



**MINUTES OF A REGULAR MEETING OF THE OKANAGAN BASIN WATER BOARD
HELD JUNE 1, 2010, AT REGIONAL DISTRICT OF OKANAGAN-SIMILKAMEEN,
101 MARTIN ST., PENTICTON, BRITISH COLUMBIA**

PRESENT

Vice-Chair Rick Fairbairn	Regional District North Okanagan
Director Buffy Baumbrough	Regional District North Okanagan
Director Gyula Kiss	Regional District North Okanagan
Director James Baker	Regional District Central Okanagan
Director Doug Findlater	Regional District Central Okanagan
Director Graeme James	Regional District Central Okanagan
Director Gordon Clark	Regional District Okanagan-Similkameen
Director Bernie Bauer	Okanagan Water Stewardship Council
Director Toby Pike	Water Supply Association of BC

REGRETS

Chair Stu Wells	Regional District Okanagan-Similkameen
Director Michael Brydon	Regional District Okanagan-Similkameen
Director George Saddleman	Okanagan Nation Alliance

OBWB STAFF

Anna Warwick Sears	Executive Director
Nelson Jatel	Water Stewardship Director
Genevieve Dunbar	Office and Grants Administrator
Corinne Jackson	Communications and Research Coordinator
Melissa Tesche	Outreach and Education Assist./O&G Admin. (mat Iv.)

GUESTS

Carolina Restrepo-Tamayo	Okanagan Collaborative Conservation Program
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1. CALL MEETING TO ORDER

Vice-Chair Fairbairn called the meeting to order at 10:07 a.m.

2. APPROVAL OF AGENDA

"THAT the agenda of the regular meeting of the Okanagan Basin Water Board of June 1, 2010 be approved as amended."

CARRIED

3. INTRODUCTION OF LATE ITEMS

Item 7.4 – BC Water Science Strategy
Item 7.5 – Recording of minutes protocol
Item 7.6 – Approval of 2010-2011 Okanagan Water Supply and Demand Project budget

4. ADOPTION OF MINUTES

4.1 Minutes of the Regular Meeting of the Okanagan Basin Water Board of May 4, 2010 at Regional District of Central Okanagan in Kelowna.

Amendment: Correction of attendance.

“THAT the minutes of the regular meeting of the Okanagan Basin Water Board of May 4, 2010 at Regional District of Central Okanagan in Kelowna be adopted as amended.”
CARRIED

5. DELEGATIONS

- 5.1 Carolina Restrepo-Tamayo, Program Coordinator of Okanagan Collaborative Conservation Program (OCCP): New Sustainability Planning website (SPOKE/OKCP)

Dr. Warwick Sears introduced Ms. Restrepo-Tamayo, noting that the OCCP's Sustainable Planning for Okanagan Environment (SPOKE) project and its resulting Okanagan Conservation Planning (OKCP) website is being conducted in partnership with UBC-Okanagan. The project was originally led by Environment Canada but stalled. It was then turned over to OCCP with the Water Board administering the funds.

Ms. Restrepo-Tamayo noted that the OCCP began four years ago with residents who were concerned about conservation issues. Today there are 25 partners including the university, various government ministries, non-profits, and land trusts. Partners form action teams on various projects and once a project is complete the team disbands.

Current projects include a Foreshore Inventory Mapping (FIM) Program, a program that maps wildlife Connectivity Corridors, an Okanagan Habitat Atlas, and the SPOKE-OKCP website that makes these projects available to the public.

SPOKE-OKCP Okanagan Conservation Planning

The SPOKE-OKCP website includes information to assist local government planners make decisions on development applications, noted Ms. Restrepo-Tamayo. For example, FIM provides snapshots of the Okanagan's shorelines and indicates sensitive habitat areas. The connectivity corridors provide information on wildlife movement and migration that can be used when considering hillside development applications. The Okanagan Habitat Atlas, a compilation of ecosystem mapping, is also on the website.

Once completed, the project will also be a web portal to three websites. The websites will include the work of the OKCP, but also the OCCP and the South Okanagan Similkameen Conservation Program (SOSCP) websites. In addition, partners can load events, newsletters and blog on the site, allowing for improved communication between groups who are working in conservation in the Okanagan valley.

Dir. Bauer asked how the Water Board and OCCP can work more closely. Restrepo-Tamayo responded that there could be more collaboration on education and outreach and the expansion of projects like FIM in the North Okanagan.

