a term of 2 years, and include the Area "D" director as a non-voting member. The Okanagan Falls Parks and Recreation Commission is comprised of 11 voting members. Meetings are open to the public and all questions before the Commission are decided by a majority vote.

The Commission provides guidance and advice on behalf of Okanagan Falls and the surrounding communities to the RDOS on operational matters related to parks and recreation. The Commission operates within the annual budget approved by the RDOS Board. RDOS staff provide advice and recommendations to the Commission and oversee the administration of the service area operating budget.

All parkland acquisitions are approved by the Board on the advice of staff and the Commission.

Figure 1: Okanagan Falls Recreation, Parks & Facilities Service Area



➢ Who delivers the service?

RDOS staff maintain all Area "D" parks and trails. The recreation commission in Okanagan Falls provides additional oversight of their local and regional parks including initiation of volunteer projects. RDOS staff that deliver the parks and trails services include the Parks and Facilities Manager, Parks Lead Hand, Labourers and Summer Students.

Okanagan Falls Recreation, Parks and Facilities

RDOS staff deliver recreation programing with the Commission providing guidance. Each year the Pakrs and Recreation Commission identifies the projects it wishes to pursue (in consultation with RDOS staff) and a budget for RDOS staff time is established to pursue the projects. The Commission is supported by full and part-time staff, including the Parks and Facilities Manager, Recreation Manager,

Recreation Coordinator, assistants, instructors and summer staff.

A private contractor delivers custodial services to the Okanagan Falls community centre, and other facilities associated with Area "D" services. Volunteer organizations and park user groups also contribute significantly to Area "D" parks and recreation. Community organizations and individuals played a significant role in establishing the ball fields, skateboard park and cricket pitch in Keogan Sports Park; benches and picnic tables in Lions Park and Kenyon Park; and the playground and water fountain in Kenyon Park.

➢ What is spent by RDOS on the service?

The total cost of regional parks and trails, and the Okanagan Falls recreation, parks, and facilities service can be broken down into:

- 2021 Area "D" portion of the budgeted cost of the RDOS regional parks/trails service; and
- 2021 budgeted cost of Okanagan Falls recreation, parks and facilities service.

Figure 2
Cost of Services
2021

Service Component	Cost[1]
RDOS Regional Parks/Trails[2]	$2,463,110
OK Falls Recreation, Parks & Facilities	$872,788

1 Cost estimates are from adopted 2021 budget figures

2 Atypical budget (approx. $2.13 million in capital expenditures)

It is worth noting that 2021 was an unusual year for the Regional Trails service as the budget includes approximately $2.13 million in capital expenditures, including trail construction, resurfacing signage, as well as an RDOS Parks, Trails and Recreation Master Plan. The majority of capital projects were funded through Gas Tax monies, provincial grants and some reserve transfers. As with many services, total costs will fluctuate from year to year depending on the capital projects pursued and grants obtained in that year. The total costs, including capital expenditures, are reflected in Figure 2. Operating costs, and the resulting tax requisition, are generally more consistent. Operating costs for regional parks and trails are in the range of $335,000 to $350,000, and operating costs for the Okanagan Falls recreation, parks and facilities service are typically in the range of $700,000 to $750,000. Tax requisition amounts for 2021 are shown in Figure 4.

In addition to service costs, there are also operating and capital reserve accounts for these services. It is useful to consider the amounts set aside for future expenditures. Reserve totals are shown in Figure 3.

Figure 3
Reserve Totals
2020

Service	Reserve Total[1]
Regional Parks Capital Reserve	$377,029
OK Falls Recreation	$162,758
OK Falls Parkland Acquisition	$2,252
Area D Parkland Acquisition	$2,052

1 Reserve totals are as at the end of 2020.

➢ How are the costs recovered?

Regional Parks and Trails

In 2021, the costs of the regional parks and trails service were recovered through property taxes, transfers from reserves and through service revenues, grants and Gas Tax funding. The service was the beneficiary of significant grants in 2021, and as a result, several capital projects were undertaken. The property tax portion of the service is shared by all local governments in the region, allocated on the basis of converted assessment for land and improvements. The tax requisition for the service was $300,958, which translated into $5.40 for a representative residential property ($450,000 assessment).

Okanagan Falls Recreation, Parks and Facilities

In 2021, the costs of the Okanagan Falls recreation, parks and facilities service were recovered primarily through property taxes allocated to a specified area (see Figure 1). Fees and charges, grants, rental revenue, prior surpluses and

transfers from reserves made up the remainder. The tax requisition amount was $566,880 which translates into a residential tax rate of 0.4956 per $1,000 of assessed value (land and improvements) for properties within the service area boundary. Area "D" residents outside the service area do not contribute taxes to the Okanagan Falls recreation, parks and facilities service.

➢ What is the cost to a typical residence?

The net cost of RDOS parks, trails and recreational services depends on where within Area "D" a property is located. All residences throughout Area "D" assessed at $450,000 paid approximately $5.40 in taxes in 2021 for the regional parks and trails service. A house (assessed at $450,000) in the Okanagan Falls recreation service area (Figure 1) paid an additional $223. Figure 4 summarizes the cost impact on a typical residence within the Okanagan Falls parks and recreation service area. User fees also apply in relation to specific recreational programs.

Figure 4
Cost Impact on Typical Residence
2021

Service	Tax Req.[1]	Res. Rate	Owing[2]
Regional Parks & Trails	$300,958	0.0120	$5.40
OK Falls Rec, Parks & Facilities	$566,880	0.4956	$223.04
Total			**$228.44**

1 Tax requisition amount excludes 5.25% Surveyor of Taxes fee

2 Impact is calculated on a home assessed at $450,000

➢ What impact would incorporation have on these services?

Incorporation would not automatically require changes to the parks and recreation services currently provided to Area "D".

The regional trails service would continue to be provided by the RDOS, and funded by all local governments within the RDOS, with any new incorporated municipality as a participant in the service (with tax contributions based on the same basis as is currently provided).

The new municipality would have options on how it could provide the recreation, parks, and facilities services to residents. There would be two primary options to provide these services:

1. If the service is provided to the municipality as well as areas that remain unincorporated (within the electoral area) then the service could have the following options:

    a) The RDOS could continue to provide the service to both the municipality and electoral area, and decisions would be made on this service by the participants (municipal director and electoral area director). The service could continue to be guided by a commission with representatives from both the municipality and electoral area;

    b) The municipality could provide the service to its residents, as well as to a defined area outside the municipality. The RDOS could collect funds from the electoral area and contract the municipality to provide the service. The municipal council would be the governing body for the service. The municipality could choose to have an advisory commission or committee with representatives from both the municipality and electoral area to provide input on the service.

2. The municipality could provide parks and recreational services to its own residents, and residents outside the municipality would not contribute to those services (although could still access the parks and recreation services).

The RDOS would likely retain ownership of the regional parks (funded regionally); however, the municipality would assume ownership of, and responsibility for, any Area "D" parks that were within the municipal boundary. In addition, any beach accesses within a municipal boundary (currently unconstructed roads) would be transferred from the Province to municipal ownership. If, as part of the incorporation, the Okanagan Falls Irrigation District were encompassed by the municipal boundary and subsequently dissolved (as is required for irrigation or improvement districts that are within a newly incorporated municipality), Centennial Park in Okanagan Falls would also become an asset owned by the municipality.

RDOS Area "D" Service & Boundary Study
Fact Sheets
November 2021

PLANNING & BUILDING SERVICES

➢ What services are provided?

Planning & building services consist of:

- Electoral area planning services
- Regional Growth Strategy
- Building inspection
- Subdivision servicing
- Heritage conservation
- Heritage Hills street lighting

Electoral Area Planning

This service consists of the preparation and administration of land use plans and regulations, and such as the Official Community Plan and zoning bylaw. The planning department responds to inquiries and processes applications related to the use and development of land, including OCP amendments, rezonings, development permits and variance permits, agricultural land reserve applications, floodplain exemptions and subdivisions. Planning also facilitates citizen participation in the land use process, supports the Advisory Planning Commissions (APC), and acts as a resource on all planning and development matters.

Electoral Area Planning is supported by the bylaw enforcement department (land use infractions make up the majority of the enforcement issues), but enforcement is recovered as a separate service and department, and the costs and delivery of that service are detailed in the *Bylaw Enforcement Fact Sheet.* All electoral areas, as well as the Penticton Indian Band receive and pay toward the electoral area planning service.

Regional Growth Strategy

This service primarily involves the preparation of a regional growth strategy (RGS) for the south Okanagan municipalities and electoral areas. The RGS, which is guided by regulations and requirements in the *Local Government Act*, is currently being reviewed and is intended to guide growth in the region. The service involves cooperation to develop a vision for growth between Electoral Areas "A", "C", "D", "E", "F", and "I" as well as Penticton, Summerland, Oliver and Osoyoos.

Building Inspection

Building Inspection is a sub-regional service delivered to seven electoral areas ("A", "C", "D", "E", "F", "H" and "I"), and two municipalities (Keremeos and Princeton). It includes the processing of building permits and application of the Building Bylaw to ensure buildings are constructed to the BC Building Code and are safe for their intended use.

Subdivision and Development Servicing

Subdivision and Development Servicing involves a review of the servicing needs of new subdivisions and multi-unit residential developments. The review is generally related to the provision of adequate sewer and water connections but can also include underground electrical services and street lighting. Within electoral areas, the Ministry of Transportation and Infrastructure (MoTI) is responsible for subdivision development approvals in all areas of the province outside of municipalities and Indian Reserves. Provincial Approving Officers are appointed to MoTI and work with MoTI staff to process subdivision applications. The Ministry refers subdivision applications to the RDOS for review against any bylaw requirements. This can include requirements for servicing, development permits, park land dedication, development cost charges and zoning regulations.

Heritage Conservation
The RDOS has a Community Heritage Register, adopted by the Board, that identifies sites that have heritage significance within the region's participating areas (all electoral areas and municipalities in the RDOS except Princeton). To be included, heritage sites are typically identified by community groups. A statement of significance is drafted in consultation with the RDOS and endorsed by the RDOS Board. As part of the service, a Regional Heritage Strategic Plan was prepared and adopted by the Board in 2015.

Heritage Hills Street Lighting
The community of Heritage Hills established a service to pay for ongoing operation and maintenance of street lights installed through the various phases of the development. The service area is shown in Figure 1. The most recently added parcel is shown in the Figure 1 inset.

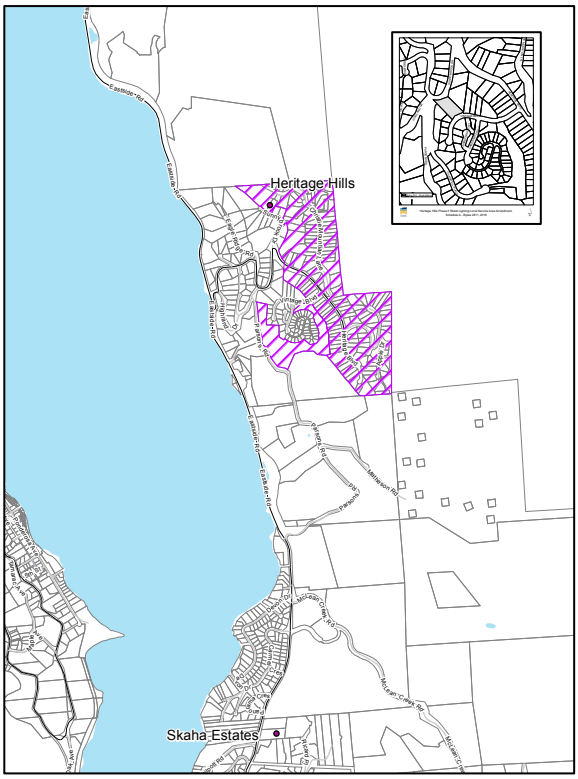


Figure 1

➢ Who makes decisions?

Operational and policy decisions on the individual planning services are made as follows:

- Electoral area planning service decisions are made jointly by all the electoral area directors;
- The six electoral areas and four municipalities that are part of the Regional Growth Strategy make decisions regarding the plan and its implementation (simple majority – each participating area director gets one vote);
- Building inspection decisions are made by the full Board (because it is a regulatory service);
- Heritage conservation decisions are made by all participants (all jurisdictions except Princeton); and,
- Decisions regarding Heritage Hills street lighting are made by the full Board.

All decisions on budget matters, financial plan, regulatory bylaws or borrowing are made by the full Board of Directors (19 directors).

The Regional District Board also draws upon the advice and input of Advisory Planning Commissions (APC). Most of the electoral areas have an APC comprised of volunteers that provide input on matters related to land use planning. Electoral Area "D" currently has an 11-member APC. The committee is an independent body that gives recommendations to the RDOS Board on planning and land use matters referred to them; the advice does not form policy or set direction for the RDOS. Members are appointed by the Board; at least 2/3 of the members must be residents of the Electoral Area. RDOS staff provide reports and agendas for the APC meetings and act as a resource for the APC.

Residents and the general public also play a role in planning decisions. Key land use policies, such as Official Community Plan bylaws, can only be adopted or changed with a public hearing. Public hearings are legislated opportunities for residents to provide opinions and viewpoints to the RDOS Board. Certain types of planning applications, such as development variance permits, also provide opportunities for public input.

➢ Who delivers the service?

The RDOS delivers all of the planning and building services. The services are provided through multiple departments. As noted previously, there is a distinction between subdivision servicing review

conducted by RDOS, and subdivision approval, which is undertaken by the provincial Approving Officer through the MoTI.

The planning department delivers the electoral area planning, and regional growth strategy service. As noted previously, the electoral area planning service is supported by bylaw enforcement, but it is recovered as a separate service and department, and is referenced in its own *Fact Sheet*. The building department undertakes the building inspection service.

Some of the services are also complemented by efforts from volunteer groups or organizations. For instance the heritage conservation efforts are supplemented by organizations such as Okanagan Falls' Heritage And Museum Society. In the past community groups have identified properties with heritage significance, and worked in partnership with the RDOS draft a statement of significance. Community groups are also involved in fundraising, education and maintenance of heritage buildings.

➢ What is spent by RDOS on the service?

The total cost of planning and development services that impact Area "D" are shown in Figure 2, and can be broken down into:

- 2021 budgeted cost of electoral area planning;
- 2021 budgeted cost of the Regional Growth Strategy service;
- 2021 budgeted cost of building inspection;
- 2021 budgeted cost of subdivision servicing;
- 2021 budgeted cost of heritage conservation; and,
- 2021 budgeted cost of Heritage Hills street lighting.

The amounts in Figure 2 represent the total cost of these services, and not the portion that Area "D" residences pay for through user fees or taxes. Several of the budget amounts are higher in 2021 than is typical – the EA planning budget includes some extra consulting work, funded through a grant and the RGS is currently undergoing a review, and also included a Housing Needs Study (grant funded), which doubles the size of its budget. Similarly, the building inspection service budgeted for the purchase of Avocet software (at a cost of approximately $170,000) in 2021. Only the subdivision servicing budget was lower than typical (by approximately $30,000) – due to the transfer of subdivision servicing consulting fees in the 2021 budget to the electoral area planning service.

Figure 2
Cost of Services
2021

Service Component	Cost[1]
EA Planning	$1,231,262
Regional Growth Strategy[2]	$244,626
Building Inspection[3]	$1,248,283
Subdivision Servicing	$158,949
Heritage Conservation	$27,625
Heritage Hills Street Lighting	$6,205
Total	**$2,916,950**

1 Cost estimates are from adopted 2021 budget figures

2 2021 costs were more than double the typical cost for this service due to the completion of the RGS review as well as Housing Needs study.

3 2021 costs were higher than usual due to the purchase of Avocet software ($170,000)

In addition to the service costs, there are also operating reserve accounts for several of the services. Reserve totals are included in Figure 3.

Figure 3
Reserve Totals
2020

Service	Reserve Total[1]
EA Planning Operating	$7,349
Regional Growth Strategy	$31,710
Building Inspection - Stabilization	$437,652
Building Inspection - Equipment	$1,145
Building Inspection - Operating	$21,176
Heritage Conservation	$18,986
Heritage Hills Street Lighting	$1,920

1 Reserve totals are as at the end of 2020.

➢ How are the costs recovered?

Planning and building services are recovered using a variety of means. In general, local governments

typically aim to partially recover the costs of processing planning applications and building permits through application fees. Policy projects are recovered more through taxes. Grants are used when available, but typically grants relate to specific projects or studies.

Electoral Area Planning
The majority of the electoral area planning budget (86%) is recovered through property taxes levied on assessed values (land and improvements). Amounts raised through taxes are combined with development application fees (4%), and grants and contracts (2%) to fund the service. Although bylaw enforcement is a separate service and department, 10% of the planning budget covers the costs of enforcing land use and planning related bylaws (e.g. zoning infractions). Land use issues represent the majority of the region's bylaw enforcement activity (not including building bylaw). Bylaw enforcement is addressed in a separate *Fact Sheet.*

Regional Growth Strategy
The regional growth strategy budget is recovered through a combination property taxes levied on the assessed value of land and improvements in the service area, as well as provincial grant funding.

Building Inspection
Unlike the electoral area planning service, the majority of the building inspection service is paid for through permit fees (57%). Property taxes make up approximately 25% of the revenues in 2021. The taxes are levied on assessed values (land and improvements), but each electoral area pays a proportion of the overall tax requisition based on a five-year moving average of construction value of permits within the service area. This formula ensures that those areas receiving the majority of the service are the ones paying the higher portion of the costs. In addition, the municipalities of Keremeos and Princeton contract the RDOS to provide building inspection services through a separate fee-for-service agreement.

Subdivision Servicing
Subdivision servicing costs are recovered through a combination of property taxes (levied on land and improvements) as well as application fees. Application fees generally represent about 10 to 12% of the service cost.

Heritage Conservation
The heritage conservation budget is recovered through property taxes levied on the assessed value of properties (land and improvements), together with any transfer from reserves, or prior years' surplus.

Street Lighting
The street lighting service is recovered through taxes on those properties within the Heritage Hills subdivision (land and improvements).

➢ What is the cost to a typical residence?

The RDOS planning and building services are recovered from Area "D" taxpayers on the basis of property assessments, as well as through application and permit fees by applicants who use the permitting and development approval services. A residence assessed at $450,000 located outside the Heritage Hills community paid approximately $95.18 in taxes in 2021 for planning and building services, as shown in Figure 4. Those within the Heritage Hills community paid a slightly higher fee of $118.75, due to the extra street lighting service.

Figure 4
Cost Impact on Typical Residence
2021

Service	Tax Req.[1]	Res. Rate	Owing[2]
EA Planning	$1,055,104	0.1452	$65.34
Regional Growth Strategy	$64,488	0.0029	$1.29
Area "D" Building Inspection	$60,178	0.0445	$20.04
Subdivision Servicing	$128,949	0.0183	$8.26
Heritage Conservation	$13,599	0.0006	$0.25
Heritage Hills Street Lights[3]	$6,193	0.0524	$23.57
Total			**$95.18**
Heritage Hills Total			**$118.75**

1 Tax requisition amount excludes 5.25% Surveyor of Taxes fee
2 Impact is calculated on a home assessed at $450,000
3 Service only provided and paid for in Heritage Hills

➢ What impact would incorporation have on these services?

An incorporated municipality would have authority for the planning, subdivision servicing and building

inspection services referenced in this Fact Sheet; the regional growth strategy, heritage conservation services would remain as regional services in which the new municipality would participate. The street lighting service, if it were encompassed by the municipal boundary, would also become a municipal function.

Upon incorporation, the municipality would become responsible for subdivision approvals, which is currently the authority of the Ministry of Transportation and Infrastructure. This would require review beyond that currently provided by the RDOS, a portion of which could be recovered through subdivision application fees. Typically the subdivision review and approval would involve an engineer (staff or contract), who consider issues such as access, but also the design of local roads, given that local roads would be owned by the municipality. Further information regarding local roads is referenced in the *Provincial Services Fact Sheet.*

Decisions
The municipality would have a council comprised of either four or six councillors and one mayor. The Council would make decisions on all services. Councils can choose to delegate some decisions to staff members.

Planning applications would still require public input (these are requirements of all local governments, not just regional districts or municipalities). There is no requirement, however, for a municipality to have an Advisory Planning Commission. Whether to have an advisory committee on planning or any other topic would be up to the new Council.

Responsibility for subdivision approvals would rest with the new municipality; the Province/MoTI would no longer be the approval authority. The Agricultural Land Commission would continue to review and have authority over various activities within the Agricultural Land Reserve.

Delivery
While the authority for providing the planning and building services would transfer to the municipality, it is not necessarily the case that the municipality would choose to deliver each of the services referenced in this *Service Sheet*. It is expected that a new municipality would want to deliver many if not all of the services; however, the newly formed municipality could choose to have some services continue to be provided by the regional district or even by another municipality. Some services commonly provided by regional districts to municipalities include those where economies of scale might exist. For instance, the RDOS currently provides building inspection services to Keremeos and Princeton on a fee-for-service basis. Some regional districts or municipalities also provide planning services to small municipalities; however, the decisions and policies that guide the service are still determined by Council.

Costs
If delivered solely by a new municipality, there may be economies of scale that are lost when a service is no longer shared with other electoral areas or jurisdictions. However, in those instances, other strategies could be used to mitigate cost impacts, such as using contracts instead of full-time staff, or combining positions where the workload does not warrant a full-time staff member, such as building inspector who also processes business licences, or staff who work on planning and building administration.

If the street lighting service were to be contained within a municipality boundary, the infrastructure and the service responsibility would be transferred to the municipality. A municipality could decide to continue to recover taxes through a local service area, similar to the service area that currently exists, or could recover the service from general taxes. The approach taken would impact how the municipality's residents would be affected.

Summary
Incorporation would therefore impact the scope and level of service that would be offered by the municipality (i.e. they would become responsible for subdivision review and approvals). The cost has the potential to increase, given the increase in responsibility and potential for reduced economies of scale, but could be mitigated through subdivision application fees, combining staff roles.

RDOS Area "D" Service & Boundary Study
Fact Sheets
December 2021

PROVINCIAL SERVICES

➢ What services are provided?

Roads

As in all unincorporated areas, local roads in Area "D" are owned by the provincial government and managed by the Ministry of Transportation and Infrastructure (MOTI). MOTI's road management function includes regular maintenance of the roads and their associated drainage, plus periodic road resurfacing and rehabilitation works. Specific tasks include:

- road sweeping
- snow clearing and ice control
- ditch clearing
- pothole patching
- gravel road maintenance
- signage maintenance
- crack sealing
- traffic management

The Ministry is responsible for all types of public roads in unincorporated areas, from multi-lane provincial highways to two-lane rural roads, and from paved suburban streets to gravel roads. The only roads the Ministry is not responsible for are strata (i.e., private) roads.

The province is divided into 28 service areas. MOTI engages private contractors in multi-year agreements to undertake routine maintenance, repairs, upkeep of surrounding electrical infrastructure and application of pavement markings in each service area. Area "D" is located within Service Area 8 – South Okanagan. The contractor responsible for Area 8 is Aim Roads. The value of the 10-year contract (signed in 2019) is approximately $17.7 million per year (amounts are adjusted annually for inflation and changes to infrastructure). The contract is scheduled to expire on March 31, 2029.

All MOTI contractors, including Aim Roads, sign a Highway Maintenance Agreement which includes specifications related to maintenance of road surfaces, control of roadside vegetation (including noxious weeds), drainage, winter clearing, traffic signs, etc. The maintenance specifications describe what services are to be provided, and set out minimum standards for completed work as well as performance timelines. Detailed specifications for all aspects of maintenance are available on the MOTI website.

Some MOTI minor capital upgrades were completed in recent years within Area "D" including a bus pullout on Eastside Road, replacement of a paved shoulder for approximately 50 m on Eastside Road, and some culvert replacements on Eastside and McLean Creek are underway. The Ministry also completed a $10 million upgrade to create 1.5 km of passing lanes in both directions on Highway 97 in Area "C" just south of the Area "D" border (and before the Town of Oliver).

Police

Under the *Police Act*, the provincial government must provide policing and law enforcement to all unincorporated areas, and to municipalities with fewer than 5,000 people. Service is delivered by the Royal Canadian Mounted Police (RCMP) pursuant to the province's Provincial Police Service Agreement (PSSA) with the federal government.[1]

[1] The RCMP is designated as BC's Provincial Police Service in the PSSA.

Under the terms of the agreement, the provincial government pays 70% of the base cost; the federal government pays the remaining 30%. The province recovers a portion of its costs from local taxpayers through the Police Tax. This tax covers a portion of the cost required to fund the RCMP Provincial Service's "general duty" and "general investigative" services.

The RCMP Provincial Service can be broken into two main categories:

- *Detachment Policing* — This category delivers local police services to municipalities under 5,000 population and unincorporated areas by means of uniformed patrols, response-to-call duties, investigative services, community-based policing, traffic enforcement, and administrative support to provincial detachments.

- *Provincial Police Infrastructure (PPI)* — PPI provides services to the entire province, including RCMP-policed municipalities and municipalities with their own police departments. The PPI has the capacity and expertise to resolve high risk incidents; target organized crime, gang violence, and serial crimes; respond to existing and emerging crime trends; and provide security and policing services for large scale, community events and emergencies. The PPI also includes capital-intensive items such as boats and aircraft.

Area "D" is served by the Penticton RCMP detachment, which has seven provincially funded rural police officers to serve a population of approximately 12,246 (2019 numbers).

In addition to the provincially funded police officers, the RDOS funds a Crime Stoppers and Community Policing officer working out of the Penticton RCMP detachment. The RDOS also provides subsidies for Victim Services programs, as noted and accounted for in the Emergency Services Fact Sheet.

➢ Who delivers the service?

