



STAFF REPORT TO THE BOARD

DATE OF REPORT September 20, 2024
MEETING TYPE & DATE Special Board of October 2, 2024
FROM: Utilities Division
Operations Department
SUBJECT: 2024 Budget Amendment – Include Shawnigan Village Water System Budget
FILE:

PURPOSE/INTRODUCTION

The purpose of this report is to seek approval for a budget amendment to include a new function for the Shawnigan Village Water System Service for the 2024 budget year, effective from the date of CVRD acquisition, which is anticipated to be November 30, 2024.

RECOMMENDED RESOLUTION

That the 2024 Budget be amended to include a new function for the Shawnigan Village Water System Service for the 2024 budget year, effective from the date of CVRD acquisition.

BACKGROUND

The CVRD Board approved the following recommendation at its February 28, 2024 meeting (Resolution No. 24-117):

1. That a new water system service area be established within a portion of Electoral Area B – Shawnigan Lake.
2. That Long Term borrowing in the amount of \$3.2M to purchase the Shawnigan Village Waterworks System to create a new service be approved.
3. That elector approval for adoption of the Service Establishment Bylaw and Loan Authorization Bylaw be obtained through an Alternative Approval Process (AAP).

CVRD Bylaw No. 4566 – Shawnigan Village Water System Service Establishment Bylaw, 2024 and CVRD Bylaw No. 4567 – Shawnigan Village Water System Service Loan Authorization (\$3,200,000) Bylaw, 2024, were granted 1st, 2nd and 3rd reading at the April 24, 2024 Board meeting.

ANALYSIS

The following bylaws are recommended for adoption in separate staff reports on the meeting agenda:

- Bylaw No. 4566 – Shawnigan Village Water System Service Establishment Bylaw, 2024;

- CVRD Bylaw No. 4567 – Shawnigan Village Water System Service Loan Authorization (\$3,200,000) Bylaw;
- CVRD Bylaw No. 4609 – Shawnigan Village Water System Service Area Reserve Fund Establishment Bylaw, 2024;
- CVRD Bylaw No. 4610 – Water Systems Regulatory and Management Amendment Bylaw; and
- CVRD Bylaw No. 4611 – Shawnigan Village Water System Service Area Parcel Tax Roll Bylaw, 2024.

An Asset Purchase Agreement has been signed by the owners of Shawnigan Village Waterworks and the CVRD, with an anticipated acquisition date of November 30, 2024.

FINANCIAL CONSIDERATIONS

Shawnigan Village Water System: User fees are proposed to proceed at \$600 per year. Parcel taxes are also proposed at \$700 per year.

The maximum amount of money that may be requisitioned annually in support of this service shall be the greater of Four Hundred Fifty Thousand Dollars (\$450,000); or a property value tax rate of \$.91268 per \$1,000 to the net taxable value of land and improvements in the service area.

Reserve funds of approximately \$1.2M held in trust with the Comptroller of Water Rights will be transferred to the CVRD.

COMMUNICATIONS CONSIDERATIONS

Notification will be provided to the customers.

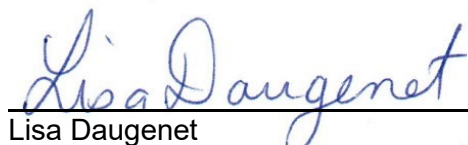
STRATEGIC/BUSINESS PLAN CONSIDERATIONS

The Corporate Strategic Plan includes an objective to demonstrate strong fiscal leadership. The recommended resolution provides a reliable essential service.


Referred to (upon completion):

- ☐ Community Services (*Cowichan Community Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Facilities & Transit*)
- ☐ Corporate Services (*Finance, Human Resources, Information Technology, Legislative Services*)
- ☐ Operations (*Utilities, Parks & Trails, Recycling & Waste Management*)
- ☐ Land Use Services (*Community Planning, Strategic Initiatives, Development Services, Building Inspection & Bylaw Enforcement*)
- ☐ Strategic Services (*Communications & Engagement, Economic Development, Emergency Management, Environmental Services*)

Prepared by:


Lisa Dagenet
Senior Engineering Technologist

Reviewed by:


Vanessa Thomson
Senior Manager, Utilities Department



Darcy Mooney
General Manager, Operations Department

Reviewed for form and content and approved for submission to the Board:

Resolution:

☒ Corporate Officer

Financial Considerations:

☒ Chief Financial Officer

Chief Administrative Officer's Comments / Concurrence



Danielle Myles Wilson
Chief Administrative Officer

ATTACHMENTS

Attachment A – Proposed Five-Year Financial Plan