

**SPECIAL MEETING OF COUNCIL
AGENDA**

DATE: June 23, 2025
TIME: 10:00 a.m.
LOCATION: Council Chambers, Enderby City Hall

The public may attend this meeting in person or by means of electronic facilities.

The City of Enderby uses Zoom for its electronic facilities and encourages those who are unfamiliar with the application to test it in advance; for technical support, please contact Zoom.

The access codes for this meeting are:

*Meeting ID: 861 2595 7709
Passcode: 184067*

If you would like to attend this meeting by means of electronic facilities and do not have a computer or mobile phone capable of using Zoom, please let us know and we can provide you with a number that you can call in from a regular telephone.

When applicable, public hearing materials are available for inspection at www.cityofenderby.com/hearings/

1. LAND ACKNOWLEDGEMENT

We respectfully acknowledge that we are on the traditional and unceded territory of the Secwepemc.

2. APPROVAL OF AGENDA

THAT the June 23, 2025 Council Meeting agenda be approved as circulated.

3. NEW BUSINESS

- 3.1 Okanagan Regional Library Request for Letter of Support for UBCM Ministerial Meetings Page 3
THAT Council directs staff to send a letter of support to the Okanagan Regional Library for UBCM Ministerial Meetings substantially the same as the letter attached to the request.
- 3.2 Water Treatment Plant Upgrade Project Overview Page 5
Memo prepared by Chief Administrative Officer dated June 20, 2025
THAT, subject to an approved financial strategy and elector assent, Council directs staff to proceed with an application to the Canada Community-Building Fund in BC's Strategic Priorities Fund to upgrade the City of Enderby Water Treatment Plant.
- 3.3 Loan Authorization Bylaw – Water Treatment Plant Upgrade Page 11
Memo prepared by Chief Financial Officer dated June 20, 2025
THAT Council gives first, second, and third readings of the bylaw cited as "Water Treatment Plant Upgrade Loan Authorization Bylaw No. 1818, 2025";

AND THAT Council directs staff to include the water treatment plant upgrade project in the next update to the five-year financial plan.

4. PUBLIC QUESTION PERIOD

5. CLOSED MEETING RESOLUTION

THAT pursuant to Section 92 of the Community Charter, the regular meeting convene In-Camera to deal with matters deemed closed to the public in accordance with Section 90 (1) (k) and 90 (2) (b) of the Community Charter.

6. ADJOURNMENT

Tate Bengtson

AGENDA

From: Corinne Boback <cboback@orl.bc.ca>
Sent: June 17, 2025 1:33 PM
To: tbengtson@cityofenderby.com
Cc: rameydaavidmark
Subject: ORL Letter of Support for UBCM Ministerial Meetings
Attachments: Letter of Support for UBCM Ministerial Meetings.docx

Good afternoon Tate,

As you know, members of your Council/Board are appointed to the Okanagan Regional Library (ORL) Board. This year, with the support of our fellow Board members, Danielle Hubbard, CEO, and I will be submitting requests to meet with Ministers at the upcoming UBCM convention.

We plan to submit meeting requests with the Honourable Sheila Malcolmson (Ministry of Social Development and Poverty Reduction) and the Honourable Ravi Kahlon (Ministry of Housing and Municipal Affairs) to explore opportunities to advance the following key objectives:

1. A 20% increase in core provincial library grants
2. The establishment of a Social Wellbeing Grant
3. The establishment of a Climate Relief Grant

To assist in this effort, we have drafted a template letter of support, should your organization wish to join us in advocating for these initiatives. If your mayor feels it is appropriate to support this request, we kindly ask that the letter be updated with your organization's letterhead, relevant information, and signature, and returned to me by mid-July. This will allow us time to prepare our meeting packages, should our requests be approved.

Please feel free to reach out if you have any questions or require additional information. We sincerely appreciate your consideration and support.

Warm regards,

Corinne Boback

Administrative Services Manager
Okanagan Regional Library | Administrative Centre

1430 KLO Road, Kelowna, V1W 3P6, BC

[250.860.4033 x2451](tel:250.860.4033)
cboback@orl.bc.ca
www.orl.bc.ca



[Council Letterhead / Municipality Name]

Date: [Insert Date]

To Whom It May Concern,

On behalf of [Municipality Name], I am writing to express our support for the 2025 UBCM Convention ministerial requests being submitted collaboratively by the Okanagan Regional Library.

Public libraries across British Columbia provide essential front-line services, not only in literacy and education, but increasingly as safe, inclusive spaces for vulnerable and underserved community members. As local governments, we continue to shoulder increasing costs associated with population growth, inflation, housing insecurity, and public health challenges—while library funding from the province has remained largely stagnant since a 25% reduction in 2009.

