



REGIONAL DISTRICT NORTH OKANAGAN

MEMBER MUNICIPALITIES:

CITY OF ARMSTRONG

CITY OF ENDERBY

DISTRICT OF COLDSTREAM

VILLAGE OF LUMBY

CITY OF VERNON

TOWNSHIP OF SPALLUMCHEEN

ELECTORAL AREAS:

"B" – SWAN LAKE

"C" – BX DISTRICT

"D" – LUMBY (RURAL)

"E" – CHERRYVILLE

"F" – ENDERBY (RURAL)

FREQUENTLY ASKED QUESTIONS - ALTERNATIVE APPROVAL PROCESS

Silver Star Sewer Utility Service Establishment Bylaw No. 2971, 2023 Silver Star Sewer Utility Loan Authorization Bylaw No. 2972, 2023; and Purchase Agreement with Silverhawk Utilities Inc. ("Silverhawk")

Background

At present, Silverhawk Utilities is a private utility owned and operated by Silverhawk Utilities Inc. based out of Calgary. The RDNO has had numerous requests from the community to explore making this a community utility operated by RDNO. At the urging of the community, with the support of the Electoral Area "C" Director, discussions between the RDNO and the Owner about the acquisition of the utility have been ongoing for a number of years and have reached a point to ask the local community if they are in favour of the RDNO purchasing the assets associated with the utility operated by Silverhawk Utilities to become a RDNO owned and operated utility.

To facilitate the RDNO undertaking the ownership, operation and maintenance of the sewer utility, service establishment and loan authorization bylaws must be adopted pursuant to the *Local Government Act*.

How much is the RDNO asking to borrow?

The RDNO is seeking elector approval to borrow up to \$4.5 million dollars through **Silver Star Sewer Utility Loan Authorization Bylaw No. 2972, 2023** to facilitate the acquisition, operation and maintenance of the Silver Star Sewer Utility at Silver Star Mountain. Only the amount required **up to** \$4.5 million would be borrowed.

Why is the RDNO proposing to borrow funds for this initiative?

As a Regional District, the RDNO does not have funds available for the purposes of establishing new services and the RDNO must seek approval of the electors through an Alternative Approval Process.

Who will pay?

If adopted, the contributors within the service area (Silver Star Mountain area of Electoral Area "C", shown on the map attached to *Silver Star Sewer Utility Service Establishment Bylaw No. 2971, 2023*) are the ones to pay through their user fees for the sewer utility.

How much will it cost to borrow the money?

The loan authorization bylaw proposes to borrow up to \$4.5 million for a period of up to 20 years. The annual debt payment will be dependent upon the bond market at the time of debt issuance by the Municipal Finance Authority of BC (MFA). The most recent debt issue by the MFA was in mid-October at 4.97%. The total annual principal and interest payment on borrowing \$4.5 million is currently estimated to be \$381,000, assuming an interest rate of 5%.

If the loan authorization bylaw is approved and a purchase agreement is finalized, the RDNO will likely access the long term borrowing during the MFA's next debt issue in April 2024.

The debt and debt payment is not being apportioned to individual properties and will be included in the operating budget of the utility. As such there will be no ability to commute or pre-pay 'your portion' of the debt.

How will the debt be repaid?

The debt payments will be included in the utility budget, funded by the overall annual user fees and charges collected by the RDNO.

It is expected the annual debt payment will be funded from within the existing rate structure. At this time, RDNO does not expect an increase in fees to finance the loan.

What will the annual tax impact be for the average residential property?

If approved, the costs to purchase and operate the utility will be recovered through service fees, not taxation.

Will the billing frequency, amount, or the way bills are calculated change?

There are no plans at this time to change the rate structure and how the fees are calculated. The RDNO currently operates six (6) water systems and one (1) other sewer system, each with its own rates and rate structure based on the specific operational needs of each utility.

The RDNO plans to have the Silver Star Water and Sewer fees combined on the same utility bill no later than 2025. The RDNO has been investigating a potential increase in the billing frequency of Silver Star Water from an annual bill to either a quarterly or semi-annual bill, but the timing of any change and the exact billing frequency has yet to be determined.

Will the people that currently work at Silverhawk lose their jobs?

Silverhawk stated they have six (6) employees dedicated to the Operation and Administration of the facility. Locally, the treatment plant and utility is operated by three (3) Certified Operators and one (1) admin staff. We hope to retain all of the local Silverhawk staff and integrate them into the operations of the RDNO, if they so choose. Their historical knowledge and specific operational techniques are invaluable. The RDNO will soon be scheduling a meeting with the Silverhawk staff to discuss the details, process and timing.

Will the process change for connecting to the utility?

