

April 21, 2023

FOR IMMEDIATE RELEASE

OKANAGAN WATER BOARD CALLS FOR MORE DOLLARS FOR B.C. WATERSHED SECURITY FUND

Kelowna, B.C. – The B.C. government’s announcement of a Watershed Security Strategy and Fund (WSSF) is being applauded by the Okanagan Basin Water Board, but the local watershed agency is urging the province to be bolder.

This week, the board submitted a letter to the province in response to a call for input to its WSSF Intentions Paper. “In general, we applaud the vision of the document, but we believe it over-promises without recognizing the inherent conflicts among water needs and watershed uses, and the lack of capacity at all levels of government and society,” the letter begins.

Among its recommendations, the board suggests five areas that require further attention, including:

- 1) support for local governments in delivering water management,
- 2) the need for the province to address conflicting ministerial mandates (e.g. in forestry, mining, range and recreation) and a commitment to protect water quality as a top priority,
- 3) water supply conflicts must be faced directly and openly, including acknowledgement that First Nations are B.C.’s first water users and the “First In Time, First In Right” rules within B.C.’s Water Sustainability Act must be amended to accommodate Indigenous priority rights, while also addressing other water needs, including agriculture,
- 4) development of a draft implementation plan that addresses capacity needs at all levels (i.e. local government/water utility, First Nations and provincial government), and that it be released for review and comment as soon as possible, and
- 5) that the initial investment of \$100 mill. should be at least 10 times larger to have meaningful impact.

“We’re encouraged by the recognition about the importance of healthy watersheds to the well-being of the province, for drinking water, for the environment, and everything we cherish,” said Anna Warwick Sears, Executive Director for the OBWB. “It also seems like they’re taking a big step forward in reconciliation with First Nations and that’s all positive. Where we have the biggest questions are around the funding. They’re going to need a whole lot more.”

As proposed, the province will kick off the new fund with a \$100 million endowment, with the interest being used to pay for projects. That works out to about \$5 million a year. And while the intention is to have the initial \$100 mill. endowment matched by federal and philanthropic dollars, the earnings distributed will still be a far cry from what’s required to implement a strategy of this scope, Sears added. “Regardless of where the funding comes from it needs to be at least 10 times larger.”

During the era of Forest Renewal BC, which operated during the 1994/95 – 2001/02 budget years, watershed projects received an average of about \$66 mill. per year. In today’s dollars that would be close to \$110 mill. a year, she added. “We should fund close to that level again. Watersheds are in even worse shape now, and we are even more dependent on their health.” Today, B.C.’s watersheds are not only impacted by logging and mining, but as the population grows so does backcountry activity, all the while being the source of drinking water for communities with expanding populations.

Add the impacts of climate change and forest fires on these areas, and watersheds become that more vulnerable.

In 2021 and 2022, the OBWB made submissions to the B.C. government's Select Standing Committee on Finance and Government Services. At that time, it recommended a permanent Watershed Security Fund, distributing \$75 mill. per year. The board has applied to present this year and intends to address this issue again. "If watershed security is a priority to B.C., and I believe it is, it must be funded to reflect that priority," Sears added.

According to the province's Ministry of Water, Land and Resource Stewardship, it is compiling feedback to its Intentions Paper to inform the development of a final Watershed Security Strategy for B.C., expected to launch in winter 2023/24.

Please find the OBWB's full letter with recommendations attached below.

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To: B.C. Watershed Security Strategy Team

From: Anna Warwick Sears, Executive Director, Okanagan Basin Water Board

Date: April 17, 2023

Subject: OBWB Response to the Watershed Security Strategy and Fund Intentions Paper

Thank you for incorporating many of the Okanagan Basin Water Board's (OBWB's) suggestions on the initial Watershed Security Strategy and Fund (WSSF) Discussion Paper. This current response to the WSSF Intentions Paper is based on contributions from OBWB directors and members of its technical advisory body, the Okanagan Water Stewardship Council. In general, we applaud the vision of the document, but we believe it over-promises without recognizing inherent conflicts among water needs and watershed uses, and the lack of capacity at all levels of government and society (i.e. within government, First Nations, and local communities). Further, we believe the proposed fund is severely under-sized, and should be at least 10 times larger to implement the vision.