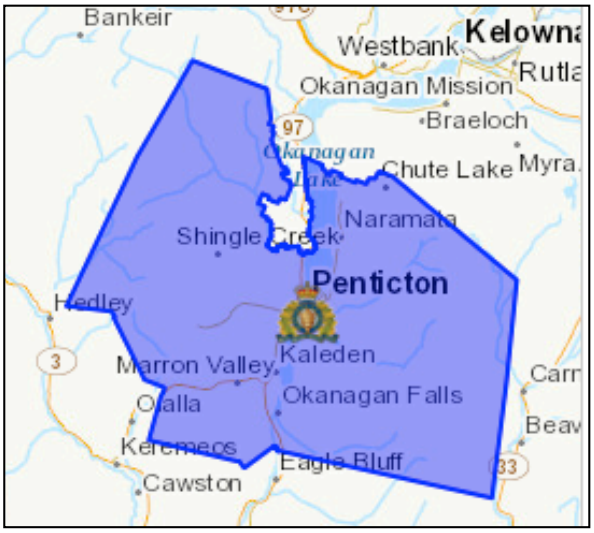
Roads

Under its maintenance contract, Aim Roads is expected to meet defined service obligations and specifications related to maintenance of road surfaces, control of roadside vegetation, drainage maintenance, winter clearing, traffic signs and other items. The specifications describe the services as well as minimum standards and performance timelines. Staff in MOTI's District Office oversee the contract.

Police

The RCMP provides policing personnel. Civilian staff (municipal and federal public employees, and volunteers) support police operations.

Figure 1: Penticton RCMP Detachment Service Area



➢ Who makes decisions?

Roads

Decisions on road maintenance and upgrading are made by MOTI through its District Office. The District Office has some discretion over the allocation of spending, but is constrained by budgetary decisions and priorities set in Victoria. Resurfacing and capital projects are identified at the district level, and then are compared and prioritized across the broader region (the Southern Interior Region is comprised of 5 districts).

Electoral area directors have no authority over the way MOTI allocates its budget. Directors may, however, make representations to the provincial government.

Through its long-range land use planning, the Regional District addresses local transportation needs and preferences in an effort to influence Ministry decisions. Area "D" has not yet updated its official community plan (OCP) since 2013 (prior to when the electoral area was divided into two). Regardless, the OCP identifies objectives and policies as a means of informing MOTI of the RDOS and local interests related to roads. Safety of all transportation modes is a key theme in the OCP. Policies in the OCP include:

- The location of Highway 97, which extends through Okanagan Falls, has a significant impact on local travel safety and pedestrian safety.

- Encouraging the Province to identify and make improvements that will increase the safety at the intersection of 10th Avenue and Highway 97, and the intersection of 9th Avenue and Main Street (Highway 97).

- Encouraging the development of walkways and bicycle routes particularly within Okanagan Falls.

- Rights of Way acquired by the Province for major roads are encouraged to be developed wide enough to accommodate bicycle and pedestrian traffic as well as vehicular traffic.

- Will work with the Province to identify grades, roadway widths, and other road standards that may be more appropriate for this area than the Province-wide standards, while recognizing that roads need to meet standards regarding function, safety, maintenance and emergency vehicle access.

- Encourages the Province to engage with the community when continuing to undertake capital works to improve the safety of Eastside Road and provide adequate paved road widths for bicyclists and pedestrians.

Police

The Officer in Charge (OIC) of Penticton South Okanagan Similkameen regional detachment meets with the RDOS Board of Directors on a quarterly basis, and provides feedback and input on areas of interest in the region. This includes regional statistics and detachment priorities. The OIC provides oversight to the six RCMP detachments within the RDOS.

While the RDOS can lobby for a specific number of Provincial police officers, the Province determines the appropriate number assigned to each detachment.

Decisions about priorities and day-to-day policing

RCMP provincial police services are governed by the *Police Act* and the PPSA. The Solicitor General is responsible for ensuring that adequate and effective policing services are maintained throughout BC. The Solicitor General also has the authority to set overarching priorities, goals and objectives for the Provincial Police Service; the Commanding Officer of the BC RCMP is required to implement them. Day-to-day decisions and operational matters are under the internal management and control of the RCMP.

While the Minister is responsible for setting police priorities, the RCMP is expected to consult with local leaders. Specifically, Detachment Commanders are expected to engage Indigenous and local governments within the detachment service area in establishing local policing priorities.

Decisions about resource levels

Decisions on resource levels and "authorized strength" for unincorporated areas, and for municipalities with fewer than 5,000 people, involve the RCMP and Province, but are driven by the RCMP's analyses of workloads and needs. The RCMP maintains internal processes for local detachments to request adjustments to authorized strength for unincorporated areas, and for municipalities with fewer than 5,000 people. These requests are forwarded to BC RCMP Headquarters to be evaluated and considered by the Province in the broader context of the entire Provincial Police Service. Options available to the RCMP include:

- determining that the provincial detachment is resourced adequately to meet its workload needs

- proposing a re-allocation of resources from within the Provincial Police Service to augment the unit; and,

- proposing an increase to the unit.

Any changes to the organizational structure of the Provincial Police Service, including changes to provincial detachment units, requires agreement between the BC RCMP and the Solicitor General, as per the PPSA.

➢ What is spent on the services?

Roads
MOTI spends approximately $407 million annually on highway contracts throughout the province. The annual figure for the most recent South Okanagan (Area 8) contract — the area in which Electoral Area "D" exists — is $17.7 million for the 2019-2020 fiscal year. This amount is adjusted annually to reflect changes to the infrastructure, as well as inflation. Based on the 2,330 km of roads included in Area 8, the contract equates to approximately $7,600 of maintenance costs per road kilometre. This figure includes maintenance costs for highways through the area, including Highway 97.

Police
The rural Police Tax is set and collected by the Province of British Columbia. The total rural Police Tax collected from RDOS Electoral Area "D" for 2021 was approximately $165,000. In addition, RDOS funds victim services programs, which were outlined in the Emergency Services Fact Sheet.

➢ How are the costs recovered?

Roads
Residents in electoral areas pay a rural area property tax to the province that is not paid by taxpayers in municipalities. While there is no direct relationship between the rural area tax and the funding of roads, the tax is often described as a source of funding for provincial services, including local roads, to residents in unincorporated areas.

Police
The cost of police service for Area "D" is paid 70% by the province and 30% by the federal government. A portion of the provincial funding is recovered through the Police Tax from local property owners, and other portions are recovered from the rural tax. In 2019, the Police Tax raised a total of $31 million province-wide, which accounted for 31% of the province's share of rural and small community costs. The maximum that can be raised through the police tax is 50% of the province's share. Revenues go into the province's Consolidated Revenue Fund.

➢ What is the cost to the typical resident?

Figure 2 shows the cost of the rural tax rate as well as the police tax on a residence within Area "D" valued at $450,000.

Figure 2
Cost Impact on Typical Residence
2021

Service	Area "D" Tax Req.	Res. Rate	Owing[1]
Rural Tax (roads)	$608,225	0.45	$202.50
Police Tax	$164,626	0.1218	$54.81
	Total $772,851		**$257.31**

1 Impact is calculated on a home assessed at $450,000

➢ What impact would incorporation have on these services?

Roads
A decision by local electors to incorporate would result in the transfer of responsibility for, and ownership of, the local road network from the provincial government to the new local government. The transfer would empower the municipal council to:

- change road classifications and maintenance standards

- set priorities for annual and long-term capital road works, and integrate the works with other servicing priorities and projects
- give priority to alternate modes of travel such as walking and cycling
- integrate land-use planning and road planning decisions
- identify commercial truck routes in the municipality (not on the provincial highway)
- develop a strategy for financing growth-related infrastructure (e.g., grants, reserves, capital borrowing, development cost charges)

Based on experiences in past incorporation initiatives, the new council could face pressure to upgrade certain roads, and, in general, increase the level of investment in the local road network. The new municipal council would have considerable discretion over the local roads budget and how it is spent.

Police

For a new municipality within Area "D", little would change regarding the delivery of police services in the short term. Given the current population of the electoral area, regardless of where the municipal boundaries, the municipality would not exceed 5,000 and therefore not be responsible for providing and paying for policing within its municipal boundaries.

With respect to decision-making, the RCMP would be expected to consult the Mayor and Council of the new municipality on the development of the local Annual Performance Plans. The municipality's policing priorities would be reflected in these plans.

Although the RCMP would continue to service the new municipality from the Penticton detachment, the costs of policing would change as a result of incorporation. Specifically, a higher municipal rate for the Police Tax would be applied in place of the rural rate.[2] Depending on the specific boundary, there may also be a slight shift in tax burden in the new municipality because of the weighting of residential vs. non-residential assessment. Incorporation of a portion of Area "D" may also result in an adjustment to the police tax amount paid in the remaining electoral area.

If a proposed municipality was close to a population of 5,000, then a more refined level of assessment of police services and impacts would be conducted as part of the incorporation study. Once a Census determines that a municipality exceeds a population of 5,000, then as of April of the year following the Census, the new municipality would become responsible for paying for police services.

At that time, as per the *Police Act*, the municipality would have the option of providing its own police department, contracting with an adjacent municipality with an existing municipal police department or by entering into an MPUA with the Province to contract the RCMP as the municipal police service.[3] If the municipality chose to enter into the MPUA to contract the RCMP, the federal government would pay 30% of the RCMP cost-base to the municipality's 70%. The impact of the 30% that the community would become responsible for would depend upon the authorized strength and many other factors, but in all instances, exceeding the 5,000 person threshold represents a significant increase over the contributions paid through the police tax prior to that change.

[2] Unincorporated areas receive a $0.10 per $1,000 assessed value reduction in the Police Tax, known colloquially as the "rural dime" tax rate reduction. This reduction reflects the fact that unincorporated areas also pay the provincial rural area tax, some of which could be considered a contribution to rural police services. After incorporation, the new municipality would no longer receive this "rural dime" reduction.

[3] Currently there are no adjacent municipal police departments within the Okanagan Similkameen regions. Outside of Vancouver Island and the Lower Mainland, only Nelson has a municipal police department.

RDOS Area "D" Service & Boundary Configuration Study
Fact Sheets
October 2021

REGIONAL DISTRICT GOVERNANCE

➢ What is a regional district?

The Regional District of Okanagan-Similkameen (RDOS) is one of 28 regional districts in BC. The boundaries of regional districts are vast – the RDOS spans 10,414 km^2 from the Okanagan Connector highway 97C in the north, south to the US border, stretching west from close to the Coquihalla Highway 5, to well east of Skaha Lake. Regional district boundaries encompass municipalities as well as unincorporated lands, which are divided into smaller areas called electoral areas. Regional districts are modeled as a federation of municipalities and electoral areas, each of which has representation on the regional board. The RDOS encompasses 9 electoral areas, of which Area "D" is one, and 6 municipalities.

Figure 1: RDOS Electoral Areas



Regional districts:

- Are the local government for rural (electoral) areas, providing them with basic local services such as community planning.
- Provide region-wide services to all electoral areas and municipalities within a region, such as solid waste management planning and emergency planning.
- Provide a framework for sub-regional or inter-municipal services to combinations of municipalities and electoral areas, such as garbage collection and animal control.

➢ Who makes decisions?

Regional districts are governed by a board consisting of two types of directors:

- ***Electoral Area Directors*** are elected directly by rural area voters, and serve 4-year terms.
- ***Municipal Directors*** are first elected to a municipal council, and are then appointed by their council to the regional district board for a term determined by their council.

The board selects its own chairperson, who has the authority to create standing committees to deal with issues such as planning, environmental management, and regional growth. The RDOS has Planning & Development, Community Services, Corporate Services, Environmental Services, and Protective Services committees.

Each municipality or electoral area has a voting strength on the board based on population. In the RDOS, each jurisdiction has one vote for every 1,800 residents. The voting strength is then divided by 5 to determine the number of directors that sit on the board from each jurisdiction. The RDOS Board consists of 19 directors – one from each of the 9 electoral areas and one from each of the municipalities, with the exception of the City of Penticton, which appoints 4 directors, and the District of Summerland, which appoints 2. Area "D" is represented by one Director on the Board. The

population of Area “D” has been estimated at 4,198, resulting in 3 votes.

As the governing body, the RDOS Board is responsible for making a wide range of decisions for Area “D”. Some decisions are made by the full Board and others are made only by the directors from the areas participating in the service. There are two types of votes at the board:

- ***Corporate votes***, in which all directors vote. Some of these votes are unweighted (1 director, 1 vote), such as for establishing new services, or regulatory bylaws. Weighted corporate votes are used for money matters, such as the financial plan, borrowing or buying property.
- ***Stakeholder votes***, in which only those directors participating in a service are entitled to vote. Weighted votes (by population) are used. These votes are for the operations of existing services. If there is only one participating area, the entire board will vote on the service.

The decision to establish a new local service in Area “D”, is a decision for the full the Board using an unweighted corporate vote. The decision to adopt RDOS's annual financial plan (i.e., budget), through which the services provided to Area “D” are funded and tax requisitions are determined, is also a decision for the full Board. This decision, however, is made using a weighted corporate vote. Decisions on region-wide services in which Area “D” along with all other jurisdictions participates are made by the full Board as well. In some instances the decisions are made using unweighted votes; in other instances, weighted votes.

Electoral Area “D” participates in a number of sub-regional services — that is, services that are provided to a limited number of jurisdictions (electoral areas and/or municipalities). Examples of these services include Electoral Area Planning, Regional Growth Strategy, and curbside recycling and garbage collection. Decisions on the operation and administration of these services are made only by the Directors who represent the participating jurisdictions, using weighted stakeholder votes.

Some of the RDOS services in which Electoral Area “D” participates are provided solely to Area “D” such as Okanagan Falls Sewer, Okanagan Falls fire protection, or Heritage Hills street lighting. The *Local Government Act* requires all votes on services that are provided to a single electoral area to be made by the full Board of Directors.

What is important to understand is that the Area “D” Director is not the only decision-maker for Area “D”. Indeed, all decisions on RDOS services that are provided to Area “D” involve directors from other jurisdictions in the Regional District. In some cases directors from all municipalities and electoral areas of the RDOS are involved; in other cases, directors from only a sub-set of jurisdictions are involved. In every case, however, the Area “D” Director shares decision-making authority over local matters with elected officials from other parts of the region.

Area “D” Residents

Electoral Area “D” residents participate in local decision-making through consultation processes on major initiatives, such as development of an OCP, the creation of a compost facility or the Services and Governance study. In some cases — the development of an OCP is an example — consultation with residents is required under the *Local Government Act*. In other cases, consultation is undertaken simply as a local governance best practice.

Area “D” residents also participate in decision-making through citizen advisory bodies. The 11-member Electoral Area “D” Advisory Planning Commission (APC) is one such group, established to advise the Board on land use and community planning matters in Area “D”. The Okanagan Falls Parks and Recreation Commission is an additional body with representation from residents.

Finally, residents who are also electors have a significant role to play in approving certain decisions of the RDOS Board. In some instances, elector approval is sought using an "alternative approval process" (AAP); in other cases, approval is pursued using an assent vote (i.e., referendum). Initiatives related to long-term borrowing, the establishment of new services, the disposal of infrastructure and parkland, and entering into public-private partnerships, are key examples of decisions that must be approved by electors.

Provincial Government

The provincial government has a direct role in (and ultimate authority over) decision-making for certain local services in all unincorporated areas of British Columbia, including Electoral Area "D". Roads, policing, and subdivision approval are the three key services for which the province is the principal decision-maker.

➢ What services does a regional district provide?

Regional districts can provide a broad range of services. With the exception of a few provincially mandated services, the services are determined by the regional board, with the support of residents. Because the board only provides services that their members, or residents, agree the regional district should provide, the menu of services varies by regional district, and can be different within each electoral area or community.

Some services, such as street lighting, may be provided to a portion of an electoral area, or to a combination of electoral areas and municipalities (such as the operation of the Campbell Mountain landfill). Regional services are those that are provided to all member municipalities and electoral areas, such as solid waste management planning.

Services are established to respond to needs identified by the board, electoral area directors, member municipalities, staff or residents. A proposed service must go through a process to determine its feasibility, including scope, cost, and delivery options. If deemed feasible, a service establishing bylaw must receive support from the regional district board. Ultimately the bylaw must also be approved by the province's Inspector of Municipalities, and supported by the residents that will participate in and pay for the service. Support can be demonstrated through a petition, alternative-approval process, referendum, or approval by a Council or electoral area director on behalf of residents of that jurisdiction.

Just because the regional district *can* provide a service, does not mean that they *do*. There are many organizations that provide services. For instance, water service may be provided to a community privately, or through an Improvement or Irrigation District independent of the regional district. In Area "D" there are 4 irrigation districts providing water, as well as one private utility.

➢ What services does a regional district NOT provide?

The provincial government provides some services to rural areas, including roads and policing. These services are not the responsibility of the regional district and they do not have control over how they are provided.

➢ How do regional districts pay for services?

Unlike a municipality, which has the flexibility to allocate "general revenues" to its services, each service provided by the regional district is budgeted for separately. Costs are recovered by billing those who benefit from the service. The expense of providing a service must be covered by revenue generated for that same service; one service cannot subsidize another. Revenue raised for a fire protection service must fund the fire department and no unrelated activity.

Regional districts raise funds primarily through requisition – parcel taxes (a set amount per parcel, land area, or metre of frontage), or property value taxes based on tax rates applied to the assessed value of the property (land, improvements, or land and improvements combined). Tax notices reference the services, or group of services received, and the associated tax rates or parcel tax amounts.

Regional districts also generate revenues from user fees and charges, such as dog licenses, garbage collection fees, recreation fees and provincial or federal government grants. Some services, such as garbage collection, are recovered fully through user fees, and do not require any taxation.

In electoral areas, regional district property taxes are collected by the provincial government's Surveyor of Taxes on behalf of the regional district. Within municipal boundaries, property taxes are paid to, and collected by, the municipality. The Province and municipalities then transfer funds to the regional districts to cover the cost of local, sub-regional and regional services that the regional districts provide.

➢ How would governance differ in a municipality?

When a municipality is created, the RDOS would be replaced as the local government by the new municipal corporation; similarly, the RDOS's Board of Directors would be replaced as the local governing body by the new Municipal Council for the newly incorporated area.

Council would consist of a mayor and either 4 or 6 councillors[1], all of whom would be elected at-large to represent the community as a whole. Council, together, would be responsible for making all major decisions, including those related to the establishment of new services and programs, the review and approval of major development applications, and the passing of the annual financial plan (i.e., budget). Significantly, Council would also determine local road standards and other road-related matters.

Council Committees
Standing and select committees of Council could be established to provide advice and recommend-dations on services and other matters. Residents could be appointed to both types of committees, as desired.

Residents
Residents of the new municipality would be involved in local decision-making through consultation processes, much as residents of Area "D" are today. Council could establish a citizen-based Advisory Planning Commission (APC) to comment on development applications and land-use matters; however, APCs are less common in municipalities than in electoral areas.

Resident electors would have some role to play in approving certain decisions of Council through AAPs and/or assent votes. The range of decisions on which approval would be required in the municipality, however, would be different than that which exists in Electoral Area "D". Municipal electors would need to approve long-term borrowing, decisions to enter into public-private partnerships, the disposal of local utilities and certain types of parkland, and certain other decisions, just as electors do today in Area "D". Decisions by Council to establish new services, however, would not be subject to elector approval.

Regional District
A new municipality would become a RDOS member municipality, along with Penticton, Summerland, Oliver, Osoyoos, Keremeos and Princeton. Council would appoint one of its members to the RDOS Board of Directors as a Municipal Director. This Director would vote at the Board table on all corporate matters (e.g., adoption of the annual financial plan), and in decisions on services in which the municipality participated.

Provincial Government
The provincial government would have diminished authority over local services in a new municipality. Specifically, the province would no longer make decisions related to local roads, and would no longer have authority over subdivision approval.[2] The province would still, however, make decisions concerning local policing. If the new municipality reached a population of 5,000, Council (through the Mayor) would have an enhanced role in helping to set policing priorities.[3]

The transfer of decision-making authority from the province to the municipality also includes a transfer in the cost to municipal taxpayers. Local taxpayers would become fully responsible for the cost of maintaining local roads and for processing and approving subdivisions.

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[1] Council size would depend in part on population, and be determined during the incorporation process.

[2] The province would remain in control of Highway 97, which is designated a provincial highway.

[3] Even at 5,000 population, the new municipality would not control local policing. Authority over local policing in communities served by the RCMP is held by the province and is exercised through the Solicitor General. The municipality would, however, have the ability to influence the setting of local RCMP policing priorities.

RDOS Area "D" Service & Boundary Study
Fact Sheets
October 2021

SEWER & WASTEWATER SERVICES

➢ What service is provided?

Sewer and wastewater services provided by RDOS in Area "D" include:

- operation of a sewage collection and treatment system in the Okanagan Falls area
- septic disposal services.

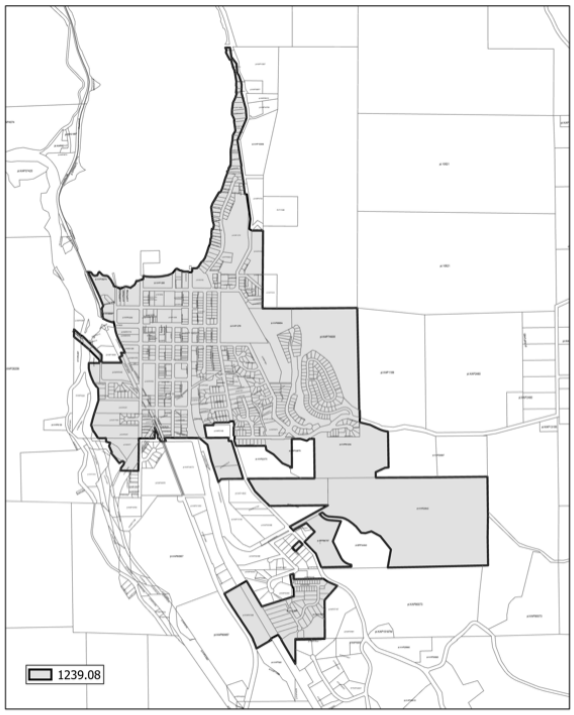
Okanagan Falls Sewer

The Okanagan Falls sewage collection, treatment, and disposal works were originally built in the late 70's. In 2010, a federal/provincial infrastructure grant assisted in funding the construction of a new Wastewater Treatment Plant (WWTP) south of the original treatment plant. The project was completed in 2013. In addition to the new WWTP, the system includes 4 pump stations, and pressurized and gravity sewer mains that service approximately 750 properties. The sewer service area, which encompasses 1,379 connections, includes all the shaded areas shown in Figure 1.

The new WWTP removes the organics and nutrients from the wastewater through biological nutrient removal before the effluent is released into Okanagan River Channel. The treated effluent is used for treatment plant operations, in toilets at the plant, and for landscape irrigation. The heating and cooling system uses the treated effluent in various ways and can provide up to 95 percent of the heating/cooling requirements for the building.

As a condition of the grant, the plant was built to be capable of handling expansion to the Kaleden Lakeshore and Skaha Estates communities. Work has been completed to design an extension of the system to these two communities.

Figure 1: Okanagan Falls Sewer Service



In 2017 the RDOS received grant funding to extend the sewer system to Skaha Estates community. A preliminary engineering design and associated cost estimate was prepared by Tetra Tech Canada in 2018. The analysis indicated that the associated cost of extending sewer lines along Eastside Road to Skaha Estates was approximately $14.2 million, of which more than $8 million would be needed from residents. The cost was considered prohibitive for the community of less than 200 properties, and not pursued any further. Skaha Estates could proceed in the future if sufficient grant funding was received.

Grant funds were then used to prepare a preliminary design, complete with Class 'B' cost estimates, of expanding the sewer service to

Kaleden. A preliminary design report was completed in April 2020. The project was proposed to replace the existing and septic systems in Kaleden with a community sewage collection system and connect into the wastewater treatment facility in Okanagan Falls. A referendum on that proposal was postponed due to COVID in 2020 but proceeded in June 2021. Residents within the proposed Kaleden Service Area were asked whether they supported the creation of a sewer service, and to authorize borrowing of up to $4,040,000 for the infrastructure extension. A total of 58% of those who cast ballots voted against the proposed expansion.

Based on the recent direction, there are no expansion plans in the works for the sewer system.

The Heritage Hills/Vintage Views community has a private sewer system servicing their community. The sewer system had some issues during a 2019, including a sewage leak. The provincial Ministry of Environment is responsible for private systems, including responding to compliance issues, and working together with the Health Authority to identify any public health concerns. As a privately run system The RDOS has no responsibility for private wastewater systems, nor does it have the authority to enforce compliance. The costs for private systems are not included in this overview because it is not a service provided by the local government.

Liquid Waste Management Planning
The RDOS has the authority to provide liquid waste management planning for all electoral areas. A Liquid Waste Management Plan (LWMP) generally references existing circumstances, identifies viable alternatives and improvements and recommends the most financially, socially, and environmentally acceptable solutions for moving forward. LWMPs are encouraged by the Province, but not required. The plans provide benefits such as authorization to borrow for capital works. Several LWMPs were initiated through grant funding back in the 80s.

The Okanagan Falls Area Liquid Waste Management Plan was approved in 2010 and precipitated the construction of the new wastewater treatment plant. The plan also identified potential sewer areas in Kaleden and Skaha Estates.
No further updates have been initiated since that time, and there have been no recent services provided, nor cost associated, with the RDOS authority for liquid waste management planning. While the region still has the authority for the service, at this time it is not an active service provided to Area “D”.

Septage Disposal
The RDOS helps fund the disposal facility for septic waste located at the Penticton sewage treatment plant. The plant serves the City of Penticton as well as residents of RDOS.

➢ Who makes decisions?

Okanagan Falls Sewer
The entire RDOS Board makes decisions regarding the Okanagan Falls sewer service, due to the fact that one Electoral Area Director cannot make decisions on a service alone. Decisions are made on the advice of staff, policies and regulations, and in accordance with the approved Liquid Waste Management Plan and applicable legislation.

