

Report to Council



Date: April 25, 2022

To: Council

From: City Manager

Subject: Black Mountain Irrigation District (BMID) Boundary Adjustment Request

Department: Infrastructure - Utility Services

Recommendation:

THAT Council receives for information, the report from Utility Services dated April 25, 2022, regarding the Black Mountain Irrigation District (BMID) Boundary adjustment request;

AND THAT Council support the request by the BMID to amend its water service area boundary to add approximately 763 hectares (1,885 acres) acres of land, including 115 hectares within the City of Kelowna, as outlined in the report;

AND THAT the Mayor, on behalf of Council, write a letter to the Province recommending the development of a holistic watershed plan for Mission Creek as outlined in the report.

Purpose:

To consider a water service area boundary modification request by the Black Mountain Irrigation District.

Background:

The city has received a request from the Black Mountain Irrigation District (BMID) to support a boundary adjustment that would increase the land area under BMID's letters patent by approximately 763 hectares (1,885 acres) of which 115 hectares falls within the city. BMID's service area is currently 3,425 hectares therefore the expansion represents an overall service area growth of about 22%. The rest of the proposed expansion (648 hectares) falls within the jurisdiction of the Regional District of Central Okanagan (RDCO). The BMID request is supported by signed petitions from the landowners of 25 properties that are not currently serviced by BMID, 20 of which are all or partially in the requested expansion area.

The decision to approve the boundary adjustment rests with the Province. Provincial policy requires the City, and the RDCO, to support the boundary adjustment and confirm that the local government(s) are not able and willing to provide the service:

*"The B.C. government does not generally create new improvement districts, add new service responsibilities or consider major boundary extensions where there is a local government willing and able to provide the service."*¹

The City envisions, over time, a city-wide integrated water system that delivers clean, safe, reliable drinking water to all citizens at equitable rates, and offers an affordable, reliable and sustainable water supply for agricultural users (Council Policy 378). While there is no timeline for this vision, consideration of such requests must be considered towards incrementally achieving the vision.

The unique feature of this request is that the expanded service area is generally agricultural and would be supplied with untreated, non-potable water using the existing irrigation licenses held by the BMID. BMID has signed a memorandum of understanding with a farm developer for water supply to support proposed agricultural development of approximately 75% of the expansion area. This development is the major driver for the proposed boundary expansion. Additional landowners have provided BMID signed petitions to include their parcels within an expanded BMID service area. A map of the proposed expansion area is provided as Attachment 1. A list of parcels within the City of Kelowna affected by this boundary adjustment is provided as Attachment 2.

The expanded service area is proposed to receive water from a new intake structure on Belgo Creek, along with the construction of approximately 14 km of large diameter water transmission main from the intake, heading west to the mid-point of the new agricultural development and the new BMID service area. This main, along with the new intake, would be funded by the Developer with possible assistance from benefiting latecomers. The BMID plan identifies the potential to extend this supply main further west, allowing for a non-potable irrigation supply to agricultural properties within the City. The proposed water supply would not run through any existing BMID water treatment infrastructure and would not be suitable for domestic use.

The BMID plan states that the responsibility of water supply would remain with the BMID through their existing storage license capacity in the Mission Creek watershed. A cost or permitting solution for any additional storage has not been provided to the City at this stage.

The RDCO Board considered the BMID application on April 14th and passed the resolutions identified under "External Agencies" below.

Discussion:

The City supports the active cultivation of agricultural land, the supply of irrigation water to that land, and the financial opportunities that agriculture provides. The City also supports the supply of high-quality drinking water to all citizens and customers.

¹ [Improvement Districts Boundary Changes & Dissolutions - Province of British Columbia \(gov.bc.ca\)](https://www2.gov.bc.ca/gov/content/speical/improvement-districts-boundary-changes-dissolutions)

Agricultural expansion should be undertaken within a holistic watershed management plan. The Province is considering a policy shift to Watershed Security Planning. Obtaining such security likely includes consideration of other needs within the Mission Creek watershed, such as: future supply needs, critical flow needs for fish, demand from Indigenous communities, archaeological limitations, supply resiliency, as well as considerations for flood protection, conservation flows, increased storage and the anticipated impacts of climate change. The City needs to be a partner in the water security planning process as prescribed by the Province. These elements are captured initially within the City's draft Area Based Water Management Plan currently under development; and at a policy level are now incorporated in the 2040 Official Community Plan.