6. STAFF REPORTS

- 6.1 Executive Director Report

Dr. Warwick Sears reported that the province's moratorium on the sale of reservoir lots expires this summer. The Okanagan Water Supply and Demand Study climate change scenarios indicate there will be decreased snow storage and the region will have to rely more heavily on reservoir storage for irrigation and environmental flows, she noted. It was recommended that a letter be sent to the province outlining the Water Board's concerns.

Dir. Clark asked that a letter be drafted and forwarded to the board for review.

There was some question about the amount of scientific research the province has done on the potential consequences of selling the lots. Dir. Baker added that District of Lake Country is currently conducting studies which should be completed in the fall, but so far indicate that developing these lots and allowing cabins and recreation are a health risk.

Dir. Pike suggested that source assessments be done, adding that the development of cabins and recreation do create an increased risk for sewage to enter drinking water supplies. The letter to the province should note that studies are still being conducted but on balance indicate a risk to water supplies, he said. Dir. Baker added the letter should suggest the province put the sale of these lots on hold until the studies are completed.

“THAT the Okanagan Basin Water Board draft a letter to the minister in charge of the reservoir lots file, renewing its recommendations on the non-sale of these parcels, and that the letter be forwarded to the board for review before final submission.”

CARRIED

Dr. Warwick Sears went on to note that the Water Board received a \$10,000 grant from the province to match the \$70,000 in funding from the federal government to develop a basin-wide drought plan. A Request for Proposal will be put out by the end of June.

The OBWB is helping organize a rainwater management conference, “From Rain to Resource,” for October. More details will be provided in the coming months.

A final technical report on Phase 2 of the OWSD Project should be completed this month. More information will be provided at the next board meeting, said Dr. Warwick Sears.

As requested by the board, staff members are looking at the best way to develop the milfoil program’s accountability, in part by mapping the areas where milfoil is being controlled, she added.

6.1.1 Report from Australia – Lessons from the Outback PowerPoint presentation

Dr. Warwick Sears reported on her recent two-week water policy tour of Australia, noting the purpose was to examine the Australian experience coming out of a 10 year drought.

Dr. Warwick Sears was accompanied by Ted van der Gulik, with BC Ministry of Agriculture and Lands, and Jackie Belzile, who organized the tour and who is doing her master’s thesis on “What the Okanagan can learn from Australia about water management.” Meetings were held with federal officials, including the Water Advisor to the Minister of Climate Change, those working in water research, farmers and industry groups.

Water trading in Australia was introduced in 1994 and licences were capped, noted Dr. Warwick Sears. At this time, drinking water was given first priority, allocation to the environment was considered and shares could be permanently or temporarily sold.

In 2007, the federal government led water reform, bringing states together to meet common needs and allowing states to work out the details within their own jurisdiction.

The Murray-Darling Basin Plan is one of Australia’s biggest projects. The basin contains several nationally significant wetlands that have dried out. Work is underway to get water for the environment back by reducing how much is used throughout the rest of the basin. The work has been ongoing for a couple of years and will affect agriculture, making the project controversial.

The Murray-Darling Basin Authority is a committee that includes experts and other independent political appointees who give recommendations to the federal Minister of Water. The authority is developing a framework for state planning, and is looking to set sustainable diversion limits and get less productive lands out of the system.

Dir. Clark asked if aboriginal water claims were considered. Dr. Warwick Sears noted that drinking water is protected, but it is her understanding that aboriginal communities are expected to get additional water entitlements through the licensing system and water markets.

When it comes to water, Australia has invested heavily in science, she added, saying that they have the Commonwealth Scientific and Industrial Research Organisation with 400 staff and annual funding of \$100 million, plus university funding. They also have the e-Water Cooperative Research Centre. Some of the work is similar to the modeling being done with the Okanagan Water Supply and Demand Project, and their biggest project is the Murray-Darling program.

At the state level, governments are responsible for establishing water trading rules, water sharing plans, working with Irrigation Districts to implement water plans, and there have been some conflicts between state laws, reported Dr. Warwick Sears.

Water markets have made for some interesting concepts to be tested, she added, noting a wetland reservoir where some of the water rights were sold to the federal government. The money was used to improve the water storage area. As a result of the work, evaporative losses dropped substantially.

Australia has excellent public signage to convey water issues, Dr. Warwick Sears continued.

The prices are different for domestic water and agricultural water, she said, noting people in Australia were surprised to hear that we irrigate with treated drinking water. There is a big focus on recycled water for irrigation, maintaining environmental flows for fish, and for outside irrigation in urban areas.

The culture of water conservation is very strong, added Dr. Warwick Sears, saying dual flush toilets are everywhere, and all water is measured.

The new direction for government is to get everyone conserving so that water restrictions will never have to happen. And, should they ever need it, they have a backup desalination plant if required.