Liquid Waste Management Planning
As noted above, liquid waste planning is not provided to Area “D” at this time. When plans are revised or updated, all Electoral Area Directors would participate in decisions.

Septage Disposal
Only the directors from the participating areas – Area “D,” “E,” “F,” and “I” – make decisions regarding the septic disposal facility, with the exception of budget decisions, which are made by the full Board.

➢ Who delivers the service?

The RDOS operates and manages the Okanagan Falls sewer system and treatment plant. RDOS has a Manager of Operations that oversees the water/wastewater operating department. The department encompasses many staff that contribute to the service, including system operators, a laboratory technician, environmental technologist as well as an administration assistant.

The RDOS also has a Manager of Engineering Services, engineering technologists and an administration assistant that oversee the water/wastewater capital projects. In addition, consultants are hired as required to assist in the preparation of liquid waste management plans and updates.

The septic disposal facility at the City of Penticton's advanced wastewater treatment plant is operated by the City of Penticton. The RDOS has a 22-year contract with the City to deliver the service to RDOS that ends in July 2027.

➢ What is spent by RDOS on the service?

Okanagan Falls Sewer
Annually, the Okanagan Falls sewer service costs approximately $1.2 million, including debt financing for the construction of the treatment plant. This amount does not include any capital works. In 2021 an additional $1.95 million in capital works were planned, which represents more than a typical year. The main upgrade was $1.8 million for solids processing. Other items included a lift station upgrade, generator replacement, wetland enhancement and SCADA upgrade. Capital funds came from Gas tax (grant and Community Works Funds), user fees (capital portion), and DCCs (SCADA upgrade) to pay for the capital works. Other years in the 5-year financial plan have no capital upgrades identified.

Septage Disposal
The septage disposal service is in a surplus situation, so no funds are required through tax requisition. Those who use the service pay tipping fees at the time of use. Tipping fees are $36/m^3.

The 2021 budgeted service costs, including capital costs, are shown in Figure 2. In addition to the annual service costs, there are also operating and capital reserve accounts created for the Okanagan Falls sewer service, and an operating reserve for the Septage Disposal service. The DCC Reserve account must be used for WWTP DCC projects only. It is useful to consider the amounts that the region has set aside for future expenditures. Reserve totals are included in Figure 3.

Figure 2
Cost of Services
2021

Service Component	Cost[1]
OK Falls Sewer	$3,160,142
Septage Disposal	$0
Total	**$3,160,142**

1 Cost estimates are from adopted 2021 budget figures and include capital costs

Figure 3
Reserve Totals
2020

Service	Reserve Total[1]
OK Falls Sewer	$103
OK Falls Sewer DCC Reserve	$297,362
OK Falls Sewer - Future Capital	$959
Septage Disposal Operating Reserve	$98,710

1 Reserve totals are as at the end of 2020.

➢ How are the costs recovered?

The cost of the Okanagan Falls sewer is primarily recovered through user fees, and to a lesser extent extension, installation and connection fees. User fees pay for about 93% of the service costs. The service also receives an annual Sewage Facilities Assistance grant from the Okanagan Basin Water Board.

The RDOS has a development cost charge (DCC) for the Okanagan Falls sewer treatment plant, which is paid by anyone constructing new residential or non-residential buildings or creating new residential lots through a subdivision. The DCC allows development to contribute to the capital costs of WWTP projects that benefit growth. The DCC for every new single-family lot created in the sewer area is $5,900. Multi-family units pay $4,200 per unit, commercial and industrial development pay $19 per square metre of gross floor area, institutional $17 per square metre, and RV parks pay $2,400 per site or lot. The DCCs accrue in a reserve account and are used to contribute to

capital costs of the WWTP. At the end of 2020 the DCC reserve was $297,362.

Septage Disposal
This service is recovered through tipping fees provided by the users. A portion of the amount previously provided to the City of Penticton was covered by tax requisition; however, the service is in a "surplus" position and therefore no longer needs to recover funds through taxation. Residents who use the Penticton facility for septic disposal are also subject to a tipping fee of $36 per m^3 at the time of disposal.

➢ What is the cost to a typical residence?

The cost of the Okanagan Falls sewer service is recovered from Area "D" taxpayers that are connected to the sewer system through a $879 user fee (for single family properties, $749 for an apartment). This user fee includes a portion allocated to capital projects, and a portion for operating costs. Properties not serviced by the OK Falls sewer system would only pay fees associated with septic disposal as needed, or private sewer user fees.

Figure 4
Cost Impact on Typical Residence
2021

Service	Tax Req.	Res. Rate	Owing[1]
OK Falls Sewer	n/a	n/a	$879.00
Septage Disposal	$0	n/a	$0.00
Total			**$879.00**

1 Impact is calculated on a single family home assessed at $450,000

➢ What impact would incorporation have on these services?

Incorporation would not result in many required changes to the Sewer and Wastewater services currently provided to Area "D". If the Okanagan Falls sewer area were fully included within a new municipal boundary, and not divided, then the municipality would become the owner of, and have responsibility for delivering the sewer service to residents.[1] There would not be any requirement, as a result of incorporation, to extend sewer services beyond the current service area.

The cost of the OK Falls sewer service would not necessarily change as the result of the transfer of responsibility to the municipality. The municipality would have the option of operating and maintaining the system using municipal staff, or contracting that service to a third party. The municipality would have the authority to apply for infrastructure grants, or apply eligible Gas Tax funds to capital upgrades, in accordance with the municipality's infrastructure priorities.

There would be no requirement for the municipality to acquire any privately owned sewer system, such as that at Heritage Hills/Vintage Views (even if the system was within the municipal boundary).

Similarly, the septage disposal arrangement with the City of Penticton could still continue with a new municipality, but may require an update or amendment to the contract with the City of Penticton. A municipality would have the authority to determine whether to participate in, and pay for that regional service, or to provide the service through other means.

[1] It is expected that the entire sewer service area would be contained within a new municipality. Excluding a portion of the utility would be unusual, if not problematic

RDOS Area "D" Service & Boundary Configuration Study
Fact Sheet
October 2021

SOLID WASTE MANAGEMENT

➢ What service is provided?

For the purpose of this *Fact Sheet*, solid waste management consists of curbside collection of garbage and recycling, refuse disposal/landfill operations, a solid waste management planning service and an illegal dumping clean-up service.

Curbside Garbage/Recycling

The Regional District provides curbside recycling and garbage collection to residences in Area "D" through two separate services (Recycling/Garbage OK Falls and Recycling/Garbage Area D/E/F/I). The service consists of four main programs for single-family homes:

- Weekly garbage collection,
- Every other week recycling collection,
- Seasonal yard waste pickups, and
- Yearly pickup (one date) of two large bulky items.

Residents can place two cans or bags (max 121 L container or 25 kg weight per bag or can) at the curb, and unlimited recycling. One (1) 240 litre rolling cart is also acceptable for garbage collection. Additional garbage can be collected using "tag-a-bag" stickers.

Yard waste (grass clippings, trimmings, etc.) is collected every other week, with the exceptions of only one pick-up in December and February, and no collection in January. Yard waste must be placed in clearly marked reusable containers or in compostable paper bags, or prunings can be bundled with string (not wire, nylon cord or plastic banding). Unlimited amounts of properly packaged yard waste is accepted on collection days.

There is also one day annually where no more than two large items (appliances, furniture) will be collected.

Multi-family (anything over four units) residential and non-residential uses must contract their own garbage and recycling service separately; this service is not through the RDOS.

Solid Waste Management

The RDOS provides a Solid Waste Management Service that includes long-term planning for solid waste management for the entire regional district. Multi-family and commercial uses pay into the solid waste management planning service, which is a mandatory service of all regional districts that regulate garbage collection in BC.

Solid waste planning includes preparation and update of the region's solid waste plan (adopted in 2012, and amended in 2019 to include the Apex Mountain Transfer Station). The plan provides a long-term vision for solid waste management, including waste diversion targets and disposal plans. The service also includes public education, waste reduction coordination, annual reporting, preparation of new waste facility sites, and other works or services as required by the plan.

Landfill Operations

There are 7 sanitary landfills within the RDOS to manage the region's solid waste; the regional district operates 4 of them, and 3 are operated by municipalities. One landfill is located within Area "D"– Okanagan Falls Sanitary Landfill. That landfill does not accept household garbage; instead it is a regional centre for demolition, land clearing and construction waste (wood, yard waste, metals, propane tanks, tires and lead acid batteries). The waste collected in Area "D" through the curbside

collection program, commercial collection or multi-family collection is disposed at the Campbell Mountain Landfill, located in Penticton. Residents and businesses in Area "D" can also take garbage to the Campbell Mountain Sanitary Landfill (CMSL).

The RDOS has proposed a new organics composting facility adjacent to the Campbell Mountain Sanitary Landfill (CMSL). The RDOS is partnering with the City of Penticton on an opportunity to build a facility that can compost the wastewater solids as well as food and yard waste organics. The RDOS Solid Waste Management Plan has identified composting as one of the best means to divert waste entering local landfills.

The proposed composting operation would be located east of the CMSL at a site currently located within the Agricultural Land Reserve (ALR). The new operation would be designed to accommodate up to 35,000 tonnes of organic materials per year and would include odour controls and paving the site to contain leachate. The establishment of an organics composting facility will require an amendment to the Solid Waste Management Plan.

The RDOS recently commissioned a master plan is for the CMSL, the results of which will be used to update the Design, Operations and Closure Plan, required by the Ministry of Environment every 5 years.

Illegal Dumping
RDOS also provides a regional illegal dumping education and control service that includes reporting of illegal dumping within the region, collection and supporting community clean-up efforts. The service is provided region wide – all electoral areas and municipalities participate in this service.

➢ Who makes decisions?

The RDOS has authority for providing solid waste collection services to residents of 8 electoral areas as well as the Village of Keremeos. Although there are different curbside collection areas, all curbside collection is through one service provider. Operational decisions are made by all the service participants, and budget decisions are made by the full Board.

The RDOS's Board of Directors makes decisions for the region-wide solid waste management planning function, including decisions on the service budget. The participants make operational decisions regarding the landfill operations for Campbell Mountain and Okanagan Falls (Penticton and Electoral Areas D, E, F and I).

➢ Who delivers the service?

Residential garbage and recycling collection services are delivered by Waste Connections of Canada on contract with RDOS. The current contract began in July 2018 and is scheduled to end in the middle of 2025. Waste Connections delivers the service to 8 electoral areas and the Village of Keremeos.

The RDOS provides regional solid waste planning to the entire region. The Region is required to complete and update its regional Solid Waste Management Plan, and to undertake long-term solid waste facility planning on behalf of the region. Consulting services are used to support staff in delivering the service.

The operation of the 4 regional landfills is currently provided by RDOS. The landfill operations agreement for CMSL expires in May, 2022. The regional district sent the new contract to tender in the fall of 2021. The RDOS also uses some consultants and contractors to assist with landfill operations.

Illegal dumping collection is provided by RD staff, with the use of some contract services.

➢ What is spent by RDOS on the service?

The total cost of solid waste management services that impact Area "D" can be broken down into:

- the 2021 budgeted cost of garbage collection and recycling services
- the 2021 budgeted cost of the RDOS solid waste management planning service

- the 2021 budgeted cost of operating the Campbell Mountain and Okanagan Falls Landfill
- the 2021 budgeted cost of illegal dumping service

The amounts in Figure 1 represent the total cost of these services, and not the portion that Area "D" residences pay for through user fees or taxes. These amounts also include capital expenditures, which can vary greatly from year to year, particularly for the landfill operations. The operating costs are more stable. Of the $7.3 million in Refuse Disposal service costs in 2021, approximately $4.18 million are operating costs, and $3.085 are capital costs.

Figure 1
Cost of Services
2021

Service Component	Cost[1]
Curbside Collection Area D/E/F/I	$568,522
Curbside Collection OK Falls	$308,552
Solid Waste Management (Planning)[2]	$304,058
Refuse Disposal (landfills) Pentcton/D3[3]	$7,265,637
Illegal Dumping	$46,921
Total	**$8,493,690**

1 Cost estimates are from adopted 2021 budget figures

2 2021 represents an unusual year for this service due to consulting costs. Service costs are typically budgeted at approximately $220,000.

3 2021 included $3.085 million in capital expenditures

Most services have operational reserves in place, and the landfill facilities also have capital reserves and closure reserves. It is useful to consider the amounts that the region has set aside for future expenditures. Reserve totals are included in Figure 2.

Notably, the Campbell Mountain landfill has multiple reserves. Closure costs must cover the costs of closing the landfill, as well as post-closure care for an estimated 30 years. The total estimate of closure costs, estimated in 2016, is about $9 million, plus another $4.9 million on post-closure. The earliest closure date is estimated at 2104 (88 years).

Figure 2
Reserve Totals
2020

Service	Reserve Total[1]
Curbside Area D/E/F/I Operating	$154,805
Curbside OK Falls Operating	$80,817
Solid Waste Management Operating	$243,761
Refuse Disposal - (Penticton & Area) Operating	$96,204
Illegal Dumping Operating	$49,251
Campbell Mt. Landfill (closure)	$5,209,604
Campbell Mt. Landfill Capital Reserve	$1,696,180
Campbell Mt. Landfill Env.Improvement	$2,095,306
Refuse Disposal - OK Falls (Landfill)	$636,919

1 Reserve totals are as at the end of 2020.

➢ How are the costs recovered?

Curbside collection of garbage and recycling in Area "D" is paid for primarily through user fees, as well as a contribution from Recycle BC, a non-profit industry-funded group that manages packaging and paper recycling. In 2021, user fees were $155 in Upper Carmi, Heritage Hills, and Lakeshore Highlands, and $135 in the remaining areas of Area "D". Those fees are a flat rate per residence, and do not fluctuate with the value of a home. Rates are reviewed and revised annually based on costs of the contract, tipping fees and administrative costs. Single family residential properties are billed annually for garbage and recycling fees, and these fees are therefore not included on their tax notices. The collection services do have the option to raise revenues through taxation on improvements only, but they have not used this option.

The cost of operating the Campbell Mountain and Okanagan Falls Landfill is currently recovered through tipping fees and user fees for the landfill. Refuse charges at the Campbell Mountain are set at $110 per metric tonne per load, with a minimum charge of $5, and are paid at the time of drop-off. Other types of waste have specific charges. Yard and garden waste, as well as residential recycling materials are free to drop off (up to 500 kg). As with the curbside collection, the service does have the

ability to raise revenues through taxes on improvements only, but this approach is not currently used.

The cost of both the solid waste management service and illegal dumping services are shared by all jurisdictions in the region, and the costs are raised primarily through property taxes. The cost of the services are allocated to each electoral area and municipality on the basis of converted assessment for land and improvements. Requisition amounts for the services, and associated tax rates are included in Figure 3. The tax contribution toward solid waste management service from all of Area "D" in 2021 totalled $9,738 for the solid waste management service, and $1,800 for the illegal dumping service.

➢ What is the cost to a typical residence?

The net cost of the RDOS solid waste services is recovered from Area "D" taxpayers on the basis of property assessments, as well as through user fees. A residence assessed at $450,000, paid approximately $140 to $160 for the solid waste services, as shown in Figure 3, including the garbage user fees and any applicable taxes.

As noted previously, a flat user fee of either $135 or $155 for garbage is paid by Area "D" residents for garbage and recycling collection (depending on the area), regardless of assessed value or volume of garbage or recycling. The exception is if you have more than the permitted amount of garbage, in which case you need to purchase additional "tag-a-bag" stickers at $1.50 per sticker.

Landfill operations are paid for through tipping fees (by both commercial and residential users).

➢ What impact would incorporation have on these services?

Incorporation would not result in any required changes to the Solid Waste Management services currently provided to Area "D". A municipality could choose to provide some services currently provided by the RDOS, but there would be no immediate need, nor requirement, to do so.

Figure 3
Cost Impact on Typical Residence
2021

Service	Tax Req.[1]	Res. Rate	Owing[2]
Curbside Area D/E/F/I[3]	n/a		$155
Curbside OK Falls[3]	n/a		$135
Refuse Disposal	n/a	n/a	n/a
SW Mgmt. (Planning)	$184,058	0.0072	$3.24
Illegal Dumping	$33,389	0.0013	$0.60
Total			**$138.84 - $158.84**

1 Tax requisition amount excludes 5.25% Surveyor of Taxes fee

2 Impact is calculated on a home assessed at $450,000

3 Curbside collection fees are user fees (flat rate)

A newly incorporated municipality could choose to provide its own garbage and recycling collection services, or could continue the service as currently provided by the regional district. Typically changes would be made at the conclusion of the current service contract, particularly if a different service level is desired. There may be economies of scale achievable by participating in a larger service that provide an incentive to remain as part of the RDOS contract. A municipality would have the authority to determine whether to participate in the regional service, to provide the service through other means, or even to not provide garbage and recycling collection at all.

It is anticipated that a new municipality would continue to participate in the refuse disposal service that provides for the operation of the CMSL and the Okanagan Falls landfills. That service is not funded through tax requisition, so there would not be any impact on residents of the new municipality.

The new municipality would be required to participate in the solid waste management service, which is a mandatory service for the region. There would be no service or cost impacts, as all of Area "D" already participates in, and contributes to this service.

RDOS Area "D" Service & Boundary Study
Fact Sheets
December 2021

TRANSIT SERVICES

➢ What service is provided?

Electoral Area "D" is serviced by BC Transit through the South Okanagan-Similkameen Transit system. There are two separate services that apply to Area "D" – regional transit, which all the RDOS municipalities and electoral areas contribute to, as well as Area "D" Transit services, which are only provided to and paid by a defined service area within Area "D".

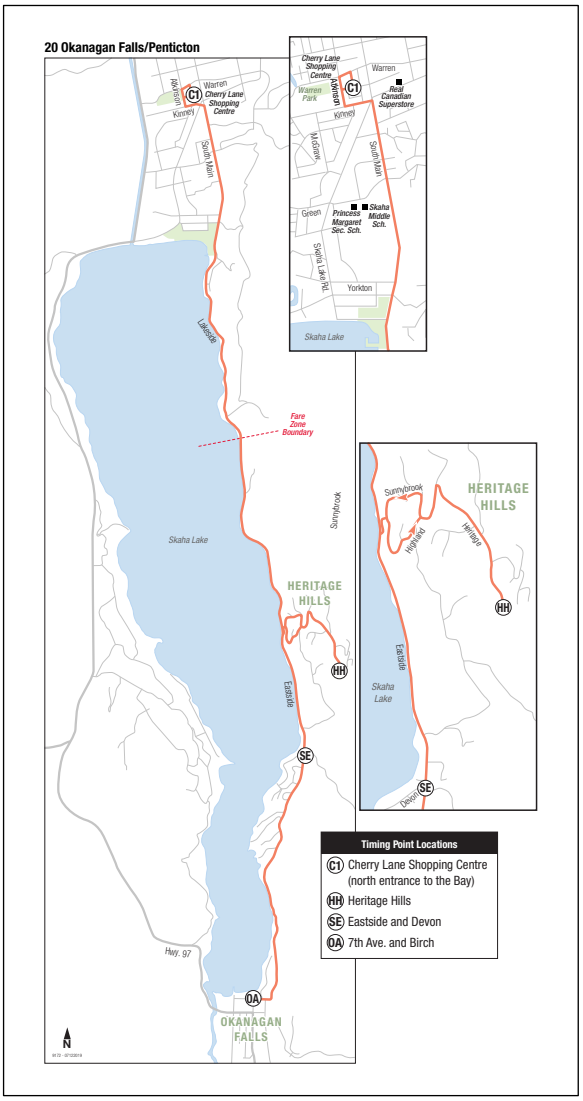
Area "D" Transit
The #20 bus provides five times daily return service between Penticton and Okanagan Falls along the east side of Skaha Lake via Eastside Road, with service extending into Heritage Hills subdivision. The #21 bus provides five daily local service loops within Okanagan Falls community, two of which extend service up to Peach Cliff estates. The Area "D" routes are shown in Figure 1.

Area "D" also benefits from the #40 route that provides twice daily return service between Osoyoos and Penticton, although it travels through Area "I" and not Area "D". That route does stop in Okanagan Falls, but is not funded by Area "D".

Regional Transit
BC Transit offers a route that helps to connect RDOS with the Central Okanagan. The #70 bus route connects Penticton to Kelowna via Summerland, Peachland, Westbank, and West Kelowna. That route is funded regionally.

In addition to connecting the southern Okanagan communities, this service is often referenced as "Health Connection" route, as it is funded in part Interior Health. BC Transit offers "Health Connections" service aimed at providing communities with accessible transportation options to non-emergency medical appointments. Passengers must call to arrange their trips. Generally this route is planned along the #40 route.

Figure 1: Route #20



➢ Who delivers the service?

BC Transit delivers the service on behalf of the regional district. Operation of buses, including management of drivers and vehicle maintenance is handled by Penticton Transit Service Ltd. on contract to the RDOS and BC Transit.

It is important to note that although the Area "D" Transit service is provided to and recovered from a portion of Area "D" residents, the delivery of the service is through BC Transit is tied together with the delivery of service in Area "E" in the Naramata. The contract with BC Transit is for both the Area "D" and Naramata services, making it challenging to change either of these two separate services.

➢ Who makes decisions?

Decisions about transit fares, routes and service levels are made by the RDOS Board of Directors. In making its decisions, the Board considers information and planning advice provided by BC Transit.

The Board is also guided by the Transit Future Plan, which was completed in 2015 in partnership with BC Transit. The plan sets out an implementation strategy for short and long-term transit investments. BC Transit and the RDOS are currently engaged in a planning process known as the Transit Future Action Plan. The goal of the South-Okanagan Similkameen Transit Future Action Plan is to update the 2015 Transit Future Plan to help guide decision-making for transit in the South Okanagan-Similkameen Regional Transit System. The update is currently in the engagement phase.

The RDOS electoral area directors and board make decisions on whether to create or participate in specific services. Decisions regarding both the regional service and the local Area "D" service are made by the full Board. It has been noted that the Area "D" Transit service agreement ties the service to the Area "E" transit service, making the service and agreement for any one electoral area more challenging to alter.

➢ What is spent by RDOS on the services?

The cost of the regional transit and the Area "D" transit services are provided in Figure 2. The amount of the Area "D" service was reduced in 2021 budget, due in part to the COVID-19 pandemic and decrease in ridership during this time. The budget forecast for future years for this service is closer to $130,000, rather than the $109,228 in 2021.

It is also useful to note that the RDOS has operating reserve accounts for most services. The Area "D" transit service has a reserve account balance of $18,852 at the end of 2020, and the regional transit service operating reserve balance was $5,108.

Figure 2
Cost of Services
2021

Service	Cost[1]
Regional Transit	$295,682
Area "D" Transit	$109,228
Total	**$404,910**

1 Cost estimates are from adopted 2021 budget figures

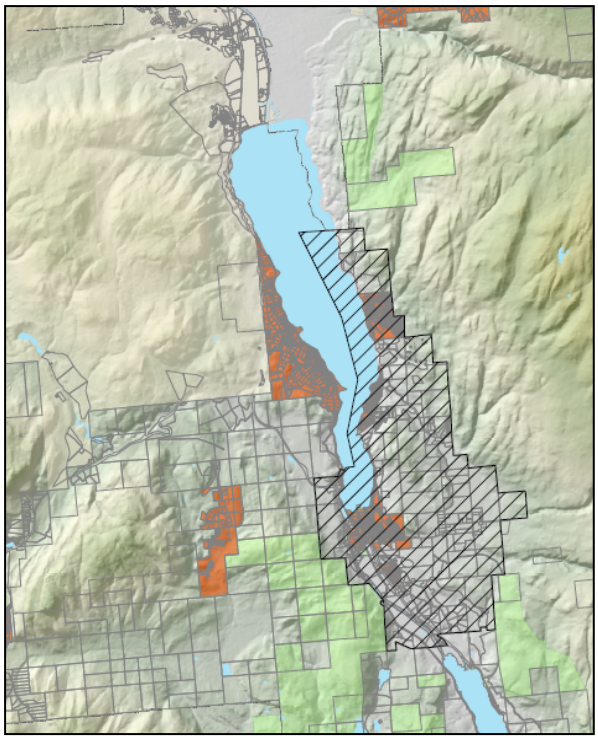
➢ How are the costs recovered?

Area "D" Transit
The Area "D" Transit system is recovered through a combination of tax requisition from the service area (see the crosshatched area in Figure 3), as well as passenger fares, and some grant funding. In 2021 a much lower rate than usual was anticipated to be recovered from passenger fares ($5,375 as opposed to $13,000). It should be noted that only those properties within the service area shown in Figure 3 contribute to the Area "D" Okanagan-Similkameen Transit System.

Regional Transit
The RDOS cost of the Okanagan-Similkameen Transit System is recovered through a combination of property taxes based on assessed value (land and improvements) throughout all of the RDOS, as well as transit fares, and some grant funding from

the Interior Health Authority and provincial government. The tax requisition, fare recovery and overall operational budget were lower for the service in 2021 than that budgeted for subsequent years. In 2021 the service also received a safe start provincial grant of close to $35,000 to help fund the service.

Figure 3: Area "D" Transit Service Area



➢ What is the cost to a typical residence?

Figure 4 provides the tax impacts to a typical Area "D" residence for transit service. Transit fares for service would be in addition to the amounts shown below. Fares for local service are $2.25 on the Okanagan-Similkameen Transit System (free for children under 12). The regional routes are $4, or $5 for route #70 which provides connection from Penticton through Summerland to Peachland, Westbank, West Kelowna and Kelowna.

