

# Utility Acquisition Policy

Andrew Reeder, P.Eng. Manager of Operations  
April, 2019



# Agenda

- Purpose of RDOS Utility Acquisition Policy
- Process
- Minimum Requirements
- Engineering Assessment
- Financial, Liability, and Asset Report
- Staff Capacity Assessment
- Financial Plan
- Transition Plan
- Public Review Process
- Final Agreements



# Purpose

The purpose of this to create a clear process that existing utilities and the RDOS can follow in order to facilitate transferring ownership of utilities in a responsible and transparent manner that does not put the RDOS at undue risk, or compromise our operation.





# Proposed Process...

1. Application
2. RDOS review of application, funding and work plan review
3. Engineering Assessment
4. Financial, Liability and Asset Report
5. Staff Capacity Assessment
6. Financial Plan
7. Transition Plan(If applicable)
8. Public Review Process
9. Final Agreements

# Application...

Utility must meet minimum requirements

- No pending or existing law suits
- Minimum of 50 connections
- Must be within 1 ½ hrs for emergency response
- Value of the Utility, transferred for a \$1
- All licenses, permits must be in place, (ie water licenses, dam licenses, sewer permits
- 5 year reapply minimum
- Resolution of intent



# Engineering Assessment...

1. Assess existing infrastructure for compliance with Provincial and Federal legislation and design norms as well as requirements to meet the minimum operational standards (i.e. SCADA)
2. Assess non critical longer term upgrades required meet RDOS subdivision and asset replacement standards, and encroachment issues (i.e. Fire protection, pipe replacement, right of way issues)



# Financial, Liability & Asset Rpt

A special report will be prepared by an auditor that confirms the debt, assets (both financial and physical), fines, and liabilities.



# Staff Capacity Assessment...

A staff capacity impact assessment will take place that reviews the workload demand of any new Utility

- Estimates work demand for individual positions based on Full Time Equivalents (FTE)
- Assumes that it will be difficult to hire part time professionals
- Any position requirement over 1 FTE is an automatic hire
- Any fraction of an FTE will need to be reviewed at budget as other utilities will be required to supplement the balance of an FTE to equal 1.





# Financial Plan...

- A new utility must agree to a financial plan that will meet the minimum Provincial and Federal legislation and RDOS operating requirements (Item 1 Engineering Assess). It will consider outstanding debts, assets, reserves and liabilities in the formation of a financial plan. This may result in a borrowing bylaw.

# Transition Plan (optional)...

A transition plan may be needed if the utility transfer controversial, complex, needs community input or if consideration for existing staff is required.

A Utility Advisory Committee may be required as part of a plan.

- Any Advisory Committee shall not have a term longer than 2yrs (can be extended)
- UAC shall not have decision making authority
- UAC shall advise on service provisions



# Public Review Process...

The RDOS will work with the utility to host a public meeting to review the results of the Engineering Assessment, Financial Report, Financial Plan and a Transition Plan (if desired)

The public will vote on a transfer including a financial plan, that may include a borrowing bylaw.

Two types of public assent are possible (Private Utility and Improvement/Irrigation District).

# Public Review Process...

## Private Utilities:

- Resolution to transfer
- A transfer agreement contingent on a public assent process for establishment and borrowing bylaw and B.C. comptroller of water rights for water.
- Formal public assent process for establishment and borrowing bylaw. Methods of assent are Alternative Approval Process, Petition and Referendum.
- New DCC bylaws will need to be created.



# Public Review Process...

## Improvement or Irrigation District:

- The ID Board must by resolution agree to transfer the ownership of the utility to the RDOS.
- A formal public assent process is possible for establishment and borrowing bylaw.
- The transfer occurs through Provincial Cabinet Order and all bylaws, assets and liabilities are also transferred.
- An approval of a borrowing bylaw and transfer of the ID can occur during an ID AGM as an alternative to a formal process.



# Final Approval...

The RDOS Board will need to authorize:

- Transfer Agreements and Transfers of Utilities from Private Utilities to the RDOS
- Transition Plans including Utility Advisory Committee Terms of Reference
- Establishment Bylaws, Borrowing Bylaws & DCC Bylaws if needed
- Transfers of Utilities from Improvement/Irrigation Districts

# Next Steps

- Waiting confirmation on Improvement/Irrigation District Public Review Process
- Need to draft Transfer Agreement
- Create next draft of the policy
- Undertake a workshop on draft policy
- Finalize policy based on input
- Adopt policy at Board



# Questions