In summarizing, Dr. Warwick Sears noted that Australia's water planning began in 1994 but accelerated under drought. There are a number of things they could improve, she suggested, for example the lack of transparency with planning, insufficient communication with water users, lack of regulation/consistency in water markets, insufficient economic/social analyses, and little help with structural adjustments for communities.

There are also a number of initiatives in Australia that should be considered for adoption here, she added, such as universal metering and a way for users to track their meter readings on the Internet. There should be local water demand studies conducted. Water sharing drought plans need to be developed and water market-based reallocation mechanisms should be studied further.

Vernon has an online Okanagan Irrigation Management (OKIM) system that shows farmers their consumption and their allocation. Glenmore Ellison is also developing it, as are other areas in

the valley. We should be encouraging this type of data access and stakeholder engagement, said Dr. Warwick Sears.

In response to a question about how water markets (WM) would work in the Okanagan when there is opposition to it from those who benefit from the current system, Dr. Warwick Sears noted the discussion still needs to happen. In Alberta, they are bringing people to the table who are for and against WM and determining how they can find balance, she said.

Dir. Pike asked how the Australian experience translates to the Okanagan where there is an Agricultural Land Reserve, noting that there need to be policies that ensure water to these lands. Dr. Warwick Sears said that can still happen. Farmers could decide how to farm the land and be able to trade water amongst themselves. There is room for flexibility.

“THAT the Executive Director Report from Dr. Warwick Sears, dated May 25, 2010, be received.

CARRIED

6.2 Water Stewardship Director Report

Mr. Jatel reported on the May Okanagan Water Stewardship Council (OWSC) meeting, noting the videotaping of three presentations that will be part of a video library to be posted on the OBWB website. Presentations centred around the issue of Water Markets. The issue is a very sensitive one, but the presentations provided an opportunity to start a discussion on their pros and cons.

Jim Stronach will be speaking at the June meeting on limnology work he has been doing on Okanagan Lake for City of Kelowna. The studies are intended to help the city determine at what depth drinking water should be coming from.

Dir. Bauer added that the sensitivities around Water Markets (WM) were apparent at the last Stewardship Council meeting, but agreed it is an important discussion that needs to happen.

Dir. Pike noted that if we are going to consider WM that it will have to be an Okanagan-made solution because of the unique issues here. Dir. Bauer agreed and added that it is best to have this discussion now before we're in a crisis and acting reactively.

Mr. Jatel went on to report that the Streamlined Water Use Reporting Tool (SWURT) Project had another meeting the previous week. Eighteen purveyors from across the Okanagan attended and reviewed the web prototype. Another meeting is being held with various ministries in Victoria next week.

The third drought webinar will be held June 9 at 1:30 p.m., added Jatel.

Work on developing a scoping document and funding application for the NASA Remote Sensing Project is continuing and will include the Okanagan Valley as well as the U.S. Okanogan. The purpose is to use remote sensing data to develop better water management practices, building on the Okanagan Water Supply and Demand (OWSD) models, considering population growth, climate change and the effects on supply and demand. It might be possible that, with the use of remote sensing data, information collected from current hydrometric stations may be complemented. This would meet the stated interest of the board in increasing the current hydrometric data collected, added Jatel.

One of the goals, noted Dr. Warwick Sears, is to have better data with lower maintenance costs.

Summit Environmental is completing the draft Phase 1 Okanagan Remote Sensing Project: Scoping Documents and Project Charter report. The report helps identify how remote sensing technology may support OWSD tools. The report will support proposals for funding to NASA's 'Research Opportunities in Space and Earth Sciences' grant funding opportunities. The report recommends developing a research program, funded by NASA, to support approximately \$5.3 million of research in the Okanagan/Okanogan basin over five years. The OWSD work is being considered an in-kind contribution to leverage U.S. federal funds.

"THAT the Water Stewardship Director Report from Mr. Jatel, dated May 25, 2010, be received."

CARRIED

Dir. Pike exited the meeting at 12:15 p.m.

6.3 Office and Grants Administrator Report

There was some discussion around the board's summer meeting schedule and setting a date for the OBWB's Annual General Meeting. The Aug. 3 regular meeting falls on a Tuesday after a statutory holiday, Ms. Dunbar reported. It was decided to keep the meeting and cancel it if it's found to be unnecessary.

Staff will report back on the potential of holding the AGM on Sept. 7 or 10th.

"THAT the Office and Grants Administrator Report from Ms. Dunbar, dated May 21, 2010, be received."