Figure 4
Cost Impact on Typical Residence
2021

Service	Tax Req.[1]	Res. Rate	Owing[2]
Regional Transit	$216,008	0.0086	$3.88
Area "D" Transit[3]	$85,131	0.0774	$34.82
Total			**$38.70**

1 Tax requisition amount excludes 5.25% Surveyor of Taxes fee

2 Impact is calculated on a home assessed at $450,000

3 Rate only applies to a portion of Area "D" (within the service area only)

➢ What impact would incorporation have on these services?

A new municipality would become responsible for providing transit services; however, it is anticipated that the new municipality would continue to participate in the regional transit service, and would perhaps have their own contract or agreement directly with RDOS and City of Penticton to guide their own municipal service (similar to that of Area "D" transit service now). No changes to cost or service level would be required as a result of incorporation.

As noted with all services, there would be a change in governance. Within a municipality, it would be the municipal Council that would have the authority to make decisions regarding the transit service, and a municipal director would participate in discussions at the RDOS Board level regarding service levels and cost for regional services. The Ministry of Transportation indicated that incorporation could provide opportunities to change the current agreement with BC Transit, which ties the some service levels together with transit service in Area "E".

RDOS Area "D" Service & Boundary Study
Fact Sheets
December 2021

WATER SERVICES

➢ What service is provided?

Within Area "D", the Regional District of Okanagan-Similkameen (RDOS) currently provides domestic and irrigation water to 28 connections in the community of Sun Valley. Aside from the Sun Valley system, the remaining residents of Area "D" receive water from other providers, including private utilities, irrigation or improvement districts and strata corporations.

In November 2021 the Okanagan Falls Irrigation District (OFID) applied to the RDOS to transfer the OFID water, cemetery and Centennial Park services to the RDOS. If successful, the conversion process will result in the dissolution of the OFID and transfer of responsibility for administering and operating the services to the RDOS, along with its assets and liabilities. The process is guided by the Ministry of Municipal Affairs, and requires a Cabinet order to dissolve the OFID and transfer responsibility to the RDOS. At the time of writing, the water service is still owned and delivered by OFID.

In addition to owning and administering the water system for Sun Valley, the RDOS facilitates Area "D" participation in the Okanagan Basin Water Board (OBWB).

Sun Valley
The Sun Valley Water System was transferred to RDOS in 2017. The water system consists of a combination of pumps and a 60,000 gal concrete reservoir. The system supplies 28 connected properties with water for a combination of residential and irrigation use. The current connections consume the full allotment of licensed water from the well and so no further connections are able to be added at this time.

Okanagan Basin Water Board
The RDOS is a partner in the OBWB. The OBWB was created in 1970 as a collaboration of the three Okanagan regional districts (North Okanagan, Central Okanagan and Okanagan-Similkameen) to provide a coordinated approach to water management and water issues that span the basin. The OBWB delivers programs and activities to promote sustainable water management, and to protect and enhance the quality of life and environment in the Okanagan Basin. OBWB promotes best water management practices by supplying science, information, grants and other incentives with a focus on projects and programs that benefit the Okanagan watershed as a whole. The Board also undertakes advocacy, and has a communication and coordination role to reduce fragmentation in policy and planning, and to improve links between local and senior governments.

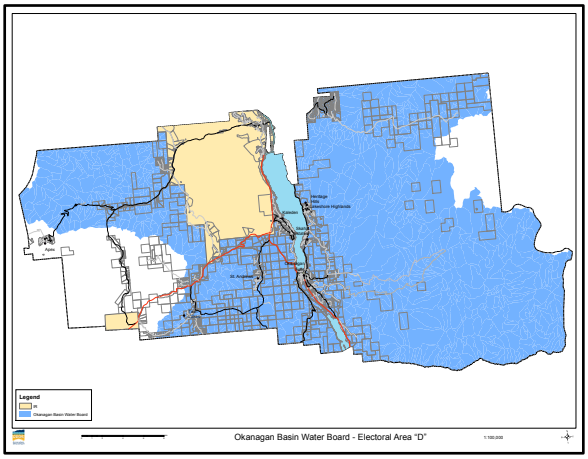
The Board's three main programs are focused on collaborative water management, water quality improvement and aquatic weed/milfoil management, with the overall objective of supporting sustainable water supplies, clean water for drinking, and healthy lakes and streams.The OBWB is not a regulatory agency, and does not enact or enforce law, but it does have taxation authority.

The three Okanagan regional districts appoint three directors each, and the Board also includes representatives from the Okanagan Nation Alliance, the Water Supply Association of BC, and the Okanagan Water Stewardship Council. The Water Stewardship Council is a 34-member advisory body to the OBWB and a local source of technical expertise. The Stewardship Council

includes representatives from diverse water stakeholders, including the RDOS.

Within the RDOS the municipalities of Penticton, Summerland, Osoyoos and Oliver, as well as all of Electoral Areas C, E, F, and parts of Areas A, D, G, H and I participate in, and contribute to the Okanagan Basin Water Board. Penticton Indian Band is also a contributing partner. Figure 1 shows the participating areas within Area "D".

Figure 1: OBWB Area "D" and "I" Service Area



➢ Who makes decisions?

Decisions regarding the operation of the OBWB and expenditure of its budget are made by the OBWB Board that includes three representatives from RDOS. Each OBWB Board member has an equal vote on decisions (one director, one vote). On financial matters, only the representatives of the regional districts may vote. The Board also relies upon advice from the Watershed Stewardship Council. The OBWB does have taxation authority, and can therefore determine, through approval by the OBWB, an appropriate budget and taxation rate to be recovered through the participating areas of each of the regional districts (RDNO, RDCO, RDOS). Operational procedures for the OBWB require unanimous approval by the three regional districts.

Decisions regarding water supply and distribution for Sun Valley are made by the full RDOS board, because the service is only provided to one Electoral Area.

Decisions for water in areas served by an improvement or irrigation district are made by the board of trustees for the improvement or irrigation district, which is elected by area property owners. The board of trustees makes resolutions, enacts bylaws, and assesses and collects taxes in accordance with legislation.

Private utilities are regulated through the Comptroller of Water Rights, under the *Water Utility Act* and the *Utilities Commission Act*. The Province's Utility Regulation Section ensures that water systems are properly designed and constructed prior to the sale of lots and that utilities provide safe and adequate water service at rates that are fair, reasonable and sufficient to operate their water systems sustainably.

All of the water systems – including those owned and operated by the RDOS, or by improvement/irrigation districts and private utilities, must also meet the requirements of the *Drinking Water Protection Act* as enforced by the Interior Health Authority.

➢ Who delivers the service?

The RDOS delivers nine water systems throughout RDOS; currently Sun Valley is the only one located within Area "D". RDOS public works staff deliver the service. This includes the engineering division, which provides capital infrastructure upgrades for water, and the operations division, which maintains the nine water systems.

Other water services are delivered by a combination of private utilities and irrigation and improvement districts.

The OBWB service is delivered by OBWB staff. The Water Board has 7 staff, including an executive director, water stewardship director, operations and grants manager, communications director, policy and planning specialist and milfoil control crew members.

➢ What is spent by RDOS on the service?

Figure 2 shows the total 2021 budgeted cost for the Sun Valley water system and the OBWB. The amount referenced for the OBWB reflects the total cost allocated to the RDOS, including the cost associated with all participating areas in the region (4 municipalities and portions of 8 electoral areas). The portions of Area "D" that are within the service area contributed $44,171 toward the OBWB service.

Figure 2
Cost of Services
2021

Service Component	Cost[1]
Sun Valley Water	$82,858
Okanagan Basin Water Board[2]	$738,948
Total	**$821,806**

1 Cost estimates are from adopted 2021 budget figures

2 This is the cost of the service provided to all participating areas in RDOS

In addition to the service cost, there is also an operating reserve account created for the Sun Valley service. At the end of 2020 that reserve account totaled $56,866.

➢ How are the costs recovered?

User fees is the primary source of funding for Sun Valley water. They are levied per parcel based on the basic user fee, plus an additional fee that relates to the volume of water supplied (number of gallons per minute dole valve). On occasion, user fees are supplemented by amounts from the reserve account.

There are other fees associated with any RDOS water system that are paid as needed, including connection fees, inspection fees, valve turn requests, etc. The Sun Valley water system also has a Capital Expenditure Charge of $1,000 per lot, which would be paid when new lots are created; however, the Sun Valley system does not currently have the infrastructure capacity to add new users to the system.

The OBWB service is recovered through property tax levied on all properties within the participating areas.

➢ What is the cost to a typical residence?

The cost of the OBWB service is recovered from Electoral Area "D" taxpayers on the basis of property assessments. In 2021 a residence assessed at $450,000 in Area "D" paid approximately $15, as shown in Figure 3. Sun Valley water user fees include a base user fee, plus a rate depending on the dole valve size. The base rate for properties connected to the Sun Valley water system is shown in Figure 3.

Figure 3
Cost Impact on Typical Residence
2021

Service	Tax Req.[1]	Res. Rate	Owing[2]
Sun Valley Water System	n/a	n/a	$1,643
OBWB	$738,948	0.0325	$14.63

1 Tax requisition amount excludes 5.25% Surveyor of Taxes fee

2 Impact is calculated on a home assessed at $450,000. Note that the Sun Valley amount is the user fee regardless of assessed value, and only includes the base rate and not any additional fee based on valve size

➢ What impact would incorporation have on these services?

A new municipality would become responsible for any water systems provided by either the RDOS or by improvement or irrigation districts that are contained within the new municipal boundary. Those provided by private utilities would not change as a result of incorporation, and could continue to be provided privately. There would be no obligation for the municipality to acquire or provide those water systems.

There are four improvement districts within Area "D,"[1] so if any of those were to be encompassed by a municipal boundary, the improvement/irrigation district would be dissolved, and the assets would become owned by, and the service provided by, the municipality. This is a legislated requirement, and must occur within four years of incorporation.

Although a new municipality would become responsible for providing water services, that does not mean that the municipal staff would have to deliver the service. Municipalities are responsible for providing the services, but can decide how those services are delivered. In some cases, municipalities may choose to participate in shared service arrangements with other jurisdictions in the region, including having services provided by the regional district. For instance, the municipality will have authority for making decisions on water, and ownership of the infrastructure; however, it may choose to contract the water operations to the RDOS.

Regardless, there would be a change in governance. Within a municipality, it would be the municipal Council that would have the authority to make decisions regarding the water service, service levels, user fees and delivery models.

Given that the Sun Valley water service would continue to be paid directly by the water users, there are no significant impacts on the cost of water services that would occur as a direct result of incorporation. For any water service currently provided by an irrigation or improvement district, there may be changes to the cost of the service as a result of meeting the standards prescribed by the new municipality. However, municipalities are eligible to apply for grants for the municipal water systems. While provincial and federal grants are options for RDOS water systems (i.e. Sun Valley), the irrigation and improvement districts in Area "D" are not eligible for grant funding.

A newly incorporated municipality would continue to participate in and contribute to the Okanagan Basin Water Board through the RDOS.

[1] Skaha Estates Improvement District, Okanagan Falls Irrigation District, Rolling Hills Waterworks District, and Vaseux Lake Improvement District

RDOS Area "D" Service & Boundary Configuration Study
Incorporation Insight
December, 2021

BOUNDARY CONSIDERATIONS

What is the purpose of this paper?

Electoral Area "D" of the Regional District of Okanagan Similkameen is currently undergoing a *Services and Boundary Configuration Study*.

The purposes of the study are to:

1) Examine the services provided in Electoral Area "D", identify any issues or concerns with services or governance, and gauge interest among citizens in pursuing incorporation.
2) Recommend a boundary after considering the high-level impact that incorporation would have on political representation, governance structure and service provision.

The *Services and Boundary Configuration Study* does not presume that an incorporation study will proceed. Ultimately the Study Committee, based on direction from the community, must contemplate whether an incorporation study might be an appropriate future step, and if so, identify the most suitable boundary for that subsequent analysis.

Therefore, as part of the *Services and Boundary Configuration Study*, this paper on boundary considerations shares with the Committee and residents the factors and criteria that are typically used to identify a municipal boundary. The paper is serves as a primer in advance of the boundary identification process that forms part of this study.

➢ Why is an incorporation boundary needed?

Prior to initiating an Incorporation Study, the Ministry of Municipal Affairs establishes an incorporation study area boundary. The boundary is required to enable the committee and its consultants to gather and analyze the data for the study, and is critical in determining the costs for each option being considered. It is only once the boundary is determined that the specific services provided to the area can be identified and quantified, assessment base totalled, and tax impacts calculated.

The process to determine the tax impacts and compare the existing costs and services to an incorporation scenario is comprehensive – it involves a considerable amount of work by the regional district, consultants, the Ministry of Municipal Affairs, and incorporation committee, as well as residents. The goal of the process is to provide information to the community so residents can make an informed decision on whether they would like to incorporate. Providing clear information is a key objective of the process; providing only one scenario helps to make this process straightforward for residents who must weigh the options.

➢ How is a boundary established?

Establishing a boundary for an incorporation study is a three-phase process. It involves:

- Data collection and review
- Gathering community input
- Establishing criteria

After the collection of both qualitative and quantitative inputs, and analysis of that information relative to key criteria, consultants provide some suggested options for review and subsequently identify a preferred option. Prior to being approved for the purposes of an incorporation study, the boundary is typically recommended by a committee, endorsed by the regional district, and approved by the Ministry. Ministry staff look to input from the

boundary study, including recommendations from consultants, the study committee and the regional district, to help inform a decision.

DATA COLLECTION AND REVIEW

Many of the factors considered in determining a boundary rely upon factual data that is collected and analyzed. Some data sources and information collected includes (but is not necessarily limited to):

- Regional Growth Strategies and relevant policies
- Official Community Plans or other land use plans
- existing settlement patterns
- land use or zoning regulations
- population and population density
- Statistics Canada Census information
- local government services (all types) and service areas
- infrastructure master plans and/or proposed capital improvements
- local road networks
- property assessment class maps/information
- property assessment values
- Agricultural Land Reserve (ALR) and farm property inventories

COMMUNITY INPUT

Community input is a key component of governance studies that are completed prior to an incorporation study. Community concerns are often the reason governance and subsequent incorporation studies are initiated.

Community input provides an opportunity for all community members to learn about who provides services, how the current system works, and share perspectives on what is working well, as well as identify concerns or needs that are not being met. Depending on the issues identified, options can be developed to address community concerns, including alternatives within the current governance framework as well as those that require changes to the governance structure.

As with any qualitative input, there is always a range of perspectives and opinions shared. Just because concerns are identified in a certain area does not necessarily mean that the area will be included within an incorporation study. Conversely, just because some members of a community are uncertain of the costs or regulations that might occur in an incorporation scenario does not mean the community would be excluded.

Community input is one of the factors considered by consultants, the regional district and Ministry of Municipal Affairs when determining a boundary. As noted previously, however, there are many factors that go into establishing a logical municipal boundary. It is normal to have a range of opinions within the incorporation study area; the incorporation study process highlights the changes and impacts of an incorporation, and provides all residents with the opportunity to hear about and understand the potential impacts. It is only once that information is available that residents can make informed decisions on the best path forward for their own property, and for their community.

DEVELOP CRITERIA

Once the quantitative and qualitative data have been compiled, the factors can be compared to criteria that are relevant to the community. Some criteria are considered for the incorporation of any community; others may relate to the specific situation and directions identified by the community. For example, there may be areas that would not otherwise be included within the proposed municipal boundary based on tax base, land use and service boundary analysis; however, if residents express a strong sense of connection to a specific neighbourhood, and desire to be included within the boundary rather than separated from the community with which they identify, then that community may be included.

Figure 1 provides a summary of some of the main data inputs or factors considered, related evaluation criteria and an explanation of why they are included as part of the process. The factors are not listed in any particular order – all factors are important and are taken into consideration.

The importance of every criterion, combined with the reality that it is unlikely that any single boundary option will maximize or fulfill all criteria, is what makes selecting a boundary so challenging. Ultimately once the data are considered together, and compared with the criteria, several boundary options and iterations may be drafted and considered before recommendations are made.

➢ Can the boundary change once it is established?

Once a specific boundary is used as the basis for an incorporation study, all the costs, tax impacts and budgeting created as part of that study are predicated on the specific assessment base, property class mix, and cost of services within that specific boundary. Minor changes to the boundary will not typically change the identified impacts significantly. Substantial changes, however, in terms of tax base, servicing or property class, could have significant impacts and warrant figures to be recalculated. Any re-examination of costs would be time-consuming, given that incorporation studies typically require between 1 and 2 years to complete. The primary objective of the boundary analysis, therefore, is to identify key concerns in advance to avoid the need for changes later in the process. Receiving endorsement of the boundary from a study committee, regional district and Ministry of Municipal Affairs helps to ensure that a range of perspectives were included, and reduces the need for changes later in the process.

If an incorporation occurs, and a municipality is established, there are opportunities and processes identified in the *Local Government Act* for property owners to apply to bring their properties in or out of a municipal boundary. This adjustment process follows a similar restructure process, albeit on a smaller scale. A property owner (or group of owners) would submit a request for inclusion or exclusion to the municipal council. If council approved the request, it would be forwarded to the Ministry of Municipal Affairs for processing. Before a boundary change could occur, elector approval from all municipal residents would be required through a vote (similar to a referendum), unless this requirement is waived by the Minister.[1]

[1] The Minister of Municipal Affairs can waive the requirement for elector assent from the entire municipality in the case of a reduction of a municipal boundary (boundary exclusion).

Figure 1
Boundary Considerations
Factors and Criteria

Factor	Criterion	Explanation
Future Growth and Development	Incorporation boundaries encompass areas identified for future growth/development in Regional Growth Strategy and Official Community Plan. Incorporation scenarios minimize the amount of protected agricultural land, and lands designated in the OCP as Agricultural, within the boundaries. Incorporation scenarios represent areas that are large enough to allow for future growth, but sufficiently compact to facilitate efficient and cost-effective servicing.	The RGS and OCP were developed through processes that included a considerable amount of public engagement. The plan identifies growth areas, and land use categories that reference where future development may occur, and that speak to allowable uses and densities. A range of land uses, such as Commercial, Medium Density Residential, Town Centre and Industrial may be important to include within the Incorporation Study Area boundary.
Property Assessment Class	Incorporation scenarios include properties that together cover a range of property assessment classes. Incorporation scenarios seek to minimize properties identified by BC Assessment as Class 9 Farm, due to the tax impacts to those Class 9 properties (loss of residential exemptions) after incorporation.	A diverse tax base allows for sharing of the tax burden across the various property classes, and provides opportunities to balance contributions from different uses during the establishment of tax rates.
Agricultural Land Reserve	Incorporation scenarios minimize the amount of ALR land included within the municipal boundaries.	Given that Class 9 (farm) properties lose tax exemptions in a municipal incorporation scenario, incorporation can present a burden for some ALR properties.
Local Government Services and Service Areas (water and sewer)	Incorporation scenarios include the whole of individual service areas, particularly for utility infrastructure (water and sewer).	Wherever practicable, efforts should be taken to include whole local service areas within a proposed municipal boundary. Service planning, governance, finance and operation are easier to manage when the entire service area is contained within one jurisdiction under the responsibility of one local government, and one jurisdiction has responsibility and control for both land use and utilities.

Factor	Criterion	Explanation
Local Service Areas (Fire)	Incorporation scenarios consider including whole of fire service areas within a municipal boundary, and consider implications of including areas not serviced within the municipal boundary.	The local fire service area boundaries reflect the response times for fire events, given fire hall locations and local road networks. Fire departments can provide services beyond municipal boundaries, so while it is administratively easier to include the entire service area boundary within one jurisdiction, it is not critical that the entire service area be within the incorporated area. It is less common to provide two different service levels within one municipality (i.e. to have portions of a municipality that receive no fire service, and other areas that do).
Potential Infrastructure	Incorporation scenarios accommodate the need for future infrastructure development, in particular anticipated expansion of sanitary sewer collection and treatment systems.	'Hard' infrastructure services are most efficiently provided where the jurisdiction has control over the utilities and the land use.
Local Road Network	Incorporation scenarios include only those roads that are required to facilitate efficient transportation and land use planning, complete communities and that are important to the local community. Incorporation scenarios, wherever practicable, include complete local roads, and do not create "orphan" road ends by excluding portions of no-thru roads.	Minimizing the number and length of local roads is an important cost consideration for any municipality. The longer the road network, the greater the operation and maintenance cost borne by the community.
Tax Base	Incorporation scenarios create an assessment base that is significant in value to support the municipal needs.	In addition to the diversity of the tax base, having a significant base helps to reduce the tax burden, particularly for fixed costs, contributes toward financial resiliency and increases the borrowing power.
Parcel and natural/physical boundaries	Incorporation scenarios follow established lot lines, and do not create municipal boundaries that divide lots. Incorporation scenarios use natural areas or community divisions, where possible, to help	The use of logical contiguous boundaries assists in providing efficient servicing, and fosters a sense of community between neighbours.

Factor	Criterion	Explanation
	preserve communities of interest, and create logical, contiguous boundaries.	
Population	Incorporation scenarios should have sufficient population to sustain a resilient community, including long-term options for municipal candidates and representation. Incorporation scenarios should represent areas with population densities that set the areas apart from their rural surroundings, and allow for the development and financing of efficient infrastructure.	While several municipalities in BC have small populations, larger populations are generally associated with economic viability and resiliency. Furthermore, larger populations are needed to ensure sufficient pool of candidates to fill council positions over time. Concentrations of people is a key factor in differentiating between urban development nodes and rural living. Density is also critical to the development of efficient infrastructure networks and more urban local services.
Community Input	Where practical, include whole settlement areas or communities within the boundary instead of dividing communities that identify as a node or place. Preference given to communities where issues regarding services, service levels and/or governance have been identified and where incorporation provides a potential solution to those issues.	Statistics Canada identifies Designated Places and Designated Centres based on input from the Province of BC. The boundaries of these designations may speak to sense of community. Other communities may develop or define themselves based on subdivision patterns, or key features or community hubs such as a park or local commercial area. Unless identified for inclusion through other criteria, areas that are satisfied with the current regional district model of services, service levels and governance, and have not expressed any interest in incorporation are generally not included.

RDOS Area "D" Service & Boundary Configuration Study
Incorporation Insight
November 2021

INCORPORATION IMPACTS

What is the purpose of this paper?

Electoral Area "D" of the Regional District of Okanagan Similkameen is currently undergoing a *Services and Boundary Configuration Study*. The study proposes to examine the services provided in Electoral Area "D", and to identify any issues or concerns with services or governance. The study includes consideration of different boundary configurations and explores the high-level impact that incorporation would have on political representation, governance structure and service provision.

The *Services and Boundary Configuration Study* does not presume that an incorporation study will proceed. Ultimately the Study Committee must contemplate whether an incorporation study might be an appropriate future step, and if so, identify the most suitable boundary for that subsequent analysis.

As part of the *Services and Boundary Configuration Study*, this paper is therefore intended to communicate some of the high-level impacts that can be anticipated to occur as a result of incorporation. The purpose is to help the Committee and residents become familiar with some of the impacts that incorporation would have, to help them appreciate and consider whether they believe incorporation is an option worth exploring for their community.

➢ What happens when a community incorporates?

Incorporating as a municipality triggers a number of changes and impacts for a community. Some of those changes occur right away, while others develop over time. There are impacts due to the legislative changes statutory requirements, and transferred services and others that evolve due to the changes in governance and local control afforded by the new governance and local Council structure.

An examination of newly formed municipalities reveals many impacts – changes in tax levels, services, and governance. However, it is important to understand and distinguish between changes that happen as a result of incorporation, and those that occur because the locally-elected Council has the authority and flexibility to respond to its individual community's needs. Indeed, this is why it is difficult to compare municipalities and their paths – not all the changes that occur in a new municipality can or should be understood as impacts that are directly attributable to incorporation itself, nor should they be expected in all incorporation scenarios.

For instance, a municipality has the flexibility to determine service levels for their own community, and has the authority to regulate certain areas that a regional district does not. However, it does not necessarily follow that service levels will increase, nor that the municipality will choose to utilize those new authorities to create regulations. The purpose of this paper is therefore to identify those changes that happen *as a result of* incorporation. How those changes in governance and authority are used, is ultimately what will determine the impacts for any individual community. However, those impacts, and the cost implications will vary depending on the individual situation.

➢ What service changes occur?

Once incorporated, a municipality will become the local government for the community, and

responsible for most local government services currently provided by the regional district[1]. Incorporation will also trigger the transfer of some services from the province that were previously provided to electoral areas, including the authority for local roads (not provincial highways) and for subdivision approval. Municipalities do not have the option to refuse – transfer of the ownership and responsibility for local roads happens automatically upon incorporation.

New Municipal Services*

- ✓ *Local roads*
- ✓ *Subdivision approval*
- ✓ *Tax notices and collection*
- ✓ *Municipal hall*
- ✓ *Irrigation/Improvement District services*

** not currently provided to Area "D" by RDOS*

An incorporated municipality would also become responsible for providing tax notices to residents, collecting taxes and, where applicable, remitting the balances to the various authorities (i.e. RDOS, Province, BC Assessment authority, school board, etc.). That service is provided to electoral area residents by the Provincial Surveyor of Taxes. Because this would no longer be a function provided by the Surveyor of Taxes, municipal residents do not pay the 5.25% provincial fee for each tax collected.

Another service that would become the responsibility of a new municipality would be any utility or service currently operated by an improvement or irrigation district, that is wholly located within the new municipal boundary. There are four improvement districts within Area "D," so if any of those were to be encompassed by a municipal boundary, the improvement/irrigation district would be dissolved, and the assets would become owned by, and the service provided by, the municipality.

As a municipality there are some areas that of regulation that are options for municipalities, that are otherwise not available to regional districts – one of the primary ones is business licencing. Most municipalities choose to regulate businesses, and create business licences to implement that service. However, just because a new municipality would have that new authority does not mean it would necessarily choose to provide that service.