The role of local governments must be supported

The Intentions Paper does not adequately recognize local governments for their current and potential role in watershed security. B.C. local governments contribute to watershed science and knowledge, convene watershed stakeholders in collaborative processes, educate residents about the value of water, provide safe drinking water, and support food security by supplying water to agriculture. They play an increasing role in water management in urban watersheds. The WSSF states that "the final Strategy will not download governance and management responsibilities without providing support or understanding existing local initiatives." What new governance and management responsibilities might become available to local governments through the Strategy, and how would they be supported?

Water quality must be a priority in watersheds

The Province must clearly acknowledge its role in permitting and regulating polluting industries like forestry, mining, range, and recreation, and commit to protecting water quality as the top priority. This will require legislative change to remove conflicting ministerial mandates. It is not reasonable for water suppliers to be responsible for delivering potable water when they have no control over polluting watershed activities. If local governments are tasked with carrying out more of the Province's roles and responsibilities for source water protection, they must have the funds and provincial support necessary to do the job. Watershed users and resource extractors must be *required* to work with water suppliers to protect water quality.

Water supply conflicts must be faced directly and openly

We acknowledge that First Nations are B.C.'s first water users and that the First In Time, First In Right rules of the Water Sustainability Act must be amended to accommodate Indigenous priority rights. As this is being implemented, there must be open discussions about water allocations and how to share limited water supplies among users in times of scarcity. To base these conversations in reality, there must be a reconciliation of water allocations with what is actually available in streams, lakes and aquifers. Climate change has caused some water sources to become effectively over-allocated, even if they were not in the past, and conflicting objectives (e.g. for development, forestry, agriculture, environment) make the problems more difficult to resolve. There are likely to be inherent conflicts

apportioning water for communities, for fish, and for agriculture, and these must be faced directly and openly – involving all relevant ministries, user groups, rights holders, and communities.

Implementation requires more capacity at every level

The Intentions Paper seems to promise something for everybody and does not acknowledge the conflicts and stagnation in decision-making that will arise if priorities are not clearly established. It does not explain how the provincial government will ensure the capacity (internal to government) to deliver the strategy and fund in a timely manner. First Nations, local communities, and resource users may also have limited capacity. Local governments should play a central role given their mandate to provide safe drinking water, but struggle with limited funding and authority. A draft implementation plan that addresses these issues should be developed and released for review and comment as soon as possible. A detailed implementation plan with timelines and committed resources should accompany the strategy when it is released in winter of 2023/24.

Watershed Security Fund is insufficient to implement proposed strategy

The WSSF Intentions Paper lays out a bold vision for water sustainability in B.C. It has a sweeping scope, with commitments ranging from implementing the central principles of B.C.'s Declaration on the Rights of Indigenous Peoples Act, to watershed restoration, fisheries recovery, and drinking water protection. It will cost substantial amounts of money to even begin to implement this strategy, so it is good that a Watershed Security Fund (the fund) is included. However, we are concerned both with the size of the fund, and the way it will be administrated and distributed.

We understand that the fund will be an endowment, where the principal is invested, and the earnings are distributed. From a \$100 million fund, perhaps \$5 million will be available for watershed security projects in B.C. each year. This is significantly undersized given the scope of the WSSF vision, and the scale of the problems to be addressed. Between 1994 and 2002, under the Forest Renewal BC program, the province distributed an average of \$66 million a year (\$110 million in 2023 dollars) for watershed restoration projects alone. While we understand that the intention is to have the initial \$100 million matched by federal and philanthropic dollars, the fund must be 10 times larger – at a minimum – to have a meaningful impact. If watersheds are indeed a priority to this government, they must be funded at a level that matches their importance.

We understand that the fund will be located outside of government. Regardless of which entity holds the fund, we expect that the province will be closely involved in establishing the basic funding criteria, and the terms of reference for the fund advisory body. We strongly recommend that the province include local government representatives in this advisory body, as well as Indigenous advisors, and experts with practical experience in watershed restoration, governance, and fund granting/distribution best practices. We recommend having full transparency for how the advisory body is established, and how decisions are made, and that the funding entity have experienced, professional staff.

With respect to the distribution of funding, it will be most useful if money can be made available over multi-year timeframes. It is very difficult to do meaningful work in watersheds with project-based, limited-term grant funding. We ask that you consider a structure similar to how Gas Tax funds are distributed by the Union of BC Municipalities, with a mixture of transfer funds and grants that provide both reliability and flexibility for communities and groups undertaking watershed security work.

Thank you for allowing us the opportunity to provide comment.