RDOS Area "D" Service & Boundary Study
Fact Sheets
December 2021

WATER SERVICES

➢ What service is provided?

Within Area "D", the Regional District of Okanagan-Similkameen (RDOS) currently provides domestic and irrigation water to 28 connections in the community of Sun Valley. Aside from the Sun Valley system, the remaining residents of Area "D" receive water from other providers, including private utilities, irrigation or improvement districts and strata corporations.

In November 2021 the Okanagan Falls Irrigation District (OFID) applied to the RDOS to transfer the OFID water, cemetery and Centennial Park services to the RDOS. If successful, the conversion process will result in the dissolution of the OFID and transfer of responsibility for administering and operating the services to the RDOS, along with its assets and liabilities. The process is guided by the Ministry of Municipal Affairs, and requires a Cabinet order to dissolve the OFID and transfer responsibility to the RDOS. At the time of writing, the water service is still owned and delivered by OFID.

In addition to owning and administering the water system for Sun Valley, the RDOS facilitates Area "D" participation in the Okanagan Basin Water Board (OBWB).

Sun Valley
The Sun Valley Water System was transferred to RDOS in 2017. The water system consists of a combination of pumps and a 60,000 gal concrete reservoir. The system supplies 28 connected properties with water for a combination of residential and irrigation use. The current connections consume the full allotment of licensed water from the well and so no further connections are able to be added at this time.

Okanagan Basin Water Board
The RDOS is a partner in the OBWB. The OBWB was created in 1970 as a collaboration of the three Okanagan regional districts (North Okanagan, Central Okanagan and Okanagan-Similkameen) to provide a coordinated approach to water management and water issues that span the basin. The OBWB delivers programs and activities to promote sustainable water management, and to protect and enhance the quality of life and environment in the Okanagan Basin. OBWB promotes best water management practices by supplying science, information, grants and other incentives with a focus on projects and programs that benefit the Okanagan watershed as a whole. The Board also undertakes advocacy, and has a communication and coordination role to reduce fragmentation in policy and planning, and to improve links between local and senior governments.

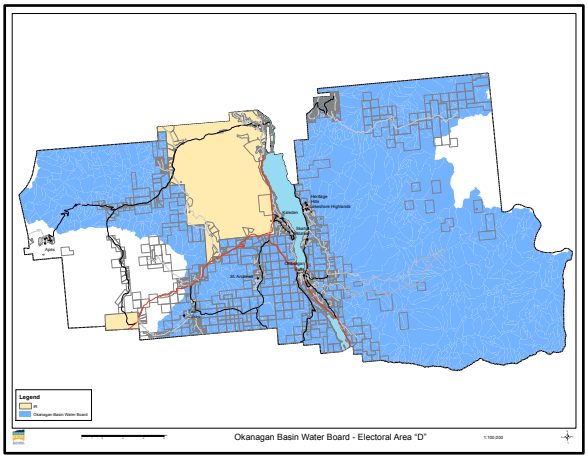
The Board's three main programs are focused on collaborative water management, water quality improvement and aquatic weed/milfoil management, with the overall objective of supporting sustainable water supplies, clean water for drinking, and healthy lakes and streams.The OBWB is not a regulatory agency, and does not enact or enforce law, but it does have taxation authority.

The three Okanagan regional districts appoint three directors each, and the Board also includes representatives from the Okanagan Nation Alliance, the Water Supply Association of BC, and the Okanagan Water Stewardship Council. The Water Stewardship Council is a 34-member advisory body to the OBWB and a local source of technical expertise. The Stewardship Council

includes representatives from diverse water stakeholders, including the RDOS.

Within the RDOS the municipalities of Penticton, Summerland, Osoyoos and Oliver, as well as all of Electoral Areas C, E, F, and parts of Areas A, D, G, H and I participate in, and contribute to the Okanagan Basin Water Board. Penticton Indian Band is also a contributing partner. Figure 1 shows the participating areas within Area "D".

Figure 1: OBWB Area "D" and "I" Service Area



➢ Who makes decisions?

Decisions regarding the operation of the OBWB and expenditure of its budget are made by the OBWB Board that includes three representatives from RDOS. Each OBWB Board member has an equal vote on decisions (one director, one vote). On financial matters, only the representatives of the regional districts may vote. The Board also relies upon advice from the Watershed Stewardship Council. The OBWB does have taxation authority, and can therefore determine, through approval by the OBWB, an appropriate budget and taxation rate to be recovered through the participating areas of each of the regional districts (RDNO, RDCO, RDOS). Operational procedures for the OBWB require unanimous approval by the three regional districts.

Decisions regarding water supply and distribution for Sun Valley are made by the full RDOS board, because the service is only provided to one Electoral Area.

Decisions for water in areas served by an improvement or irrigation district are made by the board of trustees for the improvement or irrigation district, which is elected by area property owners. The board of trustees makes resolutions, enacts bylaws, and assesses and collects taxes in accordance with legislation.

Private utilities are regulated through the Comptroller of Water Rights, under the *Water Utility Act* and the *Utilities Commission Act*. The Province's Utility Regulation Section ensures that water systems are properly designed and constructed prior to the sale of lots and that utilities provide safe and adequate water service at rates that are fair, reasonable and sufficient to operate their water systems sustainably.