Although a new municipality would become responsible for providing local government services such as planning, that does not mean that the municipal staff would have to deliver the service. Municipalities are responsible for providing the services, but can decide how those services are provided. In some cases, municipalities may choose to participate in shared service arrangements with other jurisdictions in the region, including having services provided by the regional district. For instance, the municipality will have authority for making decisions on garbage and recycling collection; however, it may choose to continue to have that service delivered by the regional district, who provides the service to many electoral areas and the Village of Keremeos.

Because the municipality would become responsible for providing services, as well as having a municipal Council as the governing body, a municipality requires a municipal hall. While not a new "service" a hall is necessary as an office for staff, as well as an area for Council to convene and to host public meetings.

It is worth noting that some services are currently required to be provided at the regional level, such as solid waste management and regional growth strategy planning. These regional services would continue to be provided by the region, and upon incorporation the new municipality would automatically become one of the participating jurisdictions.

➢ What about service level changes?

Most services will not experience changes that occur as a result of incorporation. Often municipalities may determine that a different service level is warranted or desired, based on community input and priorities, but for most services this is not a requirement of incorporation.

[1] There are some exceptions for services that are required, by statute, to be provided by the regional district, such as regional growth strategies and solid waste management planning.

An example is local road standards. The Province has established road standards, as well as maintenance standards for its provincial roads, and the roads in Area "D" are created and maintained based on those standards. Municipalities have the opportunity to adopt their own standards – everything from right-of-way and pavement widths, storm drainage infrastructure, sidewalks or walking paths, bike lanes, to roadside clearing, street sweeping, patching or frequency of snow clearing – may be different than those associated with the provincial rural areas. However, municipalities are not required to create higher standards than those currently provided to Area "D" by the province. It is not a requirement of incorporation that municipal road standards or maintenance requirements be higher than the standards provided by the Province.

Municipal Service Level Increases (required)

- ✓ *Municipal fire service – increased service level*

One notable exception is in the fire suppression. If a fire suppression service is provided by a municipality, there are some additional standards and service levels that the department is required to provide, in accordance with the *Fire Services Act*. One of those services is providing fire investigations. This is not typically a service offered by most volunteer fire departments operating in electoral areas, due in part to the expertise and time involved.

➢ How does governance change?

When a municipality is created, the RDOS would be replaced as the local government by the new municipal corporation; similarly, the RDOS's Board of Directors would be replaced as the local governing body by the new Municipal Council for the newly incorporated area.

Municipal Governance

- ✓ *Locally elected council (5 or 7 members)*
- ✓ *Municipal director on RDOS Board*

Council would consist of a mayor and either 4 or 6 councillors[2], all of whom would be elected at-large to represent the community as a whole. Council, together, would be responsible for making all major decisions, including those related to the establishment of new services and programs, the review and approval of major development applications, and the passing of the annual financial plan (i.e., budget). Significantly, Council would also determine local road standards and other road-related matters.

Residents

In addition to electing their council members, residents of the new municipality would be involved in local decision-making through consultation processes, much as residents of Area "D" are today. Council could establish a citizen-based Advisory Planning Commission (APC) to comment on development applications and land-use matters and could also create a recreation commission to guide that service, similar to that already created for recreation in Okanagan Falls.

Resident electors would have some role to play in approving certain decisions of Council through the alternative approval (petition) process and/or assent votes. The range of decisions on which approval would be required in the municipality, however, would be different than that which exists in Electoral Area "D". Municipal electors would need to approve long-term borrowing, decisions to enter into public-private partnerships, the disposal of local utilities and certain types of parkland, and certain other decisions, just as electors do today in Area "D". Decisions by Council to establish new services would not be subject to elector approval.

Regional District

A new municipality would become a RDOS member municipality, along with Penticton, Summerland, Oliver, Osoyoos, Keremeos and Princeton. Council would appoint one of its members to the RDOS Board of Directors as a Municipal Director. This Director would vote at the Board table on all corporate matters (e.g., adoption of the annual financial plan), and in

[2] Council size is determined during the incorporation process.

decisions on services in which the municipality participated.

Provincial Government
The provincial government would have diminished authority over local services in a new municipality. Specifically, the province would no longer make decisions related to local roads, and would no longer have authority over subdivision approval.[3] The province would still, however, make decisions concerning local policing.

➢ What are the high-level cost impacts?

Upon incorporation, there are some changes both to the revenue sources available to incorporated municipalities, but also to how the taxation tools can be used.

Revenue Sources
Changes in municipal revenue sources include:
- grants from other governments
- agreements
- tax on private utilities

Grants
Unconditional grants are provided to local governments without any need for applications, and without restrictions or reporting requirements on their use. Both regional districts and municipalities receive unconditional grants from the Province. The regional district receives the *Basic Grant* and the municipalities receive *Small Community Grant.* The Basic Grant is based on population, in both the electoral areas and entire region, and the Small Communities Grant is a function of a base amount plus an amount based on population. Both grants represent relatively minor sources of revenue for the local governments; the intention is that the grants assist in the payment of administration costs.

Similar to the province's *Small Community Grant*, the *Community Works Fund*, which is part of the Federal Gas Tax program, requires no application. Monies awarded, however, are not unconditional in that they can only be expended on eligible projects as outlined in the program requirements. Local governments must also report annually on the projects and their outcomes. The RDOS currently receives Gas Tax funding for the electoral areas; incorporated municipalities receive their own allocation of the Community Works Funding.

Aside from the Gas Tax, most conditional grants are competitive, application-based grants awarded to local governments to assist in funding specific projects. The federal and provincial governments are the principal providers of such grants. Many grant programs are focused on infrastructure and capital projects, including public works projects related to sewer, water and roads services, or are directed towards affordable housing, internet services or child care spaces. Other grants focus on financial and community planning. Which grants a local government is eligible for depends upon the services they offer. While both regional districts and municipalities are eligible for the same grants, regional districts are sometimes limited to two applications, which can result in electoral areas "competing" to be prioritized for a regional grant application with other areas or communities in the region. Municipalities submit one application per grant.

Agreements
The *Community Charter* gives municipalities the authority to grant a franchise for the provision of natural gas within their borders – a provision not available to regional districts. In total, 75 municipalities in BC, including many in the Interior, have exercised this authority and have granted a franchise to Fortis BC. Under these agreements, Fortis shares 3% of its gross revenues of natural gas sales made within the municipality in exchange for the right to operate within the local government's roads and rights-of-way. The agreements also absolve Fortis from paying any approval, license, inspection or permit fee from the municipality. Because Area "D" has Fortis natural gas service, a new municipal council could choose to enter into a franchise agreement as an additional source of revenue. The amount that the new local government could expect to receive would depend upon the boundaries of the municipality, and number of natural gas users.[4]

[3] The province would remain in control of Highway 97, which is designated a provincial highway.

[4] As an example, the Town of Oliver received $47,559 in 2020

Tax on Private Utilities

Inside municipalities, private utility companies do not pay property value taxes on some of their improvements (e.g., telephone lines). Instead, the utilities pay a special tax equivalent to 1% of revenue generated inside the municipality. In unincorporated areas, these assets are taxable and contribute towards services. The resulting utility tax received by a municipality depends on the boundary, and utilities inside.[5]

Municipal Finance

- ✓ *Grants allocated to municipality (unconditional grants)*
- ✓ *Utilities 1% tax*
- ✓ *Option for franchise fee (Fortis)*
- ✓ *Ability to change tax ratios*

Tax Ratios

The primary tool to assist local governments in raising revenues is property taxes. The ability to levy property taxes is available to both regional districts and municipalities. Property taxes are applied to the assessed values for eight different property classes. Both municipalities and regional districts set tax rates to enable them to recover their costs through property taxes.

Tax ratios are different than tax rates. The 'tax ratio' is the tax rate levied on a class divided by the tax rate levied on the residential class. The tax ratios for all regional districts are the same, and are shown in Figure 1. As the table shows, for most of the non-residential tax classes the tax ratio is greater than 1, which means that business properties pay a higher rate of tax than residential properties.

Tax ratios in the unincorporated areas are set by the provincial government and apply to any property taxes levied by a regional district or an improvement district.[6] These local governments can adjust property tax rates but not tax ratios. The tax ratios shown in Figure 1 were first established by the province in the mid 1980s and have never been changed.

In contrast, municipalities have almost complete discretion over tax rates and tax ratios.[7] Municipalities can adjust tax ratios to change the proportion of taxes levied from each class. A municipality therefore has the option of setting tax ratios different to those prescribed by the province for unincorporated areas. The new municipal council would make the decision on the appropriate allocation of taxes among the various property classes. The result could be that the municipality chooses to recover a different proportion of the tax burden from different property classes.

Figure 1
2021 Tax Rates and Ratios
Area "D" Economic Development

Property Class	Tax Rate[1] ($/$1,000)	Tax Ratio
Residential	$0.1379	1.00
Utilities	$0.4827	3.50
Major Industry	$0.4689	3.40
Light Industry	$0.4689	3.40
Business/other	$0.3379	2.45
Managed Forest	$0.4137	3.00
Recreation/Non-profit	$0.1379	1.00
Farm	$0.1379	1.00

[1] [1] Tax Rate excludes 5.25% Surveyor of Taxes fee

➢ What does this mean for residents?

While the responsibility for services and various financial recovery tools change with incorporation, not all changes will translate into impacts for residents or taxpayers bottom line.

The transfer of decision-making authority from the province to the municipality also includes a transfer in the cost to municipal taxpayers. Local taxpayers would become fully responsible for the cost of maintaining local roads, for processing and approving

[5] As an example, the Town of Oliver received $99,312 in 2020.

[6] The fixed tax ratios do not apply to parcel taxes, nor do they apply to the provincial rural area tax.

[7] Municipalities are restricted by the ratio that can apply to utilities. The maximum tax rate levied on a Utility (Class 2) property is the greater of $40 per 1,000 or 2.5 times the Business (Class 6) property tax rate.

subdivisions, and for delivering tax notices. However, residents would no longer pay for the provincial rural tax, which is used by the province to fund roads. Similarly, although a new municipality would recover administration costs, including the collection of taxes, from municipal residents, those residents would no longer have to pay the 5.25% premium on their taxes previously recovered the cost of providing that service to electoral areas.

Not all municipal services will be associated with a reduction in costs elsewhere. Some costs, such as a municipal hall, may represent a new item for local residents. However, the costs of capital assets can be borrowed and paid back over long periods of time, to reduce the impact.

Given the current population of Area "D" is estimated at 4,198, policing services for a new municipality would continue to be provided by the province. However, the police tax that helps to recover the cost of that service does change upon incorporation. In addition, municipalities nearing the 5,000 population threshold need to keep in mind the implications associated with policing a community of more than 5,000. Once over 5,000, the municipality would have the option of providing its own police department, contracting with an adjacent municipality with an existing municipal police department or by entering into an agreement with the Province to contract the RCMP as the municipal police service.

If a municipality enters into an agreement with the province, the federal government pays 30% of the RCMP cost-base to the municipality's 70%. Municipalities are responsible for 100% of certain costs, such as the detachment building, holding cells, furniture and civilian support staff. Municipalities with more than 5,000 people that are policed by municipal police department, or that contract with the municipal department in an adjacent municipality, must pay 100% of their policing costs.

The Province also recognizes the impact of the transfer of some of the services and responsibilities to a newly incorporated municipality. The transition to paying for roads, in particular, is a significant change. Accordingly, as part of incorporation process, the provincial government creates a "provincial offer" that provides some grants and assistance to help in the transition to become a new municipality. Some potential components of a previous provincial offers include:

- Community planning grant to assist in the conversion and transition of key policy documents and bylaws
- Service transition grant
- Per capita municipal restructure assistance
- Roads assistance – continued operations and maintenance of local roads at provincial levels for a period of up to 5 years
- Incorporation referendum assistance

One of the purposes of a detailed incorporation study, is therefore the closer examination of each of these impacts – how they translate into taxes, and whether, given the specific boundary, tax base, population and service characteristics, those impacts offset each other, if the differences are minimal, or where they may be more significant. The cumulative impact of all the changes varies depending on the services provided, the population, the total amount, as well as the characteristics of the assessment base of the incorporation area. The provincial offer is also an important consideration in the incorporation study process to determine the impact on residents.

SUMMARY OF INCORPORATION IMPACTS

New municipal services*
- ✓ Local roads
- ✓ Subdivision approval
- ✓ Tax notices and collection
- ✓ Municipal hall
- ✓ Irrigation/Improvement District services

Municipal Service level increases
- ✓ Municipal fire service – increased service level required if provided by municipality

Municipal governance
- ✓ Locally-elected council (5 or 7 members)
- ✓ Municipal director on RDOS Board

Municipal finance
- ✓ Grants allocated to municipality (unconditional grants)
- ✓ Utilities 1% tax
- ✓ Option for Franchise Fee (Fortis)
- ✓ Ability to change tax ratios

** not currently provided to Area "D" by RDOS*

RDOS Area "D" Service & Boundary Configuration Study
Incorporation Insight
October 2021

INCORPORATION STUDY PROCESS

What is the purpose of this paper?

Electoral Area "D" of the Regional District of Okanagan Similkameen is currently undergoing a *Services and Boundary Configuration Study*. The study proposes to examine the services provided in Electoral Area "D", and to identify any issues or concerns with services or governance. The study includes consideration of different boundary configurations and explores the high-level impact that incorporation would have on political representation, governance structure and service provision in those scenarios.

The *Services and Boundary Configuration Study* does not presume that an incorporation study will proceed. Ultimately the Study Committee must contemplate whether an incorporation study might be an appropriate future step, and if so, identify the most suitable boundary for that subsequent analysis.

Therefore, as part of the *Services and Boundary Configuration Study*, this overview of the incorporation process is provided so the Committee and residents become familiar with what the process would look like for any area or community included within any subsequent incorporation study analysis.

➢ What is an incorporation study?

In British Columbia, the system of local government, as described in the *Local Government Act* and *Community Charter* is composed of three main forms of local government:

- municipalities,
- regional districts and
- improvement districts

Other legislated forms of local governance exist for special purposes; however, the concept of local government is primarily focused on municipalities, regional districts and improvement districts.

Incorporation is the process by which an unincorporated area – also called a rural area or electoral area – becomes a municipality. Before this local government structural change can occur, the province, through the Ministry of Municipal Affairs (MUNI), oversees an established incorporation process. An Incorporation Study, as this *Incorporation Insights* paper explains, is one step in this process.

➢ How is it initiated?

The MUNI has the responsibility for overseeing change to the local government system, to ensure that the structure of local governments best fits local needs, as well as local and provincial objectives. To incorporate, the change must be supported by:

- the community,
- the local government, and
- the province.

Without the support of any one of these three groups, the initiative will not proceed.

MUNI is therefore responsible for not only handling requests to proceed with and fund Incorporation Studies, but in ensuring that an incorporation study is an appropriate tool, process and response to address the community's characteristics and issues.

The MUNI therefore provides advice and support to communities that are considering restructure options to help them analyze the existing services and governance, and engage the community in identifying issues they are facing so that appropriate solutions and responses can be considered. These studies, such as the current *Area "D" Services and*

*Boundary Configuration Stud*y, are typically precursors to any Incorporation Study, and may include services and governance studies, as well as a boundary analysis to identify communities where incorporation may represent a viable option.

Through these initial or precursor studies, the community can understand what services they receive, who provides each service, how the governance system works, and identify issues with respect to services and service levels, costs, and governance. Some of the issues may be ones that could be resolved through a restructure such as incorporation; others may be able to be addressed through the creation of new or adjusted services, different service delivery arrangements or additional governance options to involve residents more directly in local decision-making. As part of the studies, solutions to concerns raised by the community are identified.

Precursor studies are typically led by a Study Committee comprised of residents from the study area. The results of the study are presented to the Board, and are accompanied by a recommendation from the Committee regarding next steps.

If a regional district has undergone these initial restructure studies, and the studies identify an interest in pursuing incorporation, the local government, based on direction from the regional district Board of Directors, contacts the MUNI to request an incorporation study.

➢ What does an Incorporation Process involve?

The MUNI considers requests to support Incorporation Studies. As part of the restructure study process, the ministry has fundamental principles:

- the process for examining local government restructuring should be locally focussed;
- a local committee oversees an independent consultant;
- local government restructuring should be decided by the electorate through a referendum;
- local government restructuring decisions should be made by an informed electorate after an extensive process of research, analysis and community discussion; and
- all sectors of the community need to be represented and involved in the discussion.

These fundamental principles underlie the five-phase incorporation process outlined below (and illustrated in Figure 1).

1. Communities contact the MUNI. The Ministry evaluates the local context and provides general information on the incorporation process. The ministry may facilitate a public meeting within the community to provide information about the process.

2. Together the local government and MUNI establish a Terms of Reference for the Incorporation Study. The local government then creates an incorporation study committee that represents a broad range of local interests. The committee's main task is to oversee the preparation of the Incorporation Study and to manage public consultation. The ministry provides advice on how to form the committee and design the consultation process.

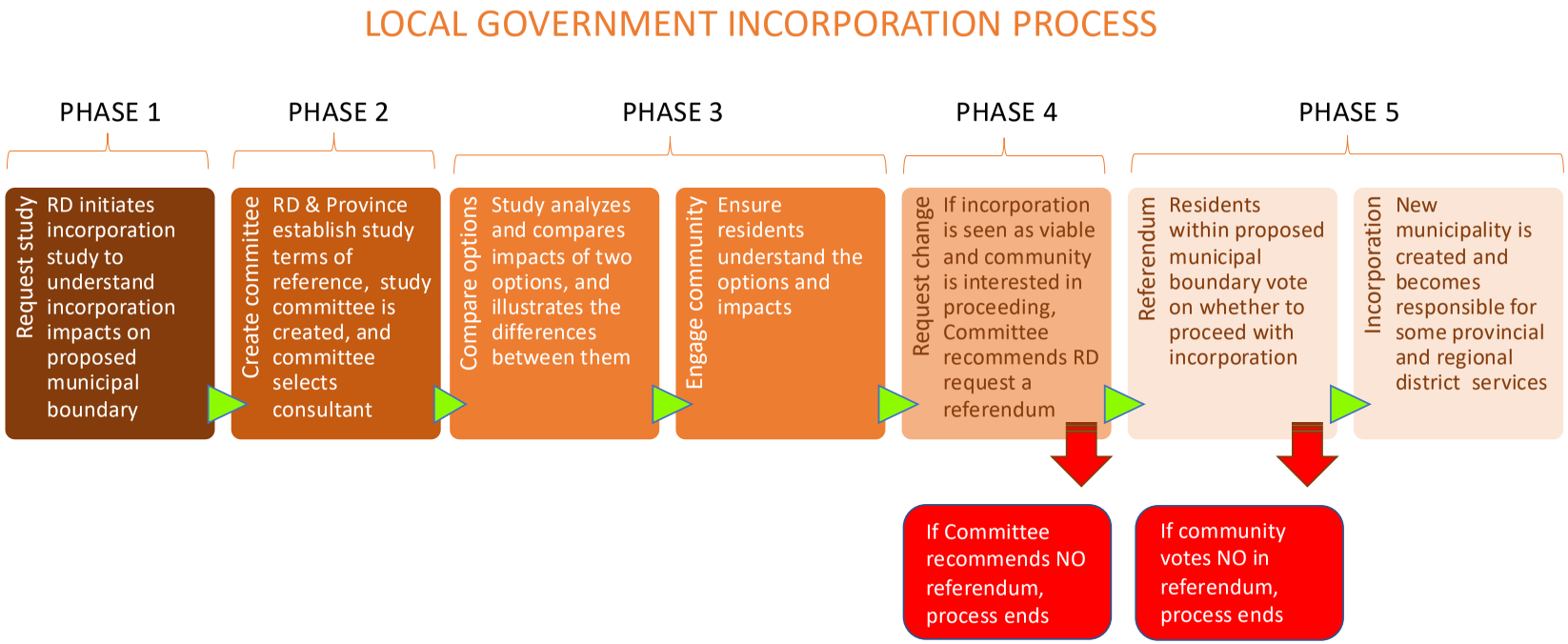
   Once formed, the study committee issues a call for proposals and selects a consultant. The ministry approves a Restructure Planning Grant to fund the study and provides staff who act as resources when necessary.

3. The third phase involves the study itself, with the goal of obtaining information on incorporation on fiscal issues, service delivery, and political representation. The study generally takes more than one year to complete.

4. Incorporation Study Committee presents the findings to the community and, based on public input, decides whether to recommend a referendum to the ministry. If the committee wishes to proceed, the Minister of Municipal Affairs offers a restructuring assistance grant and orders a referendum.

5. A referendum is held. If the vote passes, the implementation process begins. Ministry staff prepare the Letters Patent, which are then considered by cabinet. If the Letters Patent are approved, ministry staff then coordinate the implementation of the restructuring. The ministry also provides financial assistance to the community to implement restructuring.

Figure 1


LOCAL GOVERNMENT INCORPORATION PROCESS
PHASE 1
PHASE 2
PHASE 3
PHASE 4
PHASE 5
Request study
RD initiates incorporation study to understand incorporation impacts on proposed municipal boundary
Create committee
RD & Province establish study terms of reference, study committee is created, and committee selects consultant
Compare options
Study analyzes and compares impacts of two options, and illustrates the differences between them
Engage community
Ensure residents understand the options and impacts
Request change
If incorporation is seen as viable and community is interested in proceeding, Committee recommends RD request a referendum
Referendum
Residents within proposed municipal boundary vote on whether to proceed with incorporation
Incorporation
New municipality is created and becomes responsible for some provincial and regional district services
If Committee recommends NO referendum, process ends
If community votes NO in referendum, process ends

➢ How is an Incorporation Study Committee created and what is its role?

The regional district's Board of Directors establishes the Incorporation Study Committee to conduct the Incorporation Study, and appoints members to that Committee. The Committee's membership is usually representative of the demographics and interests that are present within the incorporation study area. All members of the Committee serve in a volunteer capacity. The Electoral Area Director serves on the Committee in an *ex-officio*, non-voting capacity.

The Committee serves as an objective fact-finding and oversight body, established to ensure that all stages of the study, including the community engagement process, are conducted in a neutral and balanced fashion. Individual members of the Committee are expected to remain impartial, and ensure that any expression of personal opinions does not undermine the Committee's neutrality or credibility as an oversight body, or as a conduit for providing information to the public. The Committee plays a key role in sharing information with residents and engaging them in the process. All Committee meetings are open to the public.

Ultimately it is the Committee's responsibility to recommend to the regional district whether to hold a referendum on incorporation.

➢ What does an Incorporation Study include?

While each community has a unique set of circumstances and issues, all incorporation studies include some basic elements:

- *Comparative Analysis* — An Incorporation Study determines and describe the service, governance, financial, property tax and other implications associated with the potential incorporation. The implications are compared against the service delivery, governance and property tax situations under the status quo option. The comparative analysis includes not only the local services provided by the regional district, but also the services provided by the province or improvement/irrigation districts that would become the responsibility of a new municipality as a result of incorporation.
- *Implementation* — An Incorporation Study outlines the process through which incorporation would be implemented, including an overview of the restructure assistance that would be provided by the province. This includes restructure assistance grants, funding for any specific initiatives as well as any commitment to fund maintenance of the roads in a defined post-incorporation period, or upgrades to bring the roads to identified standards prior to any transfer of responsibility.
- *Multi-Year Operating Budget* — An Incorporation Study provides a multi-year operating budget to illustrate potential financial implications for a new municipality. The budget must extend beyond the restructure assistance period.
- *Property Tax Implications* — An Incorporation Study provides the property tax implications of incorporation, compared to the property tax situation under the status quo option, for sample properties in the incorporation study area.
- *Community Engagement* — The study process must engage the community and provide electors within the incorporation study area with opportunities to review, understand, and question the implications of incorporation.
- *Final Report* — A final report is prepared that summarizes the study analysis and includes a synopsis of the public engagement process and findings. The report is submitted to the regional district and the MUNI.

➢ What is the role of the community?

As noted previously, the Incorporation Study Committee is comprised of residents from within the incorporation study area. The Committee's meetings are open to the public. Once the study committee has reviewed and is satisfied with the analysis and information provided through the study, a comprehensive public engagement process is initiated. One of the key roles of the Study Committee is to engage with and listen to input provided by residents. The Committee reflects upon that input and makes a recommendation to the regional district Board of Directors on whether to hold a referendum on incorporation.

Ultimately it is the residents of the incorporation study area that determine whether an incorporation proceeds. Incorporation only takes place if residents

(electors) within the study area vote for incorporation through a referendum as set out in the *Local Government Act*.

➢ What is the role of the province?

As noted, the province is involved in all local government restructuring, since restructuring must be approved by the provincial cabinet. The MUNI has the lead responsibility for an Incorporation Study on behalf of the province. However, a few other ministries also have roles because of the shift in governance, service, and financial responsibility from the province to local governments that occurs as part of an incorporation.

Ministry of Municipal Affairs
The MUNI facilitates the Incorporation Study process, and provides communication between communities, local governments, and provincial ministries. The MUNI offers information and advice without interfering in the process. The MUNI also undertakes consultation with local First Nations as part of the incorporation study process.

Other roles of the ministry include:

- provides restructure planning grants to the study committees, allowing them to hire a consultant to undertake the Incorporation Study;
- provides information on restructuring and local government in general;
- serves as a corporate memory of previous restructuring initiatives and is a point of contact with other communities and restructuring committees, allowing the committee to learn from the experiences of others;
- acts as a mediator where differences arise within the community or between the community, local governments and provincial agencies;
- organizes and supervises any resulting referendum;
- works with other ministries to provide a provincial offer of assistance for incorporation;
- develops the Letters Patent to implement incorporation if the referendum passes;
- works with the council and regional district to implement any incorporation, including holding elections for municipal council if required; and
- works with the new municipality to ensure a smooth transition to its new status.

Ministry of Transportation and Infrastructure
The Ministry of Transportation and Infrastructure (MoTI) is responsible for maintaining all public roads in rural areas. During incorporation all roads except those in the provincial highway network are transferred to the local government. MoTI provides information to Municipal Affairs on the implications of these transfers and offers transitional assistance.

