



**BLACK MOUNTAIN IRRIGATION DISTRICT -
REGIONAL DISTRICT OF CENTRAL OKANAGAN
2022 FALCON RIDGE BULK WATER SUPPLY AGREEMENT**

THIS AGREEMENT dated for reference the _____ day of _____, 2022.

BETWEEN:

BLACK MOUNTAIN IRRIGATION DISTRICT, an improvement district as defined in the *Local Government Act* ("BMID")

OF THE FIRST PART

AND:

REGIONAL DISTRICT OF CENTRAL OKANAGAN, a regional district as defined in the *Local Government Act* ("RDCO") who owns and operates the Falcon Ridge Water System, located 4 kilometers upstream of the BMID water supply intake on Mission Creek;

OF THE SECOND PART

WHEREAS: BMID and RDCO both serve the public interest and in doing so, provide water to domestic customers along the Highway 33 corridor;

(collectively the "Water Utilities")

WHEREAS: It is within the interest of the Water Utilities to have reliable water supply for their customers and to maintain reliable flow to support in-stream flow requirements in lower Mission Creek;

WHEREAS: BMID operates seven dams in the upper Mission Creek watershed retaining water within four raw water reservoirs: Graystoke, Fish Hawk, Loch Long and Belgo Reservoirs;

WHEREAS: The RDCO operates Falcon Ridge Water System located approximately 4 kilometers upstream of the BMID intake gates on Mission Creek by either diverting water directly, or pumping water from a location immediately adjacent to the creek. This raw water withdrawal system is considered to be hydraulically connected to the creek;

WHEREAS: The RDCO does not operate storage reservoirs in the upper Mission Creek watershed and they will be reliant on BMID releases to withdraw creek water and be supported by licensed storage;

WHEREAS: Those administering and operating dams and reservoirs within the upper watershed prefer to have one licensee in the watershed responsible for releasing water to meet the downstream in-stream flow requirements;

WHEREAS: The Falcon Ridge Water System has 54 single-family domestic connections on the water utility with room for expansion for up to 85 total single-family connections;

NOW THEREFORE THIS AGREEMENT WITNESSETH that the parties agree as follows:

1. Definitions within this Agreement: In this agreement,

- (a) “Reporting Date” means the annual date of when the RDCO will report to BMID the number of connections that Falcon Ridge Water System will provide service to for the current year. The reporting date will be on or before April 30;
- (b) “Invoice Date” means the date of when BMID will invoice RDCO for annual fees for bulk water supply. The invoice will be issued in accordance with the terms in this agreement. The annual invoice date will be issued prior to November 30 of the calendar year;
- (c) “Payment Date” means the annual date of when funds are due from RDCO to BMID. The annual payment date is to be within 30 days of receipt of invoice;
- (d) “Term” means five (5) calendar years.

2. Responsibilities: With respect to responsibilities of supplying and receiving bulk water for domestic water supply:

- (a) BMID assumes all responsibilities for operating and maintaining their water storage facilities within Mission Creek watershed;
- (b) BMID is responsible for monitoring fish flows downstream of their water intake located below 8-Mile Ranch and ensuring that the conditions for in-stream flow by the Province are met;
- (c) BMID is responsible for releases from their reservoirs sufficient to cover the bulk water withdrawals by the Falcon Ridge Water System. It is recognized that these releases must amount to more than the demand of the Falcon Ridge water utility to account for conveyance losses in the creek or to atmosphere;
- (d) RDCO is responsible for water withdrawals, pumping, disinfection and treatment to provide and distribute domestic water in accordance with their Letters on Permit issued by Interior Health (water regulator);
- (e) Both parties are responsible for renewal and maintenance of their own assets;
- (f) RDCO Is responsible for their obligations to the Ministry of Environment regarding licensing and water withdrawals and maintenance of their facilities on Mission Creek;
- (g) In the event of drought conditions or water shortage, if the payment is made by the RDCO for the current year water, the RDCO shall enact drought restrictions to their customers by means of their drought stages within their bylaw, as long as they are relatively similar to, or more restrictive than, the equivalent drought restriction stages set out for BMID customers. The format and process for identifying the current drought stage is set out within the regional Kelowna Water Suppliers Coordinated Drought Plan, included as Schedule C.
- (h) The RDCO will not withdraw water at a rate greater than 5.0 L/s at any time. If the withdrawal rate is greater than 5.0 L/s, the RDCO is to advise BMID in advance so that verification of sufficient flow in Mission Creek is confirmed.