We support the following three requests put forward by the Okanagan Regional Library:

1. A 20% Increase in Core Provincial Library Grants

A proportional increase to the four core provincial grants (Per Capita Operating Grant, Literacy and Equity Grant, OneCard Grant, and Resource Sharing Grant) is critical to enable libraries to meet growing community demands while relieving financial pressure on municipal governments.

2. Establishment of a Social Wellbeing Grant

Providing dedicated funding for resources and training would strengthen libraries' ability to align with and support the priorities of the Ministry of Housing and Municipal Affairs and the Ministry of Social Development and Poverty Reduction, particularly in areas related to community wellbeing, housing stability, and poverty reduction.

3. Establishment of a Climate Relief Grant

Many libraries now function as de facto heating and cooling centres during extreme weather events. Supporting this role with operational and facility-based funding ensures libraries can safely provide refuge in climate emergencies.

We believe these measures would meaningfully enhance the province's efforts in the areas of housing, social development, and climate readiness, while improving service delivery and reducing pressures on local governments.

We encourage the provincial government to engage directly with the Public Libraries Branch, along with local and regional library systems, to implement these proposals.

Sincerely,

[Name]

[Title]

[Municipality]

[Contact Info]

MEMO

AGENDA

To: Mayor and Council
From: Tate Bengtson, CAO
Date: June 20, 2025
Subject: Water Treatment Plant Upgrade Project Overview

RECOMMENDATION

THAT, subject to an approved financial strategy and elector assent, Council directs staff to proceed with an application to the Canada Community-Building Fund in BC's Strategic Priorities Fund to upgrade the City of Enderby Water Treatment Plant.

BACKGROUND

Planning for the WTP Upgrade Project

The City of Enderby Water Treatment Plant (WTP) was constructed in 1997. The WTP was pre-planned for future expansion. Due to a variety of factors, including minor upgrades to the WTP and consumer demand management through water metering and conservation measures, the need for that expansion has been deferred, which has enabled the financial costs of the eventual expansion to be shared among a broader set of utility ratepayers.

A deferral is not, however, an indefinite postponement. As with any capital upgrade to a utility, it is a matter of determining the right timing. Too early, and a capital expenditure will result in assets that go unutilized and provide no value-for-money. Too late, and service level shortfalls will result in frustration, anger, and potentially harm for utility ratepayers and the broader community. The City of Enderby drinking water system is firmly within that window as its production capacity approaches its upper limit. The urgency is more pronounced when factoring in grant award timelines, technical design and health permitting decisions to be made after grant approval, and lengthy lead times for the supply and installation of specialized equipment, which pushes out the commissioning date of new upgrades by at least 3 years.

With growing demand, the drinking water system has been under increasing strain to provide quality drinking water in the quantity necessary to meet current demands, with sufficient resilience to protect customers from a high frequency of interruptions to the quality or quantity of available drinking water. This growth in demand is not new or sudden; the trendline is gradual, steadily increasing, and decades in the making. It was one of the reasons for the original construction of the WTP and also why it was preplanned for expansion.

As the system approaches its upper limit of production capacity, the frequency with which impacts to the quality and quantity of drinking water experienced by consumers will increase; as system resiliency declines proportional to demand growth, there will be fewer and fewer ways

operationally to buffer continuous consumer demand during times of normal maintenance or typical equipment failure. The objective of the WTP upgrade is to get ahead of that looming challenge.

Planning work for the WTP upgrade began accelerating in 2021. Planning was focused on the following:

- Assess the current performance of the WTP.
- Evaluate the viability of the original upgrade plans relative to other changes to the WTP that occurred subsequently.
- Consult operators with respect to proposed changes and opportunities to improve safety, efficiency, and effectiveness.
- Select engineered products that will achieve the project objectives.
- Develop a proof of concept for the mechanical and electrical design and installation of the engineered products.
- Create a project budget.

The objectives of the WTP upgrade are:

- Meet the needs of current and future demand within the City and other jurisdictions to which it provides water, including a portion of Area F of the Regional District of North Okanagan and a portion of Splotsin Reserve #2.
- Ensure the availability of sufficient water for firefighting and emergency purposes.
- Provide redundancy for equipment maintenance and failures.
- Ensure that the system responsible for the treatment of water is resilient to the impacts of climate change and other threats.

WTP Description and Needs

WTP Description

The WTP treats water from two sources: a surface water intake in the Shuswap River and a groundwater source east of the City, which is likely under direct influence of surface water.