After restructuring, MoTI generally makes sure maintenance contractors continue to provide maintenance services for roads transferred to the municipality for five years.

Ministry of Public Safety and Solicitor General
The Ministry of Public Safety and Solicitor General (PSSG) is responsible for policing in rural areas. If a new municipality is incorporated and its population is over 5,000, then the municipality becomes responsible for policing on April 1 following the census which establishes the population at that level. PSSG provides information regarding any transition that is needed and identifies assistance that may be available based on the circumstances.

Ministry of Finance
The Ministry of Finance is responsible for administering the property tax system in rural areas. As well, it sets and levies the provincial rural services tax under the *Taxation (Rural Area) Act*. The ministry provides information regarding any refund of taxes collected under this Act depending on when incorporation occurs.

➢ What is the role of the regional district?

As the local government for unincorporated areas, regional districts play a major role in any Incorporation Study. The Board of Directors is involved in advancing the request for an Incorporation Study, as well as supporting requests for the studies that lead up to that process. Ultimately it is the regional district Board that must request a referendum on incorporation, based on the advice of an Incorporation Study Committee.

The electoral area director for the incorporation area plays a pivotal role as the political representative for rural residents. The electoral area director serves as an ex-officio member of the Incorporation Study Committee and is usually actively engaged with the

incorporation study area residents throughout the process.

- **What happens if the Committee does not recommend a referendum?**

If an Incorporation Study Committee does not recommend that the issue of incorporation proceed to a referendum vote, then the Board of Directors of the regional district would not proceed with asking the MUNI to hold an incorporation vote. Unless otherwise identified through the restructure and incorporation study process, no changes to the local government structure would result.

Regional District of Central Okanagan

REGIONAL DISTRICT OF CENTRAL OKANAGAN

Financial Statements

For the year ended December 31, 2021

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Contents

Management's Responsibility for Financial Reporting		**3**
Independent Auditor's Report		**4-5**
Financial Statements		
Statement of Financial Position		6
Statement of Operations		7
Statement of Change in Net Financial Assets		8
Statement of Cash Flows		9
Summary of Significant Accounting Policies		10-11
Notes to Financials Statements		12-28
Unaudited Supplemental Financial Information		
Consolidated Funds		
Exhibit 1	Consolidated Statement of Current Fund Operations	29
Exhibit 2	Consolidated Statement of Capital Fund Operations	30
Exhibit 3	Consolidated Statement of Reserve Fund Operations	31
General Revenue Fund		
Exhibit 4	Statement of Financial Position	32
Exhibit 5	Statement of Operations	33
Exhibit 6	Surplus	34-35
General Capital Fund		
Exhibit 7	Statement of Financial Position	36
Exhibit 8	Statement of Equity in Capital Assets	37
Water Revenue Fund		
Exhibit 9	Statement of Financial Position	38
Exhibit 10	Statement of Operations	39
Water Capital Fund		
Exhibit 11	Statement of Financial Position	40
Exhibit 12	Statement of Equity in Capital Assets	41
Sewer Revenue Fund		
Exhibit 13	Statement of Financial Position	42
Exhibit 14	Statement of Operations	43
Sewer Capital Fund		
Exhibit 15	Statement of Financial Position	44
Exhibit 16	Statement of Equity in Capital Assets	45
Development Cost Charge Reserve Fund		
Exhibit 17	Statement of Financial Position	46
Exhibit 18	Statement of Changes in Fund Balance	47
Feasibility Study Reserve Fund		
Exhibit 19	Statement of Financial Position	48
Exhibit 20	Statement of Changes in Fund Balance	49
Equipment Replacement Reserve Fund		
Exhibit 21	Statement of Financial Position	50
Exhibit 22	Statement of Changes in Fund Balance	51
Park Reserve Fund		
Exhibit 23	Statement of Financial Position	52
Exhibit 24	Statement of Changes in Fund Balance	53
Capital Projects Reserve Fund		
Exhibit 25	Statement of Financial Position	54
Exhibit 26	Statement of Changes in Fund Balance	55
Operating Reserve Fund		
Exhibit 27	Statement of Financial Position	56
Exhibit 28	Statement of Changes in Fund Balance	57

DRAFT

Management's Responsibility for Financial Reporting

The accompanying financial statements of the Regional District of Central Okanagan are the responsibility of management and have been approved by the Chairperson on behalf of the Board.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Certain amounts used in the preparation of the financial statements are based on management's best estimates and judgements. Actual results could differ as additional information becomes available in the future. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Regional District of Central Okanagan maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Board's assets are appropriately accounted for and adequately safeguarded.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Board meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditor's report.

The financial statements have been audited by external auditors BDO Canada LLP Chartered Professional Accountants in accordance with Canadian generally accepted auditing standards on behalf of the Board. The independent auditor's report expresses their opinion on these financial statements. The external auditors have full and free access to the accounting records and to the Board of the Regional District of Central Okanagan.

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Chief Administrative Officer

Director of Financial Services

June 27, 2022

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Regional District of Central Okanagan

Statement of Financial Position

December 31	2021	2020
Financial Assets		
Cash (Note 1)	**$ 49,359,853**	$ 43,773,912
Accounts receivable (Note 2)	**4,642,309**	3,152,170
Deposits - Municipal Finance Authority (Note 3)	**8,332,789**	8,712,691
Agreements due from members (Note 4)	**96,412,071**	107,771,890
	158,747,022	163,410,663
Financial Liabilities		
Accounts payable and accrued liabilities	**5,902,325**	4,265,409
Deferred revenue (Note 5)	**482,996**	241,970
Development cost charges (Note 6)	**7,788,954**	6,154,606
Reserve - Municipal Finance Authority (Note 3)	**8,282,582**	8,619,175
Interim financing (Note 7)	**-**	-
Long term debt (Note 8)	**100,435,883**	112,038,181
Landfill closure and post-closure (Note 9)	**476,976**	497,879
	123,369,716	131,817,220
Net Financial Assets	**35,377,306**	31,593,443
Non-Financial Assets		
Prepaid expenses	**185,918**	489,873
Tangible capital assets (Note 10)	**117,615,885**	113,979,484
Accumulated Surplus (Note 11)	**$ 153,179,109**	$ 146,062,800

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Approved on behalf of the Board:

Chair

Regional District of Central Okanagan

Statement of Operations

For the year ended December 31	2021 Actual	2021 Budget (Note 17)	2020 Actual
Revenues			
Electoral area tax requisitions	**$ 4,215,300**	$ 4,214,785	$ 4,114,749
Electoral area parcel taxes	**469,788**	469,787	507,734
Members' requisitions			
General	**18,491,816**	18,493,254	17,697,179
Parcel taxes	**400,347**	400,048	432,659
Debt services	**12,486,912**	12,496,470	13,998,427
Federal government grants	**322,899**	331,280	267,411
Provincial government grants	**1,401,854**	1,361,848	1,655,493
Sale of services to other governments	**3,879,869**	4,168,527	3,591,161
Sale of services to others	**2,663,866**	2,271,000	2,432,291
Water and sewer fees	**7,194,225**	7,113,007	7,119,131
Gas tax revenue (Note 16)	**1,633,440**	850,199	1,048,842
Contributions from others	**145,784**	231,828	772,158
Contributions from sewer DCC reserve	**328,623**	2,879,610	837,307
Gain on disposal of tangible capital assets	**590,958**	-	2,970
Other revenue	**2,489,632**	1,133,901	2,306,515
	56,715,313	56,415,544	56,784,027
Expenses (Note 14)			
Amortization	**4,358,089**	-	3,945,767
General government services	**1,434,378**	2,011,626	1,242,077
Protective services	**8,955,444**	9,928,231	8,343,239
Transportation services	**137,142**	166,434	356,512
Environmental health services	**6,907,214**	7,314,159	6,334,797
Development services	**3,934,952**	4,420,961	3,849,370
Recreation and cultural services	**5,288,809**	5,824,145	5,092,530
Water services	**789,071**	998,699	834,217
Sewer services	**4,386,844**	4,694,546	4,179,762
Interest on long term debt and debt issue expense	**176,926**	176,582	183,777
Fiscal services	**12,767,354**	12,778,088	14,278,499
Transfer to local governments	**117,869**	117,878	116,765
Loss on disposal of tangible capital assets		-	54,952
Reallocation of insurance reserve (recovery)	**344,912**	-	(281,277)
	49,599,004	48,431,349	48,530,987
Annual Surplus	**7,116,308**	7,984,195	8,253,040
Accumulated surplus, beginning of the year	**146,062,801**	146,062,801	137,809,761
Accumulated surplus, end of year	**$ 153,179,109**	$ 154,046,996	$ 146,062,801

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Regional District of Central Okanagan

Statement of Change in Net Financial Assets

For the year ended December 31	2021	2020
Annual Surplus	**$ 7,116,308**	$ 8,253,039
Acquisition of tangible capital assets	**(8,513,221)**	(4,306,528)
Amortization of tangible capital assets	**4,358,089**	3,945,767
(Gain) loss on disposal of tangible capital assets	**(590,958)**	51,982
Proceeds from disposal of tangible capital assets	**1,109,693**	2,973
	3,479,911	7,947,233
Acquisition of prepaid expenses	**303,952**	30,472
Change in net financial assets	**3,783,863**	7,977,705
Net financial assets, beginning of the year	**31,593,443**	23,615,738
Net financial assets, end of year	**$ 35,377,306**	$ 31,593,443

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Regional District of Central Okanagan

Statement of Cash Flows

For the year ended December 31	2021	2020
Cash provided by (used in)		
Operating Activities		
Cash receipts from grants, other governments, and own sources	**$ 55,129,496**	$ 55,970,556
Cash paid to employees and suppliers	**(29,301,253)**	(29,663,918)
Interest paid	**(5,070,058)**	(5,699,634)
Interest received	**333,747**	470,395
Landfill closure cost payments from reserve	**(29,067)**	(30,931)
	21,062,865	21,046,468
Capital Activities		
Purchase of tangible capital assets	**(8,513,221)**	(4,306,528)
Proceeds from sale of tangible capital assets	**1,109,693**	2,973
	(7,403,528)	(4,303,555)
Financing Activities		
Net long term debt reduction	**(8,073,400)**	(9,006,180)
Net issuance of interim financing	**-**	-
	(8,073,400)	(9,006,180)
Increase in cash during year	**5,585,937**	7,736,733
Cash, beginning of the year	**43,773,916**	36,037,183
Cash, end of year	**$ 49,359,853**	$ 43,773,916

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Regional District of Central Okanagan
Summary of Significant Accounting Policies

December 31, 2021

Nature of Business

The Regional District of Central Okanagan (the "Regional District") provides local government services such as protective, transportation, environmental health and development, parks, water, sewer, and other general government services.

Basis of Presentation

The financial statements of the Regional District are the representations of management and are prepared in accordance with Canadian generally accepted accounting policies for local government entities using guidelines issued by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

Landfill Closure and Post-Closure

The estimated costs to close and maintain solid waste landfill sites are based on estimated future expenses in current dollars, discounted, adjusted for estimated inflation, and are charged to expense as the landfill site's capacity is used.

Development Cost Charges

Development Cost Charge ("DCC") levies are restricted by by-law in their use for sewer expansion and the revenue is deferred until the expenses are incurred. When DCC expenses are made, a corresponding amount is recorded as "Contribution from sewer DCC reserve".

Reserve Fund Balances

The Regional District has appropriated certain funds for future capital expenses for specific projects or studies. Expenses from a reserve can only be made with approval from the Ministry or in accordance with by-law directives.

Government Transfers

Government transfers, are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. The transfer of revenue is initially deferred and then recognized in the statement of operations as the stipulation liabilities are settled.

When the Regional District is deemed the transferor, the transfer expense is recognized when the recipient is authorized and has met the eligibility criteria.

Financial Instruments

The Regional District's financial instruments consist of cash, accounts receivable and other receivables, deposits, accounts payable and accrued liabilities, interim financing and long-term debt. Unless otherwise noted, it is management's opinion that the Regional District is not exposed to significant interest, currency, liquidity or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Non-Financial Assets

Non-financial assets are held for use in the provision of services and are not normally available to discharge liabilities. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the net surplus (deficit) for the year, provides the change in net debt for the year.

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Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Assets under construction are recorded at cost and are not amortized until the asset is complete and in use. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Land improvements	5 - 20 years
Buildings	10 - 75 years
Fleet	5 - 15 years
Machinery and equipment	3 - 20 years
Sewer system	10 - 80 years
Water system	10 - 100 years

Deferred Revenue

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purposes.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimate and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Revenue Recognition

Taxes are recognized as revenue in the year they are levied.

Charges for sewer and water usage are recorded as user fees. Connection fee revenues are recognized when the connection has been established.

Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable.

Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.

Sales of services and other revenue is recognized on an accrual basis.

Contributions of capital assets are recognized when the transfer occurs.

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December 31, 2021

1. Cash

Cash is held in a financial institution earning interest at a rate of 1.17% (2020 - 2.35%) per annum.

Included in cash, a portion has been specifically set aside for internally and externally restricted reserves.

2. Accounts Receivable

	2021	2020
Local governments and Hospital District	**$ 1,626,530**	$ 1,574,530
Provincial government	**1,542,653**	297,829
Other	**1,473,126**	1,279,811
	$ 4,642,309	$ 3,152,170

3. Deposit / Reserve - Municipal Finance Authority

Deposits:

The Regional District also executes demand notes in connection with each debenture whereby the Regional District may be required to loan certain amounts to the Municipal Finance Authority. These demand notes are contingent in nature. The details of the cash deposits and demand notes at year end are as follows:

	Demand Notes	Cash Deposits	**2021**	2020
Regional District	$ 46,500	$ 50,207	**$ 96,707**	$ 215,635
Member Municipalities				
Kelowna	4,135,441	1,833,137	**5,968,578**	5,964,645
Peachland	192,935	155,320	**348,255**	345,657
Lake Country	410,776	228,176	**638,952**	768,763
West Kelowna	705,785	363,487	**1,069,272**	1,208,046
Okanagan Regional Library	146,434	64,591	**211,025**	209,945
	$ 5,637,871	$ 2,694,918	**$ 8,332,789**	$ 8,712,691

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3. Deposit / Reserve - Municipal Finance Authority (continued)

Reserves and Demand Notes:

The Regional District issues its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are held by the Municipal Finance Authority as a debt reserve fund and demand notes. The balances at year end are as follows:

	2021	2020
Regional District Reserves	**$ 46,500**	$ 122,119
Member Municipalities Reserves and Demand Notes		
Kelowna	**5,968,578**	5,964,645
Peachland	**348,255**	345,657
Lake Country	**638,952**	768,763
West Kelowna	**1,069,272**	1,208,046
Okanagan Regional Library Reserves and Demand Notes	**211,025**	209,945
	$ 8,282,582	$ 8,619,175

4. Agreements Due from Members

Agreements due from members become receivable on the same terms as payable to the Municipal Finance Authority (Note 7). The Regional District borrows funds upon its credit at large and shall, in the event of default, constitute an indebtedness of the member municipalities for which they are jointly and severally liable.

	2021	2020
City of Kelowna	**$ 78,857,022**	$ 87,022,602
District of Lake Country	**5,544,583**	6,543,917
District of Peachland	**2,036,369**	2,440,062
City of West Kelowna	**7,986,709**	9,535,975
Okanagan Regional Library District	**1,987,388**	2,229,332
	$ 96,412,071	$ 107,771,888

5. Deferred Revenue

	2021	2020
Balance, beginning of the year	**$ 241,970**	$ 240,797
Contributions		
Business licenses	**38,778**	33,655
Other	**444,218**	208,315
Recognized as revenue	**(241,970)**	(240,797)
Balance, end of the year	**$ 482,996**	$ 241,970

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December 31, 2021

6. Development Cost Charges

During the year, the Regional District collected and recognized as revenue, developmental cost charges ("DCC's") as follows:

		2021		2020
Balance, beginning of the year	**$**	**6,154,606**	$	5,860,043
Interest		**52,315**		68,319
DCC's collected in the year		**1,910,656**		1,063,551
DCC's recognized as revenue		**(328,623)**		(837,307)
Balance, end of the year	**$**	**7,788,954**	$	6,154,606

Developmental cost charges are allocated as follows:

		2021		2020
Westside Sewer Plant	**$**	**5,222,956**	$	3,773,809
East Trunk Sewer		**2,565,998**		2,380,797
	$	**7,788,954**	$	6,154,606

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7. Long Term Debt

Municipal Finance Authority Agreements

Security Issuing By-law	Issue number	Purpose	Year of Maturity	Interest Rate	Balance outstanding 2021	2020
740	66	District of Peachland	2022	2.250	$ **12,772**	$ 24,935
764	68	District of Peachland	2023	2.650	**536,954**	786,410
818	70	District of Lake Country	2024	5.745	**960,714**	1,253,616
912	74	City of West Kelowna	2021	1.750	**-**	98,507
912	74	Regional District - Ellison Fire	2021	1.750	**-**	45,853
912	74	Regional District - Lakeview	2021	1.750	**-**	60,373
931	75	City of West Kelowna	2021	1.750	**-**	103,780
932	75	City of Kelowna	2021	1.750	**-**	38,211
933	75	District of Lake Country	2021	1.750	**-**	191,054
957	77	City of Kelowna	2022	1.750	**3,015**	5,886
964	77	City of West Kelowna	2022	1.750	**146,347**	285,726
973	78	District of Lake Country	2022	2.250	**43,372**	84,678
983	78	City of Kelowna	2022	2.250	**311,131**	607,446
984	78	District of Lake Country	2022	2.250	**61,137**	119,363
1007	79	City of West Kelowna	2023	2.250	**292,387**	428,222
1023	80	City of Kelowna	2023	2.850	**5,847**	8,563
1069	85	City of Kelowna	2024	2.250	**774,549**	1,008,543
1070	85	City of West Kelowna	2024	2.250	**221,170**	287,986
1122	95	City of West Kelowna	2025	0.910	**1,107,441**	1,364,440
1122	95	Regional District - Ridgeview Fire Protection	2025	0.910	**57,855**	71,282
1123	95	District of Peachland	2030	0.910	**1,486,643**	1,628,717
1125	95	City of Kelowna	2025	0.910	**1,961,919**	2,417,212
1147	99	City of West Kelowna	2026	1.750	**430,101**	506,455
1175	101	City of West Kelowna	2027	2.250	**1,096,232**	1,255,146
1196	101	City of West Kelowna	2027	2.250	**538,473**	616,532
1196	101	Regional District - Lakeshore Road Improvements	2027	2.250	**30,858**	35,331
1212	102	City of Kelowna	2027	2.250	**10,916,035**	12,498,460
1212	104	City of Kelowna	2028	2.900	**883,283**	990,814
1219	103	City of West Kelowna	2028	2.650	**62,070**	69,626
1227	133	City of Kelowna	2025	2.750	**3,312,421**	4,071,721
1227	137	City of Kelowna	2026	2.600	**1,900,136**	2,242,494
1227	139	City of Kelowna	2026	2.100	**1,610,644**	1,905,180
1227	141	City of Kelowna	2027	2.800	**5,080,481**	5,843,034
Carried forward					$ **33,843,987**	$ 40,955,596

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7. Long Term Debt (continued)

Municipal Finance Authority Agreements

Security Issuing By-law	Issue number	Purpose	Year of Maturity	Interest Rate	Balance outstanding 2021	2020
Brought forward					**$ 33,843,987**	$ 40,955,596
1239	104	District of Lake Country	2028	2.900	**740,633**	830,798
1245	104	Okanagan Regional Library - District Admin Building	2028	2.900	**1,987,388**	2,229,332
1246	104	City of Kelowna	2028	2.900	**4,680,265**	5,250,040
1251	105	City of West Kelowna	2029	2.250	**4,092,489**	4,519,555
1252	105	District of Lake Country	2029	2.250	**247,703**	273,552
1252	105	District of Lake Country	2024	2.250	**230,964**	302,107
1285	114	District of Lake Country	2026	3.650	**95,714**	112,882
1286	114	District of Lake Country	2026	3.650	**146,456**	172,727
1292	117	City of Kelowna	2031	3.250	**1,193,628**	1,289,222
1293	117	City of Kelowna	2026	3.250	**1,521,527**	1,791,638
1310	121	Regional District - Upper Fintry Shalal Road & Valley of the Sun	2042	2.900	**3,935,098**	4,053,454
1329	126	District of Lake Country	2033	3.850	**738,910**	786,195
1337	127	District of Lake Country	2029	3.300	**269,667**	297,807
1350	130	City of Kelowna	2034	3.000	**253,493**	268,152
1362	133	District of Lake Country	2035	2.750	**2,009,313**	2,119,137
1363	133	City of Kelowna	2035	2.750	**15,367,591**	16,207,549
1363	137	City of Kelowna	2036	2.600	**13,776,416**	14,466,236
1363	142	City of Kelowna	2037	3.150	**2,532,910**	2,654,910
1363	145	City of Kelowna	2038	3.150	**1,203,559**	1,257,255
1364	133	City of Kelowna	2035	2.750	**11,525,693**	12,155,661
1420	146	City of Kelowna	2038	3.200	**42,479**	44,375
Total long term debt					**$ 100,435,883**	$ 112,038,181

Future principal repayments on existing long-term debt for the next five years and thereafter:

2022	$ 11,488,155
2023	11,314,461
2024	11,284,635
2025	10,898,841
2026	9,546,360
Thereafter	72,050,056
	$ 100,435,883

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December 31, 2021

8. Landfill Closure and Post- Closure Care

The British Columbia Environmental and Enhancement Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. This requirement is to be provided for over the estimated remaining life of the landfill site based on usage.

Capacity of the Westside Sanitary Landfill of 1,926,340 cubic meters was reached during the 2010 fiscal year. Closure will involve covering the site with topsoil and vegetation, drainage control, and installing groundwater monitoring wells. Post-closure case activities for the landfill are expected to occur for 30 years and will involve surface and ground water monitoring, maintenance of drainage structures, monitoring leachate and landfill gas, and landfill cover maintenance.

The table below sets out the liability based on estimated capacities used in cubic meters, multiplied by the estimated total expenses, expressed as discounted present values, assuming a discount rate of 2.76% (2020 - 2.76%) based on average long term borrowing rate. The amount remaining to be recognized in future years is $nil because the landfill reached full capacity during the 2010 fiscal year. The annual provision is reported as an operating fund expense and the accumulated provision is recorded as a liability on the Statement of Financial Position. Reserve funds totaling $337,905 (2020 - $342,065) have been established to provide for this liability in the Capital Project Reserve Fund.

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Site	Estimated Remaining Life (yrs)	Est. Total Expenditure For Closure	Cumulative Capacity Used	Total Estimated Capacity	% Used	Liability for Closure to Dec. 31, 2021
West Kelowna	**-**	**$ 476,976**	**1,926,340**	**1,926,340**	**100%**	**$ 476,976**
				Less expenses previously recognized:		**(497,879)**
				2021 net additional cost in connection with landfill closure:		**$ (20,903)**

Site	Estimated Remaining Life (yrs)	Est. Total Expenditure For Closure	Cumulative Capacity Used	Total Estimated Capacity	% Used	Liability for Closure to Dec. 31,
West Kelowna	-	$ 497,879	1,926,340	1,926,340	100%	$ 497,879

December 31, 2021

9. Tangible Capital Assets

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	2021								
	Land	Land Improvements	Buildings	Fleet	Machinery and Equipment	Sewer System	Water System	Assets Under Construction	Total
Cost, beginning of year	$ 40,434,209	$ 8,901,466	$ 13,043,951	$ 6,966,528	$ 4,234,488	$ 64,260,086	$ 23,562,527	$ 1,571,400	$ 162,974,655
Additions	3,755,000	1,348,853	517,405	423,457	880,639	1,002,355	191,032	394,480	8,513,221
Disposals	(518,735)		-	(60,387)	(5,816)			-	(584,938)
Reallocation of Assets Under Construction						1,294,651		(1,294,651)	-
Cost, end of year	$ 43,670,474	$ 10,250,319	$ 13,561,356	$ 7,329,598	$ 5,109,311	$ 66,557,092	$ 23,753,559	$ 671,229	$ 170,902,938
Accumulated amortization, beginning of year	$ -	$ 3,282,315	$ 7,403,477	$ 4,870,291	$ 1,923,138	$ 24,993,295	$ 6,522,655	$ -	$ 48,995,168
Amortization	-	581,748	510,682	424,100	632,628	1,684,507	524,424	-	4,358,089
Disposals	-		-	(60,387)	(5,817)			-	(66,204)
Accumulated amortization, end of year	$ -	$ 3,864,063	$ 7,914,159	$ 5,234,004	$ 2,549,949	$ 26,677,802	$ 7,047,079	$ -	$ 53,287,053
Net carrying amount, end of year	$ 43,670,474	$ 6,386,256	$ 5,647,196	$ 2,095,594	$ 2,559,362	$ 39,879,290	$ 16,706,480	$ 671,229	$ 117,615,885

December 31, 2021

9. Tangible Capital Assets (continued)

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2020

	Land	Land Improvements	Buildings	Fleet	Machinery and Equipment	Sewer System	Water System	Assets Under Construction	Total
Cost, beginning of year	$ 40,388,504	$ 8,372,754	$ 12,371,697	$ 6,744,368	$ 4,541,563	$ 64,679,155	$ 23,286,748	$ 497,389	$ 160,882,178
Additions	7,363	424,318	577,820	183,878	487,406	491,321	736,519	1,397,903	4,306,528
Disposals	-	(2,544)	-	(28,848)	(811,528)	(910,390)	(460,741)	-	(2,214,051)
Reallocation of Assets Under Construction	38,342	106,938	94,434	67,130	17,047	-		(323,892)	
Cost, end of year	$ 40,434,209	$ 8,901,466	$ 13,043,951	$ 6,966,528	$ 4,234,488	$ 64,260,086	$ 23,562,527	$ 1,571,400	$ 162,974,655
Accumulated amortization, beginning of year	$ -	$ 2,837,996	$ 6,923,841	$ 4,517,386	$ 2,289,940	$ 24,204,105	$ 6,435,232	$ -	$ 47,208,500
Amortization	-	446,862	479,636	381,753	444,726	1,699,581	493,212	-	3,945,770
Disposals	-	(2,544)	-	(28,848)	(811,528)	(910,390)	(405,789)	-	(2,159,099)
Accumulated amortization, end of year	$ -	$ 3,282,315	$ 7,403,477	$ 4,870,291	$ 1,923,138	$ 24,993,295	$ 6,522,655	$ -	$ 48,995,171
Net carrying amount, end of year	$ 40,434,209	$ 5,619,151	$ 5,640,474	$ 2,096,237	$ 2,311,350	$ 39,266,791	$ 17,039,872	$ 1,571,400	$ 113,979,484

December 31, 2021

10. Accumulated Surplus

	2021	2020
Current Funds		
General revenue fund	**$ 1,550,780**	$ 4,726,562
Water revenue fund	**-**	102,575
Sewer revenue fund	**-**	455,151
	1,550,780	5,284,288
Capital Funds		
General capital fund	**59,578,999**	55,212,088
Water capital fund	**13,387,182**	13,255,249
Sewer capital fund	**40,148,915**	40,747,976
	113,115,096	109,215,313
Reserve Funds		
Feasibility reserve fund	**176,560**	175,072
Equipment replacement reserve fund	**4,977,367**	5,677,130
Park reserve fund	**901,850**	1,577,839
Capital projects reserve fund	**24,395,407**	20,109,493
Operating reserve fund	**8,062,049**	4,023,662
	38,513,233	31,563,196
Accumulated Surplus Total	**$ 153,179,109**	**$ 146,062,800**

Capital funds represent amounts already spent and invested in infrastructure and other non-financial assets.