CARRIED

6.3.1 Report on CEGN Conference

Ms. Dunbar provided a report on the Canadian Environmental Grantmakers' Network conference, noting its focus on the importance of partnerships – both between funding recipients and between funders.

The OBWB is unique in that it receives grants but also provides grants, she added, saying the conference was a good opportunity to share information on how the Water Board operates. There was a feeling from grantmakers that funding non-profits is the right way to go, but OBWB staff members were able to speak to the benefit of partnering with municipalities since they have the capacity to carry projects out.

Dr. Warwick Sears added that it was interesting to hear about funders who directed grants to very specific initiatives. For example, funding from the Max Bell Foundation is being used to bring people together on both sides of the Water Markets issue to develop policy. The Great Bear Rainforest project is being funded by private foundations, in partnership with government.

6.4 Communications and Research Coordinator Report

Ms. Jackson provided an update on the Okanagan WaterWise program. The WaterWise staff team is looking to get out into the community and test the market and the message this summer, but also strategize for long-term sustainability and success of the program, she said.

In considering the long-term, meetings are being scheduled with water sustainability staff in the valley to discuss partnership opportunities. The first meeting has been held with RDNO and further meetings are scheduled with City of Penticton and City of Kelowna.

Other projects underway include the completion of the Okanagan WaterWise website, the launch of a Facebook page, and development of a series of posters to be used at various outreach events and potentially as ads for buses, bus shelters and Internet sites like Castanet.

Ms. Jackson also reported on the first Okanagan WaterWise outreach event, the Mayor's Environmental Expo in Kelowna, and a photo slideshow was presented to the board. The event went over very well with children decorating and filling up one-litre bottles to be put in their toilet tanks as a way to conserve water, added Ms. Jackson. In order to ensure that the bottles found their way into the tanks, children were given a postcard to sign, saying they've completed the task and pledging one more way they will conserve water. These postcards will be returned to teachers who will then forward them on to WaterWise to be placed in a draw to win pool passes.

"THAT the Communications and Research Coordinator Report from Ms. Jackson, dated May 25, 2010, be received."

CARRIED

7. NEW AND UNFINISHED BUSINESS

7.1 Sewerage Facilities Grant in City of Vernon

Dr. Warwick Sears reported on a sewerage grant application from City of Vernon, noting it had been awarded by the board in 2007, but was not finalized because the OBWB required additional information from the city to finalize the award. Funds for this project have been requisitioned for and are included in current budgets, she added.

"THAT the Okanagan Basin Water Board reconfirms a sewage facilities grant award of \$118,234.43 per annum to the City of Vernon beginning in the 2008-09 fiscal year, continuing until the debt is retired."

CARRIED

Dir. Bauer abstained

As a result of the Vernon application, it became clear there is some confusion about when a grant begins, said Dr. Warwick Sears. It was recommended a formal policy be adopted that the OBWB only award grants when: a project has begun; that payments be made on a Municipal Financing Authority note or equivalent; and, that the funds have been budgeted and requisitioned.

Dir. Findlater noted that it is difficult for municipalities to know when they will receive funds.

In response to a question about how funding levels in various parts of the Okanagan are determined, Dr. Warwick Sears noted that funds are not apportioned but based on where the worst pollution is and which communities have the capacity to take on projects. Everyone benefits from clean water, she added, saying there has been more than a 90 per cent reduction in phosphorous in Okanagan Lake since the program started.

"THAT the Terms of Reference for the Okanagan Basin Water Board's Sewerage Facilities Grant Program be amended to clarify that grant award payments to local government begin only after the project has broken ground and (a) payments have been made on an MFA note or equivalent, and (b) the funds have been budgeted and requisitioned."

CARRIED

Dir. Bauer abstained.

Dir. Kiss exited the meeting at 1:10 p.m.

7.2 Sewerage Facilities Grants in RDOS – Okanagan Falls and City of Penticton

Dr. Warwick Sears explained that RDOS applied for a grant for upgrades to the OK Falls wastewater treatment plant. The project is still in the pre-design phase and construction will likely begin in one to two years. Since OBWB funding is tied to loan repayments, the board will need to budget for this grant in 2012-2013.

“THAT the Okanagan Basin Water Board approves in principle a grant to RDOS for eligible costs related to construction of a tertiary sewage treatment plant in Okanagan Falls.”

CARRIED

Dir. Bauer abstained.

In speaking to RDOS' City of Penticton sewerage grant application, Dr. Warwick Sears noted the city was awarded the grant in 2007. It made its first debt repayment in the fall 2009 but the full eligible amount was not included in the Water Board's 2009-2010 or 2010-2011 budget. This issue has been sorted out with Penticton's treasurer, she added. There has been a reduction in MFA interest rates since the project was first approved. As such, there is room to cover this grant within the 2009-10 year-end accruals and 2010-11 budget.