3. Disclosures: Items to be disclosed as part of the conditions of this agreement are as follows:

- (a) Dates of releases of bulk water from BMID reservoirs is available from BMID at calendar year-end and will be provided to RDCO upon request;
- (b) RDCO is to provide BMID with annual pumping records and maximum water demand rates to verify that proper releases from upper reservoirs is within stated limits as set out within Schedules A and B;
- (c) BMID will permit disclosure of this agreement by RDCO to the Province as required to show that storage release requirements will be met;
- (d) RDCO is to provide BMID with notification of any anomalies or varying water demands that may be required from the creek from time to time in the event of significantly more bulk water being required by their utility for short duration;
- (e) RDCO will provide BMID with notification of any additional lots/homes serviced pursuant to this agreement;
- (f) BMID will disclose long term water quality data collected on Mission Creek as and when requested by the RDCO.

4. Limitations: Limitations of this agreement are listed as follows:

- (a) Quality of bulk (raw) water within Mission Creek cannot be controlled by BMID. The responsibility of costs for water treatment for Falcon Ridge Water System is solely the responsibility of the RDCO;
- (b) BMID does not warrant or provide opinion with respect to the quality of water to be provided to end users;
- (c) In the event of drought conditions or water shortage, the RDCO shall enact the appropriate level of drought stage restrictions to their customers with the equivalent drought restriction required of BMID customers. This will have no bearing on costs and fees which are to secure available water. The format for identifying the current drought stage is included in the regional Kelowna Water Suppliers Coordinated Drought Plan, included as Schedule C;
- (d) Failure on the part of BMID to supply bulk water to the RDCO, due to equipment failure, infrastructure failure, acts of vandalism or an act of God shall not create liability on the part of BMID;
- (e) BMID is not obligated to renew any Term under this agreement. Should BMID renew this agreement, any further term shall be for a period of not more than five (5) years per Term;
- (f) This agreement does not in any way create precedence in water supply and a guarantee of service by BMID;
- (g) A review of costs and service is to be considered and can be revisited at the request of either party every five (5) years;
- (h) Should BMID decide to terminate this agreement, BMID will provide RDCO with 18 months' notice and sufficient time for RDCO to investigate and obtain storage water from elsewhere within the upper Mission Creek watershed;

- (i) Should RDCO wish to terminate this agreement RDCO will provide BMID with notice given on or before the 31st of October in the preceding calendar year.

5. Assessment of Costs and Transfer of Funds:

- (a) An assessment of water demand by the RDCO that would be provided by BMID is included in Schedule A of this agreement. The demand assessment is based on metered flow and allowing for peak withdrawal pumping capacity by the Falcon Ridge Water System pump station;
- (b) The annual costs by BMID for operating, maintaining and allowing for renewal of water storage facilities is summarized within Schedule B of this agreement;
- (c) The cost per unit rate for water (per single family connection) is developed within Schedule B and is the basis for annual bulk water charges by BMID to RDCO;
- (d) The number of single-family connections serviced by the Falcon Ridge Water System is to be provided to BMID as per the reporting date requirement. A per unit charge allows for the ability of expansion by the utility to a maximum number of units of 85 single family homes;
- (e) A cost escalation equal to the 12 month average of the Consumer Price Index (CPI) for British Columbia for the previous year shall be incorporated into the annual unit charge for water for the subsequent year's cost. The value will be obtained from the Statistics Canada web site, currently under the Consumer Price Index for BC, by product group, which provides the annual CPI value increase for All Items from year to year.
- (f) RDCO will reimburse BMID for the cost to develop this agreement in the amount identified in Schedule B which includes a one-time charge for engineering and legal advice to develop this agreement;
- (g) RDOC will reimburse BMID for the cost to administer this agreement annually in the amount of \$150.00/year, escalated as per Clause 4(e) of this agreement;
- (h) RDCO will transfer funds to BMID annually for receipt of storage water from upper watershed releases based on a rate per single family unit connected and within the Falcon Ridge Water System. This will be done by the Payment Date annually;
- (i) References to funds in this agreement are to the lawful currency of Canada.

6. Board Official's Authorization:

- (a) RDCO represents and warrants to BMID that authorization by RDCO to enter into this Agreement has been duly enacted by its Directors in accordance with the *Local Government Act*;
- (b) BMID represents and warrants to RDCO that a bylaw authorizing BMID to enter into this Agreement has been duly enacted by its Trustees in accordance with the *Local Government Act*.

7.

7. Signatories:

IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year first above written.

SIGNED on behalf of **REGIONAL DISTRICT OF CENTRAL OKANAGAN:**

by: _____
its duly authorized officer(s)

Name: _____
Title: _____

Name: _____
Title: _____

SIGNED on behalf of **BLACK MOUNTAIN IRRIGATION DISTRICT:**

by: _____
its duly authorized officer(s)

Name: Colin Day
Title: Chairman of the Trustees

Name: Robert Hrasko
Title: Administrator

SCHEDULES

SCHEDULE A - Assessment of Water Demand and Required Reservoir Storage

SCHEDULE B - Summary of Reservoir and Watershed Operational Costs

SCHEDULE C - Kelowna Water Utilities – Coordinated Drought Plan (2016)