Reserve funds represent funds set aside by the Board for specific purposes.

DRAFT

11. Credit Facility

The Regional District has a credit facility agreement with a financial institution which provides for a total commitment of $22,700,000 (2020 - $21,500,000). At December 31, 2020, the Regional District had drawn an amount of $Nil on this agreement (2020 - $Nil).

12. Employee Benefits

Retirement Benefits

The Regional District and its employees contribute to the Municipal Pension Plan (a jointly trusteed pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2019, the plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry- age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation for the Municipal Pension Plan as at December 31, 2018, indicated a $2,866 million funding surplus for basic pension benefits on a going concern basis.

The Regional District paid $812,629 (2020 - $753,206) for employer contributions to the plan in fiscal 2021.

The next valuation will be as at December 31, 2021, with results available in 2022.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

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Compensated Absences

Sick Leave

After ten years of employment, earned sick leave is paid out upon termination of employment as per agreements. Sick leave obligations are attributed to the period beginning the employee's date of hire and ending on the date the employee ceases employment.

The Regional District determines its discount rates by reference to its cost of borrowing in accordance with Paragraph .044 of PS 3250. Actuarial gains and losses arise from the difference between the actual expense of the plan and that expected by the actuarial assumptions or from changes in actuarial assumptions. Actuarial gains and losses arising in a specific fiscal period will be amortized over the expected average remaining service life (EARSL) of the related employee group in accordance with Paragraph .061 or PS 3250.

The sick leave benefits are adequately funded by an account reserved for employee benefits and insurance. The projected sick leave liability in 2021 is $876,500 (2020 - $885,600).

Vacation

Vacation is accrued as it is earned by employees.

13. Contingent Liabilities

The Regional District is the defendant in various lawsuits. In the opinion of management, the overall estimation of loss is not determinable at this time. These claims have not be provided for in the financial statements. Settlement, if any, made with respect to these actions would be expected to be accounted for as a charge to expenses in the period in which realization is known, to the extent not covered by insurance.

14. Expenses by Object

	2021	2020
Advertising and promotion	**$ 200,500**	$ 162,701
Amortization	**4,358,089**	3,945,765
Contract Services	**4,044,440**	4,029,349
Education and training	**1,029,994**	868,594
Emergency services	**1,775,488**	1,698,231
Grants and other programs	**307,563**	287,536
Insurance, licenses and memberships	**1,070,953**	305,875
Interest on long-term debt and debt issue expense	**176,925**	183,778
Fiscal services for members	**12,767,354**	14,278,499
Leases and rentals	**14,505**	20,799
Loss on disposal of tangible capital assets		54,952
Office and administration	**737,107**	664,026
Planning and development	**345,534**	318,634
Professional fees	**299,639**	346,809
Repairs and maintenance	**2,857,909**	2,520,282
Supplies	**1,254,948**	1,364,882
Telephone and utilities	**1,067,379**	1,047,302
Transit services	**1,941**	21,683
Travel	**71,390**	83,046
Transfers to other agencies and governments	**4,099,081**	4,041,005
Wages and benefits	**13,118,265**	12,287,239
	$ 49,599,004	$ 48,530,987

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15. Gas Tax Agreement Funds

a) Community Works funds

Community Works Funds are provided by the Government of Canada under the Gas Tax Agreement. The use of the funding is established by a funding agreement between the Regional District and the Union of British Columbia Municipalities. Gas Tax Agreement funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects. The Community Works Fund balance is included in the capital projects reserve fund.

		2021		2020
Opening balance of unspent funds	**$**	**3,568,714**	$	3,109,858
Add: Amount received during the year		**1,533,792**		749,847
Interest earned		**30,334**		36,255
Less: Amount spent on projects		**(191,106)**		(327,246)
Closing balance of unspent community works funds	**$**	**4,941,734**	$	3,568,714

b) Regionally Significant Project Funding

The Regional District and its members received funding for a Regional Significant Project during the year:

		2021		2020
Regional strategic transportation demand plan	**$**	**298,995**	$	298,995

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16. Budget

The budget data presented in these financial statements is based upon the 2020 - 2024 Financial Plan Bylaw 1449 approved by the Regional District Board on March 23 and Amending Bylaws 1460, 1461, 1470, 1472, 1474 and 1480 approved by the Board on July, September, December 2020 and January, February and April 2021.

The legislative requirements of the Financial Plan are that the cash inflows for the period must at a minimum equal cash outflows.

Budgeted Cash inflows and outflows include transfers to and from reserves and other funds, and prior year surplus/deficits carried forward, and principal repayments on debt. These transactions are not recognized as revenues and expenses in the Statement of Operations as they do not meet the inclusion requirements under public sector account standards.

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Revenue	Approved Budget	Capital Adjustments	Debt Adjustments	Transfers & Other	Presented Budget
Electoral Area tax & parcel tax	$ 4,684,572	$ -	$ -	$ -	$ 4,684,572
Members' requisitions	31,389,772	-	-	-	31,389,772
Grants	1,335,644	357,484	-	-	1,693,128
Sale of services	6,439,527	-	-	-	6,439,527
Water and Sewer fees	7,115,407	-	-	(2,400)	7,113,007
Gas tax revenue	850,199	-	-	-	850,199
Contributions	-	3,111,438	-	-	3,111,438
Transfers from reserves	1,192,755	(1,192,755)	-	-	-
Other revenue	1,301,759	-	(139,295)	(28,563)	1,133,901
Prior years' surplus	3,353,013	-	-	(3,353,013)	-
	$ 57,662,648	**$ 2,276,167**	**$ (139,295)**	**$ (3,383,976)**	**$ 56,415,544**
Expense					
General government services	6,955,404	-	(18,000)	(4,925,778)	2,011,626
Protective services	9,739,033	-	(12,048)	201,246	9,928,231
Transportation services	165,459	-	(4,487)	5,462	166,434
Environmental health services	7,016,044	-	-	298,115	7,314,159
Development services	4,066,451	-	-	354,510	4,420,961
Recreation and cultural services	10,033,560	-	(305,014)	(3,904,401)	5,824,145
Water services	1,913,294	-	(227,141)	(687,454)	998,699
Sewer services	5,276,934	-	(30,805)	(551,583)	4,694,546
Fiscal services	12,496,469	-	281,619	-	12,778,088
Interest on long-term debt and debt issue expense	-	-	176,582	-	176,582
Transfers to local governments	-	-	-	117,878	117,878
	$ 57,662,648	**$ -**	**$ (139,294)**	**$ (9,092,005)**	**$ 48,431,349**

December 31, 2021

17. Segmented Information

The segments and the services the Regional District provide are broken down as follows:

General Government Services is comprised of a number of different services, including Board and Communications Costs, Corporate Services; Administration Finance; Engineering; Human Resources; Information Systems; Electoral Area Costs; and Grants. Corporate Services involves staff and management working closely with the Regional Board and Community partners to coordinate the delivery of a wide range of functions and services. The Finance department is responsible for the requisition of tax revenues from the Province and from member municipalities and all treasury and accounting functions. Human Resources involves the administration of full-time and part-time employees, as well as the responsibility for labour relations, recruitment, training and career planning, employee health and safety and Workers Compensation regulations. Information Systems includes an all-encompassing computer database and mapping system for properties in the Regional District, which is used by Regional Services and Regional District departments and other government agencies, as well as members of the public and businesses.

Protective Services includes a number of different programs. These programs include Electoral Area Fire Protection; Regional Rescue; 911 Services; Crime Stoppers; Victim Services; Crime Prevention; Bylaw Enforcement (Business Licenses, Building Inspections, Dog Control, Mosquito Control, Starling Control, and Prohibited Animal Control). These services are designed to provide a safe environment to the community. They are responsible for providing these services to the unincorporated electoral areas of Central Okanagan East and Central Okanagan West, as well as to the member municipalities of Kelowna, West Kelowna, Peachland, and Lake country with in the boundaries of the Regional District.

Transportation Services includes Transportation Demand Management, Road/Street Light Improvements and Transit Services.

Environmental Health Services includes a number of different services, including: Effluent Disposal; Solid Waste Management Services (Recycling, Collection, Transfer Stations, Management); Okanagan Basin Water Board; Air Quality Monitoring; Noise Abatement; Untidy Premises. The mandate of these programs is to coordinate delivery of the many day-to-day services required for community living.

Environmental Development Services is responsible for delivering Insect & Weed Control, Sterile Insect Release, Economic Development and Planning. Economic Development provides assistance to businesses and entrepreneurs in the Regional District and to those interested in relocating to the region. The planning function is responsible for developing land use policies that provide guidance to elected officials, developers, the public and other decision makers. It puts land use plans and policies into action and ensures proper Infrastructure and orderly development. The program also evaluates applications and provides recommendations to decision makers; assist the public with land use regulations, applications, and processes; and invites and responds to public comments.

Recreational/Cultural Service includes the Community Halls, Regional Parks, Community Parks, and Okanagan Regional Library. The Parks department is responsible for 30 Regional Parks and more than a dozen community and neighbourhood parks making up over 1,900 hectares or parkland. The department is also responsible for future recreational opportunities through parkland acquisition on development.

Fiscal Services is responsible for MFA Financing for 2 electoral areas and 4 member municipalities.

Water Services includes a total of six water systems that provides water services to local service areas within the electoral areas.

Sewer Services includes the Westside Wastewater Treatment Plant, the Ellison Sewer System and a number of Lift Stations/Collector Systems which service residents of West Kelowna, Peachland and Westbank First Nation.

DRAFT

December 31, 2021

17. Segmented Information

The segments and the services the Regional District provide are broken down as follows:

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Environmental Development Services	Recreation/ Cultural Services	Fiscal Services	Water Services	Sewer Services	Other	**Total 2021 Actual**	**Total 2021 Budget**
Revenues												
General taxes	$ 883,538	$ 6,958,306	$ 49,951	$ 2,610,950	$ 3,622,095	$ 9,201,326	$ 12,485,736	$ 221,635	$ 30,626	$ -	**$ 36,064,163**	**$ 36,074,344**
Utility Charges	-	-	-	-	-	-	-	1,652,324	5,541,901	-	**7,194,225**	**7,113,007**
Government grants - Federal	186,357	-	-	-	93,607	39,743	-	1,277	1,915	-	**322,899**	**331,280**
Government grants - Provincial	246,441	625,349	-	-	170,600	359,452	-	12	-	-	**1,401,854**	**1,361,848**
Sales of services	367,297	1,100,374	29,938	4,304,376	104,989	636,761	-	-	-	-	**6,543,735**	**6,439,527**
Other revenue	97,820	1,656,321	103,214	376,414	11,643	669,561	102,310	38,127	348,879	1,784,148	**5,188,437**	**5,095,538**
	1,781,453	10,340,350	183,103	7,291,740	4,002,934	10,906,843	12,588,046	1,913,375	5,923,321	1,784,148	**56,715,313**	**56,415,544**
Expenses												
Operating												
Goods and services (net)	(2,554,618)	6,098,731	136,256	6,289,876	2,755,694	2,510,663	12,944,280	536,497	3,104,150	462,781	**32,284,314**	**34,948,225**
Wages and benefits	3,988,996	2,856,710	886	617,338	1,179,258	2,778,146	-	252,574	1,282,694	-	**12,956,602**	**13,483,124**
	1,434,378	8,955,441	137,142	6,907,214	3,934,952	5,288,809	12,944,280	789,071	4,386,844	462,781	**45,240,916**	**48,431,349**
Capital												
Amortization	517,243	636,882	-	75,889	8,648	885,702	-	534,066	1,699,658	-	**4,358,088**	**-**
	1,951,621	9,592,327	137,142	6,983,103	3,943,600	6,174,511	12,944,280	1,323,137	6,086,502	462,781	**49,599,004**	**48,431,349**
Excess (deficiency) in revenues over expenses	$ (170,168)	$ 748,023	$ 45,961	$ 308,637	$ 59,334	$ 4,732,332	$ (356,234)	$ 590,238	$ (163,181)	$ 1,321,367	**$ 7,116,309**	**$ 7,984,195**

DRAFT

December 31, 2020

17. Segmented Information (continued)

The segments and the services the Regional District provide are broken down as follows:

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Environmental Development Services	Recreation/ Cultural Services	Fiscal Services	Water Services	Sewer Services	Other	Total 2020 Actual	Total 2020 Budget
Revenues												
General taxes	$ 866,445	$ 6,543,652	$ 49,277	$ 2,494,013	$ 3,525,245	$ 9,015,725	$ 13,996,882	$ 221,826	$ 37,683	$ -	**36,750,748**	**$ 36,781,972**
Utility Charges	-	-	-	-	-	-	-	1,614,374	5,504,757	-	**7,119,131**	**7,028,579**
Government grants - Federal	110,000	4,512	-	-	114,063	38,836	-	-	-	-	**267,411**	**315,566**
Government grants - Provincial	227,478	277,159	-	12,535	231,698	832,099	-	74,524	-	-	**1,655,493**	**2,915,881**
Sales of services	334,835	1,030,877	10,954	3,924,235	102,638	619,913	-	-	-	-	**6,023,452**	**6,113,432**
Other revenue	210,987	1,217,508	299,019	342,796	48,499	40,292	97,249	459,922	1,176,372	1,072,173	**4,964,817**	**5,251,480**
	1,749,745	9,073,708	359,250	6,773,579	4,022,143	10,546,865	14,094,131	2,370,646	6,718,812	1,072,173	**56,781,052**	**58,406,910**
Expenses												
Operating												
Goods and services (net)	(2,386,485)	5,703,837	355,626	5,776,083	2,690,285	2,462,156	14,462,276	627,933	2,937,585	(164,512)	**32,464,784**	**36,284,628**
Wages and benefits	3,628,562	2,639,402	886	558,717	1,159,085	2,630,374	-	261,236	1,242,177	-	**12,120,439**	**13,023,873**
	1,242,077	8,343,239	356,512	6,334,800	3,849,370	5,092,530	14,462,276	889,169	4,179,762	(164,512)	**44,585,223**	**49,308,501**
Capital												
Amortization	421,918	522,128	-	62,869	12,318	708,948	-	502,854	1,714,729	-	**3,945,764**	**-**
	1,663,994	8,865,367	356,512	6,397,666	3,861,688	5,801,481	14,462,276	1,392,023	5,894,489	(164,512)	**48,530,987**	**49,308,501**
Excess (deficiency) in revenues over expenses	$ 85,751	$ 208,341	$ 2,738	$ 375,913	$ 160,455	$ 4,745,384	$ (368,145)	$ 978,623	$ 824,323	$ 1,236,685	**8,250,065**	**$ 9,098,409**

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18. Covid Restart Grant

In November 2020 the Regional District received a provincial grant to assist in expenses resulting from the Covid 19 pandemic. The eligible expenses and remaining funds to be carried into 2021 are as follows:

		2021		2020
Opening balance of unspent funds	**$**	**625,983**	$	-
Add: Amount received during the year		**357,000**		1,107,000
Interest earned		**5,321**		
		988,304		1,107,000
Less: Eligible costs incurred:				
Computer and technology cost		**(102,100)**		(4,092)
General Government Services		**(345,137)**		(193,521)
Protective Services		**(8,873)**		(42,707)
Environmental Health		**(8,283)**		(12,535)
Environmental Development		**(51,596)**		(17,814)
Recreation/ Cultural Services		**(95,919)**		(175,116)
Water		**-**		(19,882)
Sewer		**(4,500)**		(15,349)
Less: Total eligible expense incurred		**(616,409)**		(481,017)
Closing balance of Covid Restart Grant	**$**	**371,895**	$	625,983

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Exhibit 1

Regional District of Central Okanagan
Consolidated Statement of Current Fund Operations
(Unaudited)

For the year ended December 31	2021		2020
	Actual	Budget	Actual
Revenues			
Electoral area tax requisitions	**$ 4,215,300**	$ 4,214,785	$ 4,114,749
Electoral area parcel taxes	**469,788**	469,787	507,734
Members' requisitions			
General	**18,491,816**	18,493,254	17,697,179
Parcel Taxes	**400,347**	400,048	432,659
Debt Services	**12,486,912**	12,496,470	13,998,427
Federal government grants	**322,899**	331,280	267,411
Provincial government grants	**1,183,461**	1,004,364	1,596,759
Sale of services to other governments	**3,879,869**	4,168,527	3,591,161
Sale of services to others	**2,663,866**	2,271,000	2,432,291
Water and sewer fees	**7,194,225**	7,113,007	7,119,131
Gas tax revenue	**99,648**	100,352	298,995
Other Revenue	**2,119,034**	1,273,196	1,917,940
	53,527,165	52,336,070	53,974,436
Expenses			
General government services	**1,434,378**	2,011,626	1,242,077
Protective services	**8,955,445**	9,928,231	8,343,239
Transportation services	**137,142**	166,434	356,512
Environmental health services	**6,907,214**	7,314,159	6,334,797
Development services	**3,934,952**	4,420,961	3,849,370
Recreation and cultural services	**5,288,809**	5,824,145	5,092,529
Water services	**789,071**	998,699	834,217
Sewer services	**4,386,844**	4,694,546	4,179,760
Fiscal services	**12,944,280**	12,954,670	14,462,276
Transfer to local governments	**117,869**	117,878	116,765
Reallocation of insurance reserve (recovery)	**344,912**	-	(281,277)
	45,240,916	48,431,349	44,530,265
Net revenues	**8,286,249**	3,904,721	9,444,171
Regional District - debt principal repayments	**(140,171)**	(139,295)	(146,721)
Net interfund transfers			
Capital Fund	**(181,713)**	(240,000)	(71,783)
Reserve fund	**(11,697,874)**	(6,952,687)	(8,126,747)
Change in current fund	**(3,733,509)**	(3,427,261)	1,098,920
Balance, beginning of year	**5,284,289**	5,284,289	4,185,369
Balance, end of year	**$ 1,550,780**	$ 1,857,028	$ 5,284,289

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Exhibit 2

Regional District of Central Okanagan

Consolidated Statement of Capital Fund Operations

(Unaudited)

For the year ended December 31	2021		2020
	Actual	Budget	Actual
Revenues			
Provincial government grants	**$ 218,393**	$ 357,484	$ 58,734
Gain on disposals of tangible capital assets	**590,958**	-	2,967
Contributions from others	**145,784**	231,828	772,158
Retirement of long term debt	**242,481**	-	243,970
	1,197,616	589,312	1,077,829
Expenses			
Amortization	**4,358,088**	-	3,945,764
Loss on disposals of tangible capital assets	**-**	-	54,952
	4,358,088	-	4,000,716
Net revenues (expenses)	**(3,160,472)**	589,312	(2,922,887)
Net interfund transfers			
Current fund	**160,810**	240,000	42,013
Current fund - Landfill	**20,903**	-	29,770
Current fund - Retirement of short term debt	**-**	-	-
Reserve funds	**6,549,919**	17,252,137	2,593,354
Contributions received from sewer DCC reserve	**328,623**	-	837,307
Change in capital fund	**3,899,783**	18,081,449	579,557
Balance, beginning of year	**109,215,313**	109,215,313	108,635,756
Balance, end of year	**$ 113,115,096**	$ 127,296,762	$ 109,215,313

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Exhibit 3

Regional District of Central Okanagan

Consolidated Statement of Reserve Fund Operations

(Unaudited)

For the year ended December 31	2021		2020
	Actual	Budget	Actual
Revenues			
Gas tax revenue	**$ 1,533,792**	$ -	$ 749,846
Interest Income	**268,288**	-	291,328
	1,802,080	-	1,041,174
Net interfund transfers			
Current fund	**11,697,874**	6,952,687	8,126,747
Capital fund	**(6,549,919)**	(17,252,137)	(2,593,354)
Change in capital fund	**6,950,035**	(10,299,450)	6,574,567
Balance, beginning of year	**31,563,195**	31,563,193	24,988,628
Balance, end of year	**$ 38,513,230**	$ 21,263,743	$ 31,563,195
Summary of Reserve Funds positions			
Feasibility Reserve Fund	**$ 176,560**		$ 175,071
Equipment Replacement Reserve Fund	**4,977,367**		5,677,128
Park Reserve Fund	**901,850**		1,577,838
Capital Projects Reserve Fund	**24,395,407**		20,109,493
Operating Reserve Fund	**8,062,049**		4,023,665
	$ 38,513,230		$ 31,563,195

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Exhibit 4

Regional District of Central Okanagan
General Revenue Fund
Statement of Financial Position
(Unaudited)

December 31	2021	2020
Assets		
Cash and cash equivalents	**$ 49,359,854**	$ 43,773,913
Accounts receivable		
Provincial government	**1,542,653**	297,829
Local governments and Hospital District	**1,626,530**	1,574,530
Other	**1,473,129**	1,279,811
Protfolio Investments	**-**	-
Prepaid expenses	**185,918**	489,871
Other assets		
Municipal Finance Authority debt reserve fund		
Member municipalities	**8,025,057**	8,287,111
Regional District	**181,102**	256,303
	$ 62,394,243	$ 55,959,368
Liabilities and Surplus		
Accounts payable		
Accounts payable and accrued liabilities	**$ 5,902,326**	$ 4,265,412
Due to development cost charges reserve fund	**7,788,954**	6,154,606
Due to capital projects reserve fund	**24,395,407**	20,109,491
Due to equipment replacement reserve fund	**4,977,367**	5,677,130
Due to feasibility study reserve fund	**176,560**	175,072
Due to operating reserve fund	**8,062,049**	4,023,663
Due to park reserve fund	**901,850**	1,577,839
Due to sewer revenue fund	**-**	439,106
Due to water revenue fund	**(61,563)**	42,042
Due to water capital fund	**127,913**	133,315
Other liabilities		
Deferred revenue	**355,084**	108,655
Municipal Finance Authority debt reserve fund		
Member municipalities		
- cash requirements	**2,580,120**	2,649,899
- demand note requirement	**5,444,937**	5,637,212
Regional District		
- cash requirements	**64,591**	63,511
- demand note requirement	**127,867**	175,853
Surplus	**1,550,780**	4,726,562
	$ 62,394,243	$ 55,959,368

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Exhibit 5

Regional District of Central Okanagan
General Revenue Fund
Statement of Operations
(Unaudited)

For the year ended December 31	2021	2020
Revenue		
Electoral area tax requisitions	**$ 4,215,300**	$ 4,114,749
Electoral area parcel taxes	**249,183**	287,129
Members' requisitions		
General	**18,491,816**	17,697,179
Parcel taxes	**369,867**	395,300
Debt services	**12,485,736**	13,996,882
Federal government grants	**319,707**	267,411
Provincial government	**1,183,461**	1,576,877
Sale of services to local governments	**3,879,869**	3,591,161
Sale of services to others	**2,663,866**	2,432,291
Gas tax revenue	**99,648**	298,995
Other revenue		
Licenses, fees and permits	**1,562,581**	1,187,147
Facility rentals	**113,905**	131,405
Other revenue	**421,422**	505,764
Other programs	**(17,932)**	31,000
Transfer from capital projects reserve fund	**29,067**	45,930
Transfer from covid grant fund	**-**	-
Transfer from operating reserve fund	**14,446**	1,495
Surplus from previous year	**4,726,563**	3,830,959
	50,808,505	50,391,674
Expenses		
General government services	**1,434,378**	1,242,077
Protective services	**8,955,445**	8,343,239
Transportation services	**137,142**	356,512
Environmental health services	**6,907,214**	6,334,797
Development services	**3,934,952**	3,849,370
Recreational and cultural services	**5,288,809**	5,092,529
Fiscal services	**12,826,505**	14,344,139
Transfer to general capital fund	**160,810**	42,013
Transfer to equipment replacement reserve fund	**497,462**	452,115
Transfer to operating reserve fund	**3,510,063**	1,037,912
Transfer to capital projects reserve fund	**5,121,261**	4,705,150
Transfer to feasibility study reserve fund	**-**	-
Transfer to City of Kelowna	**-**	-
Transfer to District of Lake Country	**55,000**	55,000
Transfer to District of Peachland	**12,000**	12,000
Transfer to City of West Kelowna	**50,869**	49,765
Landfill closure and post-closure	**20,903**	29,770
Reallocation of insurance reserve (recovery)	**344,912**	(281,277)
Short term debt repayment	**-**	-
	49,257,725	45,665,111
Surplus, end of year	**$ 1,550,780**	$ 4,726,563