Yes. The existing Sewer Service Application for the Mabel Lake Sewer Utility will be updated to include the Silver Star Sewer Utility. The *Small Utilities Rates and Regulations Bylaw No. 2867, 2021* will also be updated to include sewer standards and user fees.

Will costs associated with the acquisition, operations and maintenance of the utility affect Electoral Area “C” residents that are not connected to the utility?

No, unless they own property at Silver Star as well. Similar to the existing water system at Silver Star, only the benefitting properties identified in the service area, and connected (or able to connect) will be responsible for the cost sharing.

What is an Alternative Approval Process (AAP) and how does it work?

An Alternative Approval Process (AAP) is one method the Board may undertake to seek the approval of the electors on bylaws or agreements that require assent of the electors. The most common example of local governments using an AAP is to undertake long term borrowing.

The AAP (formerly known as counter-petition) is structured so that only eligible electors that sign and submit an Elector Response Form (ERF) back to the RDNO **opposing** the initiative prior to the deadline. Eligible electors have at least 30 days from the publication of the second notice of the AAP to submit an Elector Response Form (ERF) to the RDNO Corporate Officer during an AAP if they are **opposed** to the adoption of the bylaws. The number of elector responses required to prevent the Board from proceeding with this initiative unless the Board holds a vote (referendum) is 153 or 10% of the estimated eligible electors within the service area.

Forms are provided at the RDNO office or on the website at www.rdno.ca. **The deadline for providing ERF's back to the RDNO is Monday, November 20, 2023 at 4:00 p.m.**

What if I am in favour of the initiative?

If you are in favour of the initiative you do nothing. By default, if you do not submit a form opposing the initiative it is assumed that you are in support.

Who can participate in the AAP?

The only persons entitled to sign and submit an Elector Response Form (ERF) are qualified electors (see below for qualifications) within the Silver Star Mountain area of Electoral Area “C” of the RDNO.

There are two (2) types of electors:

1. A **resident elector** is an individual who is qualified to vote in a jurisdiction by virtue of **living (residing)** in the jurisdiction. To sign an elector response form as a resident elector a person must:
 - be 18 years of age or older; and
 - be a Canadian citizen; and
 - have lived in British Columbia for at least six months immediately prior to signing this Elector Response Form; and
 - live in the jurisdiction (Silver Star Mountain area of Electoral Area “C”); and
 - not be disqualified by any enactment from voting in an election or otherwise disqualified by law.
2. A **non-resident property elector** is an individual who **does not live (does not reside)** in the participating service area but is entitled to vote by virtue of owning real property in that jurisdiction. To sign an elector response form as a non-resident property elector a person must:
 - not be entitled to register as a resident elector in the participating service area; and
 - be 18 years of age or older; and
 - be a Canadian citizen; and
 - have lived in British Columbia for at least six months immediately prior to signing this Elector Response Form; and
 - not be disqualified by any enactment from voting in an election or otherwise disqualified by law; and
 - have owned property in the jurisdiction (Silver Star Mountain area of Electoral Area “C”) for at least 30 days prior to signing this Elector Response Form.
 - If a property is owned by **more than one** individual, only **one** of them may sign an elector response form;
 - A person may register as a non-resident property elector in relation to **one** parcel of real property in the service area.

I own a business – can I submit a form?

There is no Corporate Vote – no corporation is entitled to be registered as an elector or have a representative registered as an elector and no corporation is entitled to vote.

Where can I get an Elector Response Form?

The ERF is available for download from the RDNO website at: www.rdno.ca or at the RDNO office located at 9848 Aberdeen Road, Coldstream, during regular business hours.

Note that the only ERF's that will be accepted by the RDNO are the ones provided by the RDNO or an accurate copy of the form.

Can I submit the form by fax or email?

Yes, however, the form must be completely filled out, signed and scanned and sent. If the form is submitted to the RDNO by facsimile or email it is the sender's responsibility to ensure that the transmission of the form is completed. Forms **must** be **received** in the offices of the RDNO prior to the deadline of 4:00 p.m. on Monday, November 20, 2023, **no exceptions**.

Where do I submit the Elector Response Form once I have completed it?

Original, signed ERF submissions will be accepted in person, by mail, fax or email by the RDNO. Forms must be received in the offices of the RDNO prior to the deadline of 4:00 p.m. on Monday, November 20, 2023, **no exceptions**.

Mail: Regional District of North Okanagan
9848 Aberdeen Road, Coldstream B.C. V1B 2K9
Email: corp@rdno.ca
Fax: 250.550.3701

Submitted forms will not be available to the public.

More Information?

Further information regarding this Alternative Approval Process including elector qualifications is available on our website at www.rdno.ca or by phone 250.550.3700 / 1-855-650-3700 toll free.