The WTP is a sophisticated plant that meets Canadian Drinking Water Guidelines and Interior Health Authority treatment criteria. While complex in design, the functional way in which it makes clean drinking water can be summarized as follows:

- Filtration – removes suspended solids, pathogens, and other undesirable characteristics from raw water
- Chlorine – eliminates most bacteria and viruses
- Ultraviolet – eliminates protozoa, bacteria, and viruses including those resistant to chlorine

Current Needs

The WTP filters have a theoretical design flow of 4,000m³/day of drinking water but the flow of water through the filters is around 3,150m³/day. The Average Daily Demand is 2,040m³/day as of 2024. Maximum Daily Demand is 4,080m³/day.

High demand is buffered through the use of a back-up groundwater source and reservoir storage; however, a long duration of high demand exceeding the combined production capacity

of the primary and back-up sources will compel emergency conservation measures to ensure sufficient water for essential and emergency purposes. Should the WTP be offline for a period of time due to maintenance or failure, the back-up groundwater source would be unable to supply drinking water at a rate capable of meeting Maximum Daily Demand.

As the system approaches maximum capacity and other operational measures are activated to make up shortfalls, the resiliency and redundancy required to provide a continuous and reliable service has proven increasingly challenging, although those impacts are not yet regularly felt by the end consumer.

Strategies to Deal with Current Needs

Several strategies have been implemented to manage current demands:

- Using the back-up groundwater source as a supplement (typically around 40-50% of total production volume in summer).
- Increasing reservoir storage (currently under construction).
- Managing consumer demand (water meters, water conservation measures).

The above strategies all help to varying degree to manage the challenges of growing demand; however, these strategies do not resolve the fundamental problem: a lack of production capacity. Each of the above strategies have a net positive impact that has helped defer the timing of the upgrade. The strategies are not sufficient to address the root challenge and, in some cases, have other consequences and risks that should not be condoned indefinitely. For instance:

- There is an over-reliance upon a back-up water source that is not intended or designed to be used as a supplementary source, and itself can no longer keep up with peak demand. This is a particular risk when peak demand coincides with freshet, given current WTP limits on the treatment of turbid water.
- Increased reservoir storage helps to balance demand over the course of several days, but is constrained by the rate at which the WTP can produce treated water, which limits the refill rate. Once the reservoirs cannot be sufficiently replenished overnight (when consumer demand is at its lowest), a tipping point will be reached where water availability will decline day-over-day and ultimately drain emergency storage, unless consumer demand is managed through stringent emergency conservation measures.
- Managing consumer demand has helped delay costly upgrades, but the positive impacts of those initiatives are being overtaken by demand growth.

Grant Objective

The grant objective is simple: double WTP capacity.

Grant Components

The planning referenced above has identified the following components as requiring an upgrade in order to achieve the grant objective:

- Add a second water filtration plant.
- Replace, upsize, add resiliency to the ultraviolet treatment system.
- Improve distribution pump performance to increase the flow of water to reservoirs.

- Replace the river intake screen to accommodate more flow (it will meet fisheries and other environmental regulations, as well as archeological requirements).
- Replace transfer well pumps to meet additional filtration plant capacity and ensure fireflow pump requirements are maintained.
- Add a dedicated back-up power system.
- Incidental items related to the above, such as electrical upgrades.

Technical Report

Attached to this memorandum is a technical report that details the selection of engineered products, the proof of concept for the mechanical and electrical design and the installation of the engineered products, and the budget for the upgrade. The report is informed by an analysis of the current performance of the WTP, the viability of the original upgrade plans relative to other changes to the WTP that occurred subsequently, and consultation with operators with respect to proposed changes and opportunities to improve safety, efficiency, and effectiveness.

Council should be aware that some of the specifications in the technical report have changed as the selection of engineered products has progressed; notably, the capacity required for the new UV system has decreased, which should result in a cost decrease to this line item.

As a caveat to readers, the technical report is a document intended to provide a proof-of-concept and a high-level budget estimate. Product selection continues to be refined, which will have future budget implications. Budgets at this stage typically include large contingencies and conservative cost estimates in anticipation of more detailed design if and when a project is authorized to proceed.

Cost Estimate, Grant Opportunity, and Financial Strategy

Budget

Attached to this memorandum is a budget summarizing the costs, including contingencies. The grand total is \$11,083,998. The attached budget uses the technical report's budget as a basis, but has made adjustments to contingencies and engineering based on internal experience and expected timelines for grant evaluation, permitting, and procurement. Costs for environmental and archeological compliance were obtained separately as they were outside of the scope of the technical report.