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Exhibit 6

Regional District of Central Okanagan
General Revenue Fund
Surplus
(Unaudited)

For the year ended December 31	2021	2020
Regional Board	**$ (35,583)**	$ 101,543
Corporate Services/Administration	**105**	171,899
Finance	**80**	244,694
Engineering	**-**	24,787
Human Resources	**27**	58,170
Information Systems	**65**	48,520
General Government Services - Electoral Areas	**-**	13,228
Electoral Area Central Okanagan West	**-**	11,621
Electoral Area Central Okanagan East	**-**	12,608
EA West Grants in Aid	**-**	(970)
EA East Grants in Aid	**-**	3,600
Upper Ellison Fire Protection	**-**	(3,556)
Electoral Areas Fire Protection	**-**	4,011
Lakeshore Road Fire Protection	**(219)**	-
Ellison Fire Protection	**-**	91,558
Joe Rich Road Fire Protection	**-**	6,958
North Westside Road Fire Protection	**-**	53,863
Wilson's Landing Fire Protection	**-**	60,721
Ridgeview Fire Protection	**-**	71
June Springs Fire Protection	**-**	-
Brent Road Fire Protection	**-**	675
Regional Rescue Service	**-**	140,109
911 Emergency Telephone Service	**-**	56,925
Crime Stoppers	**-**	27,296
Victims Services	**-**	71,254
Crime Prevention	**-**	37,023
Business Licenses	**-**	406
Building Inspection	**-**	170,153
Dog Control	**-**	118,111
Mosquito Control	**-**	15,991
Prohibited Animal Control	**-**	988
Transportation Demand Management	**-**	1,129
Lakeshore Road Improvements	**-**	25
Scotty Heights Street Lighting	**-**	(18)
Ellison Transit	**-**	7,925
Septic Tank Effluent Disposal	**-**	66,678
Balance to be carried forward	**$ (35,525)**	$ 1,617,996

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Exhibit 6

Regional District of Central Okanagan

General Revenue Fund (continued)

Surplus

(Unaudited)

For the year ended December 31	2021	2020
Balance carried forward	**$ (35,525)**	$ 1,617,996
Westside Disposal & Recycling Centre	-	160,485
Solid Waste Management	-	14,854
Solid Waste Collection	-	123,519
Okanagan Basin Water Board	-	(1)
Air Quality Monitoring	-	(1)
Noise Abatement	-	3,027
Untidy Premises	-	3,434
Regional Planning	-	156,749
Electoral Area Planning	-	54,944
Noxious Insect Control	-	2,817
Weed Control	-	27,628
Starling Control	**(58)**	-
Economic Development Commission	-	37,897
Ellison Heritage Community Centre	-	34,336
Joe Rich Community Hall	-	5,510
Killiney Community Hall	-	33
Regional Parks	-	518,766
Westside Community Parks	-	24,234
Eastside Community Parks	-	9,061
Insurance	**1,586,363**	1,931,275
Surplus, end of year	**$ 1,550,780**	$ 4,726,563

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Exhibit 7

Regional District of Central Okanagan
General Capital Fund
Statement of Financial Position
(Unaudited)

December 31	2021	2020
Assets		
Tangible capital assets (net of accumulated amortization)		
Land	**$ 43,378,197**	$ 40,141,933
Land improvements	**6,386,255**	5,619,151
Buildings	**5,647,198**	5,640,473
Fleet	**2,011,262**	1,987,113
Machinery and equipment	**2,559,363**	2,311,352
Assets under construction	**162,412**	162,412
	60,144,687	55,862,434
Debt recoverable from other authorities for debentures		
City of Kelowna	**78,857,021**	87,022,601
City of West Kelowna	**7,986,709**	9,535,975
District of Lake Country	**5,544,583**	6,543,917
District of Peachland	**2,036,369**	2,440,062
OK Regional Library	**1,987,388**	2,229,332
	96,412,070	107,771,887
	$ 156,556,757	$ 163,634,321
Liabilities and Equity in Capital Assets		
Long term debt		
Landfill closure and post closure	**476,976**	497,879
Municipal Finance Authority	**96,500,785**	107,924,354
Equity in capital assets	**59,578,999**	55,212,088
	$ 156,556,757	$ 163,634,321

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Exhibit 8

Regional District of Central Okanagan

General Capital Fund

Statement of Equity in Capital Assets

(Unaudited)

For the year ended December 31	2021	2020
Balance, beginning of the year	**$ 55,212,088**	$ 55,103,403
Add:		
Transfer from general revenue fund	**160,810**	42,013
Park reserve fund	**1,207,342**	7,362
Equipment replacement reserve fund	**664,699**	386,126
Capital projects reserve fund	**3,955,912**	1,258,077
Gain on disposal of tangible capital assets	**590,958**	967
Grant from Federal government	**-**	-
Grant from Provincial government	**218,381**	4,092
Other contributions	**126,459**	35,790
Retirement of long term debt	**63,752**	72,668
	6,988,313	1,807,095
Deduct:		
Amortization	**2,124,363**	1,728,180
Landfill closure cost transfer	**(20,903)**	(29,770)
Loss on disposal of tangible capital assets	**-**	
Transfer to general revenue fund	**-**	-
Transfer to parkland reserve regional fund	**517,942**	-
Transfer to equipment replacement reserve fund	**-**	-
Transfer to capital projects reserve fund	**-**	-
Transfer to water capital fund	**-**	-
	2,621,402	1,698,410
Balance, end of year	**$ 59,578,999**	$ 55,212,088

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Exhibit 9

Regional District of Central Okanagan
Water Revenue Fund
Statement of Financial Position
(Unaudited)

December 31	2021	2020
Assets		
Due from general revenue fund	**$ -**	$ 42,042
Other assets		
Municipal Finance Authority debt reserve fund	**126,630**	125,600
	$ 126,630	$ 167,642
Liabilities and Surplus		
Liabilities		
Due to general revenue fund	**$ 61,563**	$ -
Other liabilities		
Municipal Finance Authority debt reserve fund - demand note requirement	**65,067**	65,067
Surplus	**-**	102,575
	$ 126,630	$ 167,642

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Exhibit 10

Regional District of Central Okanagan
Water Revenue Fund
Statement of Operations
(Unaudited)

For the year ended December 31	2021	2020
Revenue		
Connection charges	**$ 74,840**	$ 27,701
Debt service fee	**1,030**	1,220
Parcel taxes	**220,605**	220,605
User fees and maintenance fees	**1,577,484**	1,586,673
Federal government grants	**1,277**	-
Provincial government grants	**-**	19,882
Other revenue	**38,127**	21,850
Transfer from general revenue fund	**-**	-
Transfer from water capital fund	**-**	-
Surplus from previous year	**102,575**	184,718
	2,015,938	2,062,649
Expenses		
Falcon Ridge water system	**83,487**	79,362
Killiney Beach water system	**228,201**	211,218
Sunset Ranch water system	**138,960**	137,762
Trepanier Bench water system	**23,744**	29,622
Upper Fintry/Shalal/Valley Of The Sun water system	**115,359**	113,305
Westshore water system	**199,320**	262,947
Transfer to water capital fund	-	-
Transfer to operating reserve fund	**176,667**	-
Transfer to capital projects reserve fund	**823,059**	893,717
Transfer to equipment replacement reserve fund	**-**	5,000
Fiscal Services	**227,141**	227,141
	2,015,938	1,960,074
Surplus	**$ -**	$ 102,575

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Exhibit 11

Regional District of Central Okanagan
Water Capital Fund
Statement of Financial Position
(Unaudited)

December 31	2021	2020
Assets		
Due from general revenue fund	**$ 127,913**	$ 133,315
Tangible capital assets (net of accumulated amortization)		
Land	**228,536**	228,536
Fleet	**24,418**	34,062
Water system	**16,706,478**	17,039,870
Asset under construction	**362,847**	6,235
	$ 17,450,192	$ 17,442,018
Liabilities and Equity in Capital Assets		
Long term debt		
Deferred Revenue	**$ 127,912**	$ 133,315
Municipal Finance Authority	**3,935,098**	4,053,454
Equity in capital assets	**13,387,182**	13,255,249
	$ 17,450,192	$ 17,442,018

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Exhibit 12

Regional District of Central Okanagan
Water Capital Fund
Statement of Equity in Capital Assets
(Unaudited)

For the year ended December 31	**2021**	2020
Balance, beginning of the year	**$ 13,255,249**	$ 12,962,731
Add:		
Provincial government grant	**12**	54,642
Retirement of debenture debt	**118,356**	113,804
Transfer from water revenue fund	**-**	-
Transfer from equipment replacement reserve fund	**495,720**	238,509
Transfer from capital project reserve fund	**51,911**	5,296
Developer Contributions	**-**	438,072
Gain on disposal of tangible capital assets	**-**	-
	665,999	850,323
Deduct:		
Amortization	**534,066**	502,854
Loss on disposal of tangible capital assets		54,951
	534,066	557,805
Balance, end of year	**$ 13,387,182**	$ 13,255,249

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Exhibit 13

Regional District of Central Okanagan

Sewer Revenue Fund

Statement of Financial Position

(Unaudited)

December 31	2021	2020
Assets		
Due from general revenue fund	**$ -**	$ 439,106
Other assets		
Municipal Finance Authority debt reserve fund	**-**	43,677
	$ -	$ 482,783
Liabilities and Surplus		
Other liabilities		
Municipal Finance Authority debt reserve fund - demand note requirement	**$ -**	$ 27,632
Surplus	-	455,151
	$ -	$ 482,783

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Exhibit 14

Regional District of Central Okanagan
Sewer Revenue Fund
Statement of Operations
(Unaudited)

For the year ended December 31	2021	2020
Revenue		
Debt service fee	**$ 146**	$ 324
Parcel tax	**30,480**	37,359
User fees and municipal services	**5,541,901**	5,504,757
Federal government grant	**1,915**	-
Other revenue	**3,334**	43,177
Transfer from covid grant fund	**4,500**	-
Transfer from sewer capital fund	**-**	-
Surplus from previous year	**455,151**	169,691
	6,037,427	5,755,308
Expenses		
Westside sewer system	**4,259,197**	4,040,330
Ellison sewer system	**130,050**	141,831
Fiscal services	**30,805**	37,717
Transfer to operating reserve fund	**-**	-
Transfer to capital projects reserve fund	**1,195,019**	985,298
Transfer to equipment replacement reserve fund	**85,953**	69,671
Transfer to operating reserve fund	**336,403**	25,310
	6,037,427	5,300,157
Surplus	**$ -**	$ 455,151

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Exhibit 15

Regional District of Central Okanagan
Sewer Capital Fund
Statement of Financial Position
(Unaudited)

December 31	2021	2020
Tangible capital assets (net of accumulated amortization)		
Land	**$ 63,739**	$ 63,739
Fleet	**59,911**	75,062
Sewer system	**39,879,292**	39,266,794
Asset under construction	**145,973**	1,402,754
	$ 40,148,915	$ 40,808,349
Liabilities and Equity in Capital Assets		
Long term debt		
Municipal Finance Authority	**$ -**	$ 60,373
Equity in capital assets	**40,148,915**	40,747,976
	$ 40,148,915	$ 40,808,349

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Exhibit 16

Regional District of Central Okanagan

Sewer Capital Fund

Statement of Equity in Capital Assets

(Unaudited)

For the year ended December 31	2021	2020
Balance, beginning of the year	**$ 40,747,976**	$ 40,569,627
Add:		
Gain on disposal of tangible capital assets	**-**	2,000
Developer Contributions	**19,326**	298,289
Retirement of debenture debt	**60,373**	57,498
Transfer from development cost charge reserve fund	**328,623**	837,307
Transfer from capital projects reserve fund	**521,258**	629,158
Transfer from equipment replacement reserve fund	**171,017**	68,826
	1,100,597	1,893,078
Deduct:		
Amortization	**1,699,658**	1,714,729
Balance, end of year	**$ 40,148,915**	$ 40,747,976

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Exhibit 17

Regional District of Central Okanagan

Development Cost Charge Reserve Fund

Statement of Financial Position

(Unaudited)

December 31	2021	2020
Assets		
Due from general revenue fund	**$ 7,788,954**	$ 6,154,606
Fund Balance		
Westside wastewater treatment plant	**$ 5,222,956**	$ 3,773,809
East trunk treatment plant	**2,565,998**	2,380,797
	$ 7,788,954	$ 6,154,606

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Exhibit 18

Regional District of Central Okanagan

Development Cost Charge Reserve Fund

Statement of Changes in Fund Balance

(Unaudited)

For the year ended December 31	2021	2020
Balance, beginning of the year	**$ 6,154,606**	$ 5,860,043
Add:		
Interest earned	**52,315**	68,319
Development cost charge levies	**1,910,656**	1,063,551
	1,962,971	1,131,870
Deduct:		
Transfer to sewer capital fund	**328,623**	837,307
Balance, end of year	**$ 7,788,954**	$ 6,154,606

Note:

Development Cost Charge (DCC) levies are restricted by by-law in their use for sewer expansion and the revenue is deferred until the expenses are incurred. When DCC expenses are made, a corresponding amount is recorded as "Contribution from sewer DCC reserve" on the statement of operations.

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Exhibit 19

Regional District of Central Okanagan

Feasibility Study Reserve Fund

Statement of Financial Position

(Unaudited)

December 31	2021	2020
Assets		
Due from general revenue fund	**$ 176,560**	$ 175,072
Fund Balance		
Feasibility Study Reserve - Electoral Areas	**$ 75,326**	$ 74,698
Feasibility Study Reserve - Regional	**101,234**	100,374
	$ 176,560	$ 175,072

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Exhibit 20

Regional District of Central Okanagan

Feasibility Study Reserve Fund

Statement of Changes in Fund Balance

(Unaudited)

For the year ended December 31		2021		2020
Balance, beginning of the year	**$**	**175,072**	$	173,054
Add:				
Interest Income		**1,488**		2,018
Transfer from general revenue fund		**-**		-
		1,488		2,018
Balance, end of year	**$**	**176,560**	$	175,072

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Exhibit 21

Regional District of Central Okanagan

Equipment Replacement Reserve Fund

Statement of Financial Position

(Unaudited)

December 31	2021	2020
Assets		
Due from general revenue fund	**$ 4,977,367**	$ 5,677,130
Statement of Fund Balance		
Regional Board	**$ 582**	$ 577
Finance	**238,165**	230,186
Engineering	**86,152**	88,987
Human Resources	**3,074**	74
Information Systems	**303,321**	278,389
Ellison Fire Protection	**133**	15,661
Joe Rich Fire Protection	**21,060**	25,506
North Westside Road Fire Protection	**-**	2
Wilson's Landing Fire Protection	**563**	66,186
Brent Road Fire Protection	**186**	184
Regional Rescue Service	**343,991**	407,574
Alarm Control	**17,585**	11,984
Crime Stoppers	**43,737**	43,369
Victims Services	**42,553**	33,567
Crime Prevention	**57,080**	51,640
Business Licenses	**32,914**	31,645
Business Inspection	**138,999**	137,827
Dog Control	**156,983**	174,926
Mosquito Control	**39,244**	38,914
Lakeshore Road Improvements	**75,081**	74,448
Septic Tank Effluent Disposal	**5,450**	5,404
Westside Sanitary Landfill	**3,778**	3,746
Solid Waste Management	**67,782**	60,270
Solid Waste Collection	**204,612**	202,887
Noise Abatement	**114**	113
Unsightly & Untidy Premises	**523**	518
Electoral Area Planning	**49,005**	52,536
Noxious Insect Control	**16,483**	16,344
Weed Control	**58,377**	52,927
Economic Development Commission	**18,421**	13,975
Ellison Heritage Community Centre	**62,208**	61,683
Regional Parks	**307,887**	331,490
Westside Community Parks	**47,782**	47,379
Eastside Community Parks	**52,248**	51,808
Okanagan Regional Library	**3,307**	3,279
Equipment Pool / Fleet	**41,882**	69,663
Killiney Beach Water	**520,552**	520,698
Falcon Ridge Water	**30**	30
Sunset Ranch Water	**335,231**	356,999
Trepanier Water	**(2,072)**	-
Westshores Water	**1,013,426**	1,445,142
Upper Fintry/Shalal/Valley Of The Sun water system	**94,752**	114,057
Westside Wastewater Treatment Plant	**211,828**	325,082
Ellison sewer	**262,358**	229,454
Fund Balance	**$ 4,977,367**	$ 5,677,130

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Exhibit 22

Regional District of Central Okanagan

Equipment Replacement Reserve Fund

Statement of Changes in Fund Balance

(Unaudited)

For the year ended December 31	**2021**	2020
Balance, beginning of the year	$ 5,677,130	$ 5,776,461
Add:		
Interest Income	**48,258**	67,344
Transfer from general revenue fund	**497,462**	452,115
Transfer from sewer revenue fund	**85,953**	69,671
Transfer from water revenue fund	**-**	5,000
	631,673	594,130
Deduct:		
Transfer to general capital fund	**664,699**	386,126
Transfer to sewer capital fund	**171,017**	68,826
Transfer to water capital fund	**495,720**	238,509
	1,331,436	693,461
Balance, end of year	**$ 4,977,367**	$ 5,677,130

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Exhibit 23

Regional District of Central Okanagan

Park Reserve Fund

Statement of Financial Position

(Unaudited)

December 31	2021	2020
Assets		
Due from general revenue fund	**$ 901,850**	$ 1,577,839
Statement of Fund Balance		
Regional Parks	**$ 628,779**	$ 1,307,069
Westside Parks	**180,226**	178,707
Eastside Parks	**65,124**	64,575
Regional Parks Legacy	**27,721**	27,488
Fund Balance	**$ 901,850**	$ 1,577,839

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Exhibit 24

Regional District of Central Okanagan

Park Reserve Fund

Statement of Changes in Fund Balance

(Unaudited)

For the year ended December 31		2021		2020
Balance, beginning of the year	**$**	**1,577,839**	$	1,566,933
Add:				
Interest Income		**13,411**		18,268
Other revenue				
Transfer from general revenue fund		**517,942**		-
Transfer from general capital fund		**-**		-
		531,353		18,268
Deduct:				
Transfer to general capital fund		**1,207,342**		7,362
Balance, end of year	**$**	**901,850**	$	1,577,839

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Exhibit 25

Regional District of Central Okanagan

Capital Projects Reserve Fund

Statement of Financial Position

(Unaudited)

December 31	2021	2020
Assets		
Due from general revenue fund	**$ 24,395,407**	$ 20,109,493
Statement of Fund Balance		
Community Works Fund	**$ 4,941,734**	$ 3,568,713
Regional Board	**112,648**	76,990
Corporate Services/Administration	**919,113**	772,251
Electoral Areas	**120,020**	146,602
Electoral Area Fire Prevention	**12,984**	5,933
Ellison Fire Protection	**754,970**	690,616
Joe Rich Fire Protection	**621,566**	515,534
North Westside Road Fire Protection	**504,520**	474,452
Wilson's Landing Fire Protection	**198,416**	194,255
Brent Road Fire Protection	**34,350**	34,060
911 Emergency Telephone Service	**24,437**	43,259
Dog Control	**194,453**	158,109
Septic Tank Effluent Disposal	**269,517**	295,157
Westside Disposal & Recycling Centre	**207,499**	141,298
Westside Sanitary Landfill Closure	**337,905**	342,065
Regional Planning	**9,662**	4,790
Solid Waste Management	**44,463**	40,082
Ellison Heritage Community Centre	**345,293**	304,567
Joe Rich Community Hall	**36,634**	29,727
Regional Parks	**8,642,979**	7,734,183
Westside Community Parks	**321,337**	293,066
Eastside Community Parks	**145,600**	150,293
Joe Rich Water System	**20,327**	15,198
Killiney Beach Water	**860,653**	623,344
Falcon Ridge Water	**7,487**	12,768
Sunset Ranch Water	**268,459**	161,334
Trepanier Beach Water	**10,099**	3,037
Westshores Water	**1,064,434**	732,991
Upper Fintry/Shalal/Valley Of The Sun water system	**462,530**	336,036
Westside Wastewater Treatment Plant	**1,935,566**	1,413,407
RDCO Lift Station/Collector System	**763,035**	617,838
Peachland Lift Station/Collector System	**202,717**	177,538
Fund Balance	**$ 24,395,407**	$ 20,109,493

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Regional District of Central Okanagan
Capital Projects Reserve Fund
Statement of Changes in Fund Balance
(Unaudited)

For the year ended December 31	2021	2020
Balance, beginning of the year	**$ 20,109,493**	$ 14,544,380
Add:		
Gas tax revenue (Note 15)	1,533,792	749,846
Interest earned	**170,931**	169,563
Transfer from general revenue fund	**5,121,261**	4,705,150
Transfer from sewer revenue fund	**1,195,019**	985,298
Transfer from water revenue fund	**823,059**	893,717
	8,844,062	7,503,574
Deduct:		
Transfer to general revenue fund	**29,067**	45,930
Transfer to general capital fund	**3,955,912**	1,258,077
Transfer to water capital fund	**51,911**	5,296
Transfer to sewer capital fund	**521,258**	629,158
	4,558,148	1,938,461
Balance, end of year	**$ 24,395,407**	$ 20,109,493

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Exhibit 27

Regional District of Central Okanagan

Operating Reserve Fund

Statement of Financial Position

(Unaudited)

December 31	2021	2020
Assets		
Due from general revenue fund	**$ 8,062,049**	$ 4,023,662
Statement of Fund Balance		
Regional Board	**$ 108,548**	$ 53,317
Corporate Services/Administration	**282,955**	93,705
Finance	**477,212**	336,310
Engineering	**226,041**	240,554
Human Resources	**60,517**	27,467
Information Systems	**156,627**	99,121
Electoral Areas	**77,628**	50,194
Electoral Area Central Okanagan West	**29,489**	5,894
Electoral Area Central Okanagan East	**28,253**	1,718
Grants Regional	**21**	-
Grants Area Westside	**5,029**	-
Grants Area Ellison Joe Rich	**4,000**	-
Electoral Area Fire Prevention	**25,210**	482
Lakeshore Road Fire Protection	**304**	301
Ellison Fire Protection	**309,115**	171,776
Joe Rich Paid On Call	**-**	**-**
Wilson's Landing Fire Department	**63,516**	-
Ridgeview Fire Proction	**1,609**	392
June Springs Fire Protection	**790**	199
Brent Road Fire Protection	**8,585**	8,424
Regional Rescue	**337,824**	156,326
911 Emergency Telephone Service	**302,358**	229,955
Crime Stoppers	**77,469**	4,428
Victim Services	**214,934**	9,085
Crime Prevention	**105,076**	46,360
Business Licenses	**38,647**	36,856
Business Inspection	**721,199**	410,524
Dog Control	**513,124**	332,376
Mosquito Control	**62,361**	20,473
Prohibited Animal Control	**990**	-
Transportation Management	**5,844**	2,555
Lakeshore Road Improvements	**1,770**	1,710
Scotty Heights Street Lights	**2,775**	-
Communications	**109,604**	-
Ellison Transit	**46,512**	24,882
Septic Tank Effluent Disposal	**286,429**	175,991
Westside Disposal & Recycling Centre	**349,186**	44,245
Solid Waste Management	**71,176**	-
Solid Waste Collection	**252,735**	87,013
Air Quality Monitoring	**4,573**	4,178
Noise Abatement	**8,720**	5,823
Balance to be carried forward	**$ 5,378,756**	$ 2,682,634

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Exhibit 28

Regional District of Central Okanagan

Operating Reserve Fund

Statement of Changes in Fund Balance

(Unaudited)

For the year ended December 31	2021	2020
Balance carried forward	**$ 5,378,756**	$ 2,682,634
Untidy & Unsightly Premises	**11,584**	8,150
Regional Planning	**185,227**	33,911
Electoral Area Planning	**227,863**	111,182
Insect Control	**11,419**	7,038
Weed Control	**77,704**	56,647
Sterile Insect Release Program	**298**	-
Economic Development Commission	**68,775**	21,155
Ellison Heritage Community Hall	**58,861**	27,705
Joe Rich Community Hall	**174,158**	1,012
Killiney Community Hall	**391**	-
Regional Parks	**720,015**	213,786
Westside Community Parks	**19,384**	-
Eastside Community Parks	**2,943**	-
Killiney Beach Water System	**18,208**	-
Falcon Ridge Water System	**37,627**	-
Sunset Ranch Water System	**57,786**	-
Westshore Water System	**48,625**	-
Upper Fintry/Valley of the Sun	**14,423**	-
Westside Wastewater Treatment Plant	**463,996**	226,058
RDCO Lift Station/Collector System	**52,979**	6,346
WFN Lift Stations/Collector Systems	**13,633**	-
Peachland Lift Stations/Collector Systems	**37,312**	-
Ellison Sewer System 901	**2,864**	-
Bylaw Enforcement	**5,323**	2,056
Covid Restart Grant	**371,895**	625,982
Fund Balance	**$ 8,062,049**	$ 4,023,662
Balance, beginning of the year	**$ 4,023,662**	$ 2,927,800
Add:		
Interest earned	**34,204**	34,135
Transfer from general revenue fund	**3,764,972**	411,929
Transfer from water revenue fund	**176,667**	-
Transfer from sewer revenue fund	**336,403**	25,310
Covid Restart Grant received	**357,000**	1,107,000
	8,692,908	4,506,174
Deduct:		
Transfer from covid grant fund	**616,413**	481,017
Transfer to general revenue fund	**14,446**	1,495
	630,859	482,512
Balance, end of year	**$ 8,062,049**	$ 4,023,662

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