GEID transition to City Water Utility Information & Q+A Spring 2024

About the Glenmore Ellison Improvement District

The Glenmore-Ellison Improvement District (GEID) has operated as one of four main water suppliers in Kelowna for over a century.

GEID has been vital in transforming water supply and quality to an area historically known as *Dry Valley*. GEID's boundaries extend across 3,787 hectares from northern Kelowna to Ellison.

Today, GEID supplies water to approximately 9,600 residential service connections, serving an estimated population of 24,000 residents.

Of the 1,922 hectares serviced with water in the GEID area, 841 hectares are agricultural land.

Much like the City of Kelowna Water Utility, water is sourced from Okanagan Lake and supplies potable water for both domestic & agricultural use.

The District also supplies treated potable water from Okanagan Lake and nonpotable water from Mill Creek to irrigated areas in the Ellison area, generally east of Kelowna International Airport.

The Glenmore Ellison Improvement District (GEID) and City of Kelowna have signed a Transition Agreement with the goal of transitioning operation of GEID to the City of Kelowna over the next three years.

GEID has proudly-served the Glenmore Valley for over 100 years allowing the area to thrive and prosper.

The Glenmore-Ellison valleys are growing rapidly and we are all facing increased risks associated with a changing climate. Converting to the City's water utility now helps to ensure the quality and supply of water to GEID rate payers into the future.

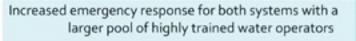
Unified delivery is more cost effective overall and GEID and City of Kelowna water utility customers will continue to receive quality water, while improving reliability, resiliency, emergency response and economies of scale.

The transition process is expected to occur over about three years, and both **GEID** and City of Kelowna customers will not experience any disruption or changes in water quality or delivery. GEID staff will maintain operations during the transition period for a smooth change of ownership over time. GEID has a long history of serving the Glenmore valley with experienced staff who know their water systems well and will continue to be vital in supporting operation of the system through transition and beyond. The City and GEID have also completed a financial and asset audit to evaluate the state of the utility.

Benefits of Transition



Improved supply and resiliency through better interconnectivity and interoperability







Will achieve new access to provincial grants for major capital projects, reducing taxpayer impact

Better able to plan and coordinate City infrastructure projects including water, road, sewer, and stormwater







Additional Questions + Information

Why a transition now? What happens next?

GEID is strong financial shape and has completed all major projects to provide high quality drinking water and dependable agricultural water supply, making it a good time for a smooth transition. Based on a unanimous vote, the GEID board has determined that the best way to ensure a strong and lasting water system is through integration. While the transition is expected to take about three years, the next step is for the Province to consider an Order in Council, until then a Transition Agreement is in place.



What will happen to GEID and City of Kelowna Water Utility Rates and when?

Over the multi-year transition period the City's goal will be to merge rates such that all City water customers have the same water rate structure. The City has done this for prior conversions as well.

Integration is more cost effective overall and GEID and City of Kelowna water utility customers will continue to receive the same or better water quality, while improving reliability and resiliency.

Could water rates or taxes change?

The transition itself will not increase rates at either utility. In the long term it should help improve resiliency and keep rates lower than otherwise based on economies of scale. In addition, access to senior government grants and lower interest rates will provide added benefits to GEID rate payers.

The City will create a financial plan within three years to combine GEID and City water rates so that water customers have similar treatment between the two systems.

Who will bill me and where will I pay?

GEID staff and administration will continue to operate the system and issue bills through the transition timeframe which will take approximately three years.

What will happen to staff at GEID?

GEID has a proud history in the Glenmore valley, in large part due to the well-trained staff that are specialists in their water systems. The City and GEID are committed to treating all current staff members of GEID fairly during the transition, with continued employment at their existing terms and conditions to ensure a seamless transition.

Will this impact the agricultural rate structure at GEID or the City?

Of the 1,922 hectares serviced with water in the GEID area, 841 hectares are agricultural land. The transition itself will not impact water rates including agricultural rates. The City has a goal of establishing the same rate structure for everyone who uses water. During the three-year transition, the City will work with the agricultural sector to find the best rate structure that suits the community's needs.

What about areas outside Kelowna such as Ellison?

The City will request that the Regional District of the Central Okanagan support the City continuing to service GEID customers located within the Regional District.

Will this affect how each utility addresses drought conditions?

GEID and the City are aligned with Okanagan Waterwise programs which support water conservation across the entire Okanagan Valley. GEID and the City have a similar drought management plan with consistent water restrictions. As our region has some of the driest conditions and highest per capita water use in Canada, both utilities encourage customers to monitor their usage and take steps to reduce water consumption.



For follow up questions, you are welcome to use this <u>feedback form</u> monitored by both GEID and the City, or contact:

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