In response to questions concerning application process and requirements, Dr. Warwick Sears explained that applicants provide preliminary project plans to the OBWB so that it can prepare a financial plan. The applicant then applies for and receives their MFA note. But, by the time the project breaks ground sometimes things have changed. With the change in MFA interest rates, grant amounts can be decreased, noted Dr. Warwick Sears.

“THAT the Okanagan Basin Water Board reconfirms the 2007 grant to the City of Penticton for \$112,945 in 2009-10 and \$207,296.43 in 2010-11 and onwards to upgrade their sewerage treatment and collection system.”

CARRIED

Dir. Bauer abstained.

7.3 RDCO lease agreement

Dr. Warwick Sears reported that the lease agreement with RDCO is up for renewal. While service costs are more with this lease, it is felt that the level of service has also increased. The Water Board's financial officer at the RDCO has been reviewing the sewerage grant program and other systems around water management which will result in future cost reductions as she completes this work and reduces her hours. In addition, the lease costs reflect a fair rate for these services. It is recommended that the lease be renewed for two years with an option to renew for an additional two years.

“THAT the Okanagan Basin Water Board approves the lease agreement as presented by RDCO.”

CARRIED

Dir. Bauer abstained.

7.4 BC Water Science Strategy

Dir. Bauer reported on a water strategy conference being held Aug. 31 to Sept. 1 and which came out of Living Water Smart. The objective is to link those who make decisions with the

water purveyors and others and to discuss what information they use and what information they need. For example, the Okanagan Water Supply and Demand modeling might be translatable province-wide, he added.

The conference is being held simultaneously at University of Northern B.C., University of Victoria, and UBC-Okanagan. Keynote addresses will be webcast and then each site will have break-out discussion sessions and a reporting back process. Dr. Bauer suggested this would be a good opportunity for individual OBWB directors to provide leadership, perhaps by chairing a panel discussion.

Board members asked to be kept apprised of the conference.

“THAT the information on the BC Water Science Strategy from Dir. Bauer be made public through the minutes and summary report of the meeting.”

CARRIED

7.5 Recording of minutes protocol

Dir. Bauer reintroduced discussion around the recording of moving and seconding of motions which had been discussed at the previous board meeting. By recording who moved or seconded a motion, it allows constituencies to see who acted on a motion and allows them to then go to the board member and ask why they did or did not move or second, he said.

Dir. Clark agreed that transparency is important and noted he did not vote in favour of the change. Moving or seconding a motion is merely getting an item on the table for discussion, and this should be recorded, he added.

Dir. James noted that Kelowna records the mover and seconder, and although this does not mean one is in support of a motion, sometimes it is viewed that way. He suggested that discussion be deferred until more directors are present because there was support for a motion last month to no longer record the mover and seconder.

“THAT discussion on the recording of movers and seconders in Okanagan Basin Water Board minutes be deferred until more directors are available.”

CARRIED

7.6 Approval of 2010-2011 OWSD Project Budget

Dr. Warwick Sears brought the 2010-2011 budget for the Okanagan Water Supply and Demand project forward for board approval, noting that the auditor requested a budget for this fiscal year.

Phase 2 of the project was managed by various agencies, whereas phase 3 will be mostly managed by the OBWB, she added.

“THAT the Okanagan Basin Water Board approves the 2010-2011 budget for the Okanagan Water Supply and Demand project.”

CARRIED

Dir. Bauer abstained

8. CORRESPONDENCE

8.1 Bill Bennett, Minister of Community and Rural Development, notice of funding for Okanagan Basin-wide Drought Response Plan

“THAT the Okanagan Basin Water Board receive the correspondence from Bill Bennett, Minister of Community and Rural Development, regarding funding for Okanagan Basin-wide Drought Response Plan.”

CARRIED

- 8.2 Grand Chief Stewart Phillip to B.C. Environment Minister Barry Penner, regarding the Water Act Modernization process

“THAT the Okanagan Basin Water Board receive the correspondence from Grand Chief Stewart Phillip to B.C. Environment Minister Barry Penner, regarding the Water Act Modernization process.”

CARRIED

9. NEXT MEETING

The next regular meeting of the Okanagan Basin Water Board will be held on July 6, 2010, at the Regional District of North Okanagan.

10. ADJOURNMENT

“THAT there being no further business, the regular meeting of the Okanagan Basin Water Board of June 1, 2010 be adjourned at 1:37 p.m.”

CARRIED

Certified Correct:		
Chair		Executive Director