Grant Opportunity

The Canada Community-Building Fund in BC has announced a 2025 intake of the Strategic Priorities Fund. This opportunity covers capital infrastructure, including drinking water infrastructure, up to \$7 million. The application deadline is September 12, 2025. The last intake was in 2022.

Financial Strategy

A separate memorandum from the City of Enderby Chief Financial Officer details a proposed financial strategy.

Alternate Options

There are alternate options available to Council.

- Obtain a further opinion on the proposed upgrade. *This is possible in order to obtain further assurance or validation on the design choices. It should be noted that the engineered products that were selected are consistent with the original preplanning for the expansion. The proposed products are the same or similar to those currently being used in the WTP and will be inter-operable and familiar to operators, as well as having a proven track record for treating the particular characteristics of the City's source water. Should Council wish to proceed with obtaining a further opinion on the proposed upgrade, staff will return to Council with a cost proposal. The time involved will prevent an application to the Strategic Priorities Fund 2025. Given the level of operator consultation and proven track record, it is not anticipated that this will add significant value.*
- Proceed with select components of the proposed upgrade. *Should Council choose this option, it should be aware that the upgrade is designed to improve the capacity of the WTP as a system. Maintaining a flow restriction at one component restricts the production capacity of the WTP, such that a partial upgrade will not address the objective. Given the resulting low benefit for a grant cost that will remain quite substantial, the likelihood of a successful grant application would be very low.*
- Defer further work towards completing the proposed upgrade. *Should Council choose this option without a clear indication of how far off it wishes to delay the upgrade, or desires to halt the upgrade indefinitely, staff recommend that significant changes be implemented to reduce current demand and eliminate as much future demand as possible. These changes are expected to be perceived as strong and may postpone the upgrade temporarily but not permanently; the need for production capacity is not simply a matter of new growth. Broader consequences should be anticipated and risk managed to the greatest extent possible, but cannot be avoided.*

Staff are recommending that, subject to an approved financial strategy and elector assent, a grant application be made to the Canada Community-Building Fund in BC's Strategic Priorities Fund to upgrade the WTP. The grant opportunity will substantially offset local ratepayers' cost burden for the upgrade, which is well-timed in terms of the window of opportunity within which the WTP upgrade needs to occur. The upgrade will double the capacity of the WTP and position the drinking water system to address a number of current issues and challenges while preparing for the future.

Respectfully submitted,



Tate Bengtson
Chief Administrative Officer

Water Treatment Plant Upgrade

Project Costs

| | |
|---|------------------|
| Water Intake Screen and Piping | 186,050 |
| Intake Cleaning System (Air Scour) | 158,275 |
| Water Intake Transfer Pump Station | 660,575 |
| Transfer Piping | 196,150 |
| Water Filtration Unit | 3,253,750 |
| UV Treatment System | 505,325 |
| Distribution Pumps | 124,600 |
| Backwashing and Waste Water Handling | 111,700 |
| BC Hydro Service | 420,100 |
| Emergency Power System | 277,025 |
| Plant Wide Systems | 68,150 |
| Project Indirect Costs (Trailers, Washrooms, First Aid, LOA, etc) | 350,000 |
| Project Costs Subtotal | <u>6,311,700</u> |

Professional Services

| | |
|---|----------------|
| Engineering (10% of Project Costs) | 946,755 |
| Archaeological Assessment, Permitting, and Monitoring | 27,636 |
| Environmental Assessment, Permitting, and Monitoring | 10,887 |
| Professional Services Subtotal | <u>985,278</u> |

Contingencies and Inflation

| | |
|--|------------------|
| Design Contingency (10% of Project Total) | 631,170 |
| Project Contingency (30% of Project Total) | 1,893,510 |
| Inflation and Tariffs (20% of Project Total) | 1,262,340 |
| Contingency Subtotal | <u>3,787,020</u> |

| | |
|-------------|--------------------------|
| Grand Total | <u><u>11,083,998</u></u> |
|-------------|--------------------------|

THE CORPORATION OF THE CITY OF ENDERBY

AGENDA

MEMO

To: Tate Bengtson, CAO
From: Jennifer Bellamy, CFO
Date: June 20, 2025
Subject: Loan Authorization Bylaw – Water Treatment Plant Upgrade

Recommendation:

THAT Council gives first, second, and third readings of the bylaw cited as "Water Treatment Plant Upgrade Loan Authorization Bylaw No. 1818, 2025";

AND THAT Council directs staff to include the water treatment plant upgrade project in the next update to the five-year financial plan.

Background:

The City's Water Treatment Plant (WTP) is in need of a significant capital upgrade, which has an estimated total cost of \$11.1 million.