The first stage of a three stage Area Based Water Management Plan will be presented to Council this year. Stage two would begin following the Province's direction on a Watershed Security Plan and Fund expected this fall.

The BMID boundary adjustment and need for additional storage licensing can be a catalyst for holistic planning of the Mission Creek watershed and is an opportune time for the Province to support and promote the development of a Water Security plan for Mission Creek. The plan could involve the Province, First Nations, the City, the Regional District, BMID, and the Okanagan Basin Water Board. With a holistic approach staff feel that there may be opportunities for partnership between the water provider and local governments on a plan that can allow access to grant funding that might otherwise be unattainable by an Improvement District.

Upon review of the BMID submission, staff believe that this project and its potential benefits should be pursued with an eye towards the future full integration of the water systems in Kelowna. We therefore recommend supporting the boundary adjustment. The project will require Provincial approvals for increasing storage in the upper watershed in a changing regulatory environment.

Conclusion:

It is critical to the City that any long-term commitments by BMID to the applicants not compromise the City's vision for a common community water system in the future. In the interim, the City wishes to work alongside the BMID and RDCO to achieve a successful outcome as well as a long-term regional water security strategy.

Internal Circulation:

City Clerk
Planning and Development Services
Communications Department
Financial Planning
Real Estate Development
Utility Planning
Water Operations
Sustainability Coordinator

External Agency/Public Comments:

On April 14th, 2022 the Board of the RDCO passed the following resolution:

“THAT the Regional Board receive the Referral – BMID Boundary Amendment Application report from the Director of Corporate Services dated April 14, 2022;

AND THAT the Regional Board provide conditional support for the proposed Black Mountain Irrigation District application to the Province of B.C. for a boundary amendment that would include fifteen (15) parcels within the Regional District of the Central Okanagan, subject to the following five conditions:

1. Include referral comments from key regional stakeholders, being the Okanagan Basin Water Board, Westbank First Nation and Okanagan Nation Alliance; and
2. Environmental impacts of the expansion of the BMID irrigation system are considered and appropriately addressed to safeguard water supplies for the region’s natural environment and for communities drinking water needs; and
3. Address Philpott Trail Community Park impacts, trail restoration improvements, and additional recreational trail alignment and connections; and
4. Ensure continuing access through Pyman Road/Black Knight Forest Service Road to Black Mountain-sntsk’il’nten Regional Park; and
5. Include mitigation methods related to slope stability and adjacent farming operation impacts on Black Mountain-sntsk’il’nten Regional Park and users.”

Existing Policy:

2040 OCP:

- **Policy 13.4.1 A Sustainable Water Utility.** Continue to provide a cost-effective, resilient and sustainable supply of safe and high-quality water to all utility customers...
- **Policy 13.4.2 Kelowna Water Integration Plan.** Continue to promote the long-term integration of potable water systems to provide a cost-effective, resilient and sustainable supply of safe and high-quality water to all citizens and customers. The Plan includes the interconnection and long-term viability of non-potable and disinfected water for agriculture from upland watersheds.
- **Policy 13.4.4 Water Availability for Agriculture.** Collaborate with stakeholders to ensure the delivery of sufficient quantities and the efficient use of water for agricultural productivity.
- **Policy 13.4.7 Environmental Flow Needs.** Ensure that our creeks and lakes have adequate flow and temperature conditions to support a thriving and resilient aquatic habitat.
- **Policy 13.5.2 Area Based Water Management.** Collaborate with external agencies, municipalities and senior government to apply best practices for watershed management to maintain and improve water quality from natural sources.

Agriculture Plan:

- Action 2f: Continue to work towards ensuring sustainable, redundant and secure water for all agriculture.

Considerations not applicable to this report:

Communications Comments:

Financial/Budgetary Considerations:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Submitted by: K Van Vliet, Utility Services Manager

Approved for inclusion: M. Logan, Infrastructure General Manager

Attachment 1, Proposed BMID Boundary adjustment

Attachment 2, Summary of Properties directly impacted

cc: Divisional Director, Corporate Strategic Services
Divisional Director, Planning and Development Services
Divisional Director, Financial Services