All of the water systems – including those owned and operated by the RDOS, or by improvement/irrigation districts and private utilities, must also meet the requirements of the *Drinking Water Protection Act* as enforced by the Interior Health Authority.

➢ Who delivers the service?

The RDOS delivers nine water systems throughout RDOS; currently Sun Valley is the only one located within Area "D". RDOS public works staff deliver the service. This includes the engineering division, which provides capital infrastructure upgrades for water, and the operations division, which maintains the nine water systems.

Other water services are delivered by a combination of private utilities and irrigation and improvement districts.

The OBWB service is delivered by OBWB staff. The Water Board has 7 staff, including an executive director, water stewardship director, operations and grants manager, communications director, policy and planning specialist and milfoil control crew members.

➢ What is spent by RDOS on the service?

Figure 2 shows the total 2021 budgeted cost for the Sun Valley water system and the OBWB. The amount referenced for the OBWB reflects the total cost allocated to the RDOS, including the cost associated with all participating areas in the region (4 municipalities and portions of 8 electoral areas). The portions of Area "D" that are within the service area contributed $44,171 toward the OBWB service.

Figure 2
Cost of Services
2021

Service Component	Cost[1]
Sun Valley Water	$82,858
Okanagan Basin Water Board[2]	$738,948
Total	**$821,806**

1 Cost estimates are from adopted 2021 budget figures

2 This is the cost of the service provided to all participating areas in RDOS

In addition to the service cost, there is also an operating reserve account created for the Sun Valley service. At the end of 2020 that reserve account totaled $56,866.

➢ How are the costs recovered?

User fees is the primary source of funding for Sun Valley water. They are levied per parcel based on the basic user fee, plus an additional fee that relates to the volume of water supplied (number of gallons per minute dole valve). On occasion, user fees are supplemented by amounts from the reserve account.

There are other fees associated with any RDOS water system that are paid as needed, including connection fees, inspection fees, valve turn requests, etc. The Sun Valley water system also has a Capital Expenditure Charge of $1,000 per lot, which would be paid when new lots are created; however, the Sun Valley system does not currently have the infrastructure capacity to add new users to the system.

The OBWB service is recovered through property tax levied on all properties within the participating areas.

➢ What is the cost to a typical residence?

The cost of the OBWB service is recovered from Electoral Area "D" taxpayers on the basis of property assessments. In 2021 a residence assessed at $450,000 in Area "D" paid approximately $15, as shown in Figure 3. Sun Valley water user fees include a base user fee, plus a rate depending on the dole valve size. The base rate for properties connected to the Sun Valley water system is shown in Figure 3.

Figure 3
Cost Impact on Typical Residence
2021

Service	Tax Req.[1]	Res. Rate	Owing[2]
Sun Valley Water System	n/a	n/a	$1,643
OBWB	$738,948	0.0325	$14.63

1 Tax requisition amount excludes 5.25% Surveyor of Taxes fee

2 Impact is calculated on a home assessed at $450,000. Note that the Sun Valley amount is the user fee regardless of assessed value, and only includes the base rate and not any additional fee based on valve size

➢ What impact would incorporation have on these services?

A new municipality would become responsible for any water systems provided by either the RDOS or by improvement or irrigation districts that are contained within the new municipal boundary. Those provided by private utilities would not change as a result of incorporation, and could continue to be provided privately. There would be no obligation for the municipality to acquire or provide those water systems.

There are four improvement districts within Area "D,"[1] so if any of those were to be encompassed by a municipal boundary, the improvement/irrigation district would be dissolved, and the assets would become owned by, and the service provided by, the municipality. This is a legislated requirement, and must occur within four years of incorporation.

Although a new municipality would become responsible for providing water services, that does not mean that the municipal staff would have to deliver the service. Municipalities are responsible for providing the services, but can decide how those services are delivered. In some cases, municipalities may choose to participate in shared service arrangements with other jurisdictions in the region, including having services provided by the regional district. For instance, the municipality will have authority for making decisions on water, and ownership of the infrastructure; however, it may choose to contract the water operations to the RDOS.

Regardless, there would be a change in governance. Within a municipality, it would be the municipal Council that would have the authority to make decisions regarding the water service, service levels, user fees and delivery models.

Given that the Sun Valley water service would continue to be paid directly by the water users, there are no significant impacts on the cost of water services that would occur as a direct result of incorporation. For any water service currently provided by an irrigation or improvement district, there may be changes to the cost of the service as a result of meeting the standards prescribed by the new municipality. However, municipalities are eligible to apply for grants for the municipal water systems. While provincial and federal grants are options for RDOS water systems (i.e. Sun Valley), the irrigation and improvement districts in Area "D" are not eligible for grant funding.

A newly incorporated municipality would continue to participate in and contribute to the Okanagan Basin Water Board through the RDOS.

[1] Skaha Estates Improvement District, Okanagan Falls Irrigation District, Rolling Hills Waterworks District, and Vaseux Lake Improvement District