The next grant intake for the Strategic Priorities Fund under the Canada Community-Building Fund has been announced. The WTP upgrade is an eligible project under the program and the grant can provide up to \$7 million dollars. The deadline to apply for funding is September 12, 2025. If successful, the City would still require \$4.1 million to fund the remainder of the project.

Financial Resources

The water fund has minimal reserves and surplus available for a project of this magnitude. Aside from the operating contingency, the majority of these funds currently available are being used for the replacement of reservoir one.

The City contributes to its capital reserves for water annually, which for 2025 is budgeted at \$287,100. Over the next few years, these annual contributions will be needed for the water components of upcoming road projects (King Avenue and Brickyard Road). It is unlikely that there will be funds available in reserves to provide a substantial contribution to the WTP upgrade project. Any reserve funds available would be better suited for future projects of a much smaller nature. This leaves borrowing as the only option available for the remaining unfunded portion of the project. In most communities, regardless of size, drinking water treatment components are primarily funded through grants and borrowing due to the extremely high capital cost relative to typical water utility revenues.

Borrowing Costs

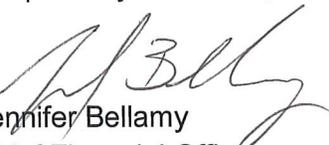
In order for the City's grant application to be considered, the City must provide evidence that the funds required, over and above the grant amount, have been secured. As the deadline for the grant application is less than three months away, it is imperative that the borrowing process commences immediately in order for elector approval to be obtained in time to meet the grant application deadline.

Council has been aware that this project will require borrowing. For the 2025 budget year, Council began to set aside funds to transition in costs for future borrowing. Based on current interest rates and a borrowing period of thirty years, the annual borrowing costs would be \$273,500.

To fund the annual borrowing costs, frontage tax rates would need to increase by \$2.56 per foot. The average home has 69ft of frontage, which amounts to an increase of \$176.64. As the actual construction of the project would not likely begin until 2027, the increase to frontage tax can continue to be transitioned in over the next three to four years.

Attached is the loan authorization bylaw for the WTP project borrowing. Once the bylaw is given three readings by Council, it must be approved by the Inspector of Municipalities and receive elector approval before it may be adopted. Once the bylaw receives approval from the Ministry, Council may initiate the process to obtain elector approval. As this project is for critical infrastructure, the alternate approval process (AAP) for obtaining elector approval is recommended as this process is more cost effective and will meet the time considerations for the grant application. More details will be provided on the AAP process once Ministry approval of the bylaw is received.

Respectfully submitted,



Jennifer Bellamy
Chief Financial Officer

THE CORPORATION OF THE CITY OF ENDERBY

BYLAW NO. 1818

A BYLAW TO AUTHORIZE THE BORROWING TO FINANCE A PORTION OF THE WATER
TREATMENT PLANT UPGRADE PROJECT

WHEREAS it is deemed desirable and expedient to upgrade the water treatment plant;

AND WHEREAS the estimated cost to upgrade the water treatment plant including expenses incidental thereto is the sum of Eleven Million One Hundred Thousand Dollars (\$11,100,000), of which the sum of Four Million One Hundred Thousand Dollars (\$4,100,000) is the amount of debt intended to be borrowed by this bylaw;

NOW THEREFORE the Council of the City of Enderby, in open meeting assembled, enacts as follows:

- 1) Council is hereby empowered and authorized to undertake and carry out or cause to be carried out the upgrade of the water treatment plant generally in accordance with general plans on file in the municipal office and to do all things necessary in connection therewith and without limiting the generality of the foregoing:
 - a) to borrow upon the credit of the Municipality a sum not exceeding Four Million One Hundred Thousand Dollars (\$4,100,000).
 - b) to acquire all such real property, easements, rights-of-way, licenses, rights or authorities as may be requisite or desirable for or in connection with the replacement of the Barnes Park outdoor pool.
- 2) The maximum term for which debentures may be issued to secure the debt created by this bylaw is thirty (30) years.
- 3) This bylaw may be cited as "Water Treatment Plant Upgrade Loan Authorization Bylaw No. 1818, 2025".

READ a FIRST time this _____ day of _____, 2025.

READ a SECOND time this _____ day of _____, 2025.

READ a THIRD time this _____ day of _____, 2025.

RECEIVED the approval of the Inspector of Municipalities this _____ day of _____, 2025.

RECEIVED the approval of the electors this _____ day of _____, 2025.

ADOPTED this _____ day of _____, 2025.

MAYOR

CORPORATE OFFICER