

# Report to Council



**Date:** April 24, 2023  
**To:** Council  
**From:** City Manager  
**Subject:** MOU Agreements 2/3 – Water and Wastewater Servicing to OKIB I.R.#7 Lands  
**Department:** Infrastructure

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## **Recommendation:**

THAT Council receives for information the report from the Infrastructure General Manager dated April 24, 2023, regarding the Water and Wastewater Servicing Agreement to OKIB I.R.#7;

AND THAT the Mayor and City Clerk be authorized to execute the Water and Wastewater Servicing Agreement to OKIB I.R.#7 on behalf of the City of Kelowna.

## **Purpose:**

To execute an agreement where Kelowna provides water and wastewater servicing to Okanagan Indian Band lands on Indian Reserve No. 7.

## **Background:**

In 2020, City of Kelowna staff entered negotiations with the District of Lake Country (DLC) and Okanagan Indian Band (OKIB) staff to craft agreements on mutually shared services and projects that would benefit each community. This work culminated in the Memorandum of Understanding (MOU) between the parties which was signed in February 2022.

Over the past year, the negotiation of several legal agreements has been conducted between the three partners and the Government of Canada. The parties are actively finalizing six separate legal agreements for the following subjects:

<b>MOU Ref #</b>	<b>Agreement Description</b>	<b>Status</b>
1	Water supply agreement between Kelowna and Lake Country	Complete
<b>2&amp;3</b>	<b><i>Water and Wastewater Servicing Agreement between Kelowna and OKIB</i></b>	<b><i>Subject of this report</i></b>
4a	Sewer permit agreement between Kelowna, OKIB and Canada	Complete
4b	Rail Trail Access Permit between Kelowna and OKIB	Separate Concurrent Report
4c	Commonwealth Road permit between Kelowna, OKIB and Canada	Under development
5	Sewer Agreement between Kelowna and Lake Country	Complete

**Discussion:**

The Water and Wastewater Servicing Agreement (MOU Reference #2 and 3) between Kelowna and OKIB is ready for execution and attached to this report.

Almost all properties on I.R.#7 are serviced by wells for water supply and septic fields for wastewater disposal. There are over 1,500 units of existing development and an estimated population of some 2,400 residents living on these properties. A couple of individual properties are serviced by Kelowna with water and wastewater connections under past individual agreements. The City has been advised that there are concerns with the quality of water provided by some of the wells as well as concerns with the large septic fields being in proximity of area lakes and creeks. This umbrella agreement provides the framework for water and wastewater service to any property with the reserve under the same conditions as provided to any similar property within the City's water and wastewater utility service areas.

As the OKIB is currently not self-governing nor have a utility service for this reserve, the City will look to enter into a separate agreement with each property owner who chooses to connect. The agreement allows the OKIB to take over administration of those services in the future should they become self-governing or set up a utility. The City will provide service to the property line where property owners become responsible for distribution and collection within their own properties and administer their on-site users. The City will require applicable development cost charges and water capacity growth charges to be paid for any redevelopment expansions in the future, but existing development will be exempt from those charges. New development will also contribute \$2,000 per equivalent dwelling unit to road improvements to Commonwealth and Beaver Lake Roads. The City will also require one or more fire hydrants (depending on individual locations) to be installed to improve fire protection on existing properties.

**Service Area:** The area to be serviced under this agreement is I.R. #7.

**Term:** Ongoing. Can be terminated by either party with 5 years notice. Can be terminated earlier for breach.

**Costs:** Kelowna pays \$10.00 to OKIB on the Commencement Date, the receipt and sufficiency of which are hereby acknowledged by the parties.

**Conclusion:**

The Water and Wastewater Servicing Agreement is one of a suite of agreements envisioned in the 2022 MOU between Kelowna, DLC and OKIB. The commitments, both financial and technical, are consistent with the broader goals of resolving the many issues being addressed by the MOU. The Water and Wastewater Servicing Agreement clarifies key terms and roles and limitations as envisioned in the MOU.

**Internal Circulation:**

Communications  
Financial Planning

**Considerations applicable to this report:**

**Financial/Budgetary Considerations:**

Any service connections or expansion of city infrastructure to service IR#7 will be funded by the applicable property owner(s). Rates and revenues for service will be on the same terms and conditions as other properties in the service area.

**Communications Comments:**

A formal signing ceremony will be held to jointly complete and celebrate several OKIB, DLC and Kelowna agreements.

**Considerations not applicable to this report:**

Legal/Statutory Authority:  
Legal/Statutory Procedural Requirements:  
Existing Policy:  
Financial/Budgetary Considerations:  
External Agency/Public Comments:

**Submitted by:** M. Logan, Infrastructure General Manager

**Approved for inclusion:** D. Gilchrist, City Manager

Attachment 1 – Water and Wastewater Servicing Agreement

Attachment 2 - OKIB CoK Water and Wastewater Servicing Agreement Presentation

cc: Divisional Director, Corporate Strategic Services  
Acting Division Director, Financial Services