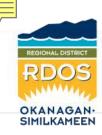


# **Utility Acquisition Policy**

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...

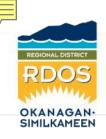
- 1. Application
- RDOS review of application, funding and work plan review
- 3. Engineering Assessment
- 4. Financial, Liability and Asset Report
- 5. Staff Capacity Assessment
- 6. Financial Plan
- 7. Transition Plan(If applicable)
- 8. Public Review Process
- 9. Final Agreements



### 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



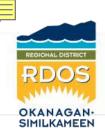
# **Engineering Assessment...**

- 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...

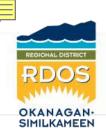
A staff capacity impact assessment will take place that reviews the workload demand of any new Utility

- 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.

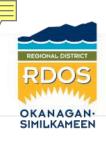


## Transition Plan (optional)...

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.

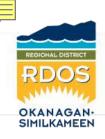
- Any Advisory Committee shall not have a term longer than 2yrs (can be extended)
- UAC shall not have decision making authority
- UAC shall advise on service provisions



#### 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.

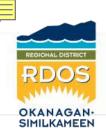
Two types of public assent are possible (Private Utility and Improvement/Irrigation District).



#### 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