

MEMORANDUM OF UNDERSTANDING  
CITY-WIDE WATER SUPPLY AND TREATMENT IMPROVEMENT



This agreement made the \_\_\_\_\_ day of \_\_\_\_\_ 2010

Between:

CITY OF KELOWNA  
a municipal corporation having its offices at 1435 Water Street,  
Kelowna, British Columbia V1Y 1J4

And:

Black Mountain Irrigation District

And:

Glenmore-Ellison Improvement District

And:

Rutland Waterworks District

And:

South East Kelowna Irrigation District

WHEREAS:

- A. The parties affirm their responsibility for supplying safe, affordable and reliable water for their current domestic, agricultural and Industrial/Commercial/Institutional (ICI) customers while considering future service areas, and that
  - a. Water quality should be appropriate for the intended use (domestic or agricultural)
  - b. Domestic water must meet Interior Health regulatory requirements
  - c. All customers expect reasonable equity in water quality and the use of similar principles to determine a fair price.
  
- B. The parties acknowledge that their customers would be best served with the financial participation of senior governments and agree to follow the key principles established by the Minister of Community and Rural Development in the letter dated January 12, 2010
  - a. Best-Lowest Cost Solutions (physical infrastructure efficiency and effectiveness)
  - b. Flexibility (operational and administrative efficiency and effectiveness)
  - c. Achievement of Public Health Outcomes
  - d. Agricultural Interests Maintained
  
- C. The parties acknowledge that their customers would be best served by establishing coordinated implementation plans for the expansion and improvement of the supply and treatment infrastructure over a 20-50 year term. This includes phased technical solutions, financing strategies, and implementation schedules that are prioritized according to risk management and an explicit consideration of optimizing financial, community and environmental benefits.

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- D. The parties acknowledge that governance is a discussion that may fall out of the appropriate technical solution and could be considered in the discussion of best technical solution.
- E. The parties recognize that consideration of un-serviced areas within the City limits or adjacent to existing service areas is part of any long-term strategy.
- F. The parties wish to collaborate for the mutual benefit of the citizens of Kelowna.

Now therefore, in consideration OF THE MUTUAL PREMISES AND ASSURANCES SET OUT HEREIN, THE Parties AGREE AS FOLLOWS:

## **NATURE AND LIMITATIONS OF THE AGREEMENT**

The parties agree that the Technical Committee of the KJWC will be the working group to recommend the intended outcomes. Each party acknowledges that approvals and consents are subject to the approval of their respective Boards or Council, i.e. the MOU does not bind the parties to future agreements. This MOU does not fetter or limit the discretion of each party in the administration of their independent operations.

## **DECISION MAKING**

The parties shall make best-efforts to co-operate in reaching consensus decisions based on the best interests of the citizens of Kelowna and recognizing the authority of Interior Health.

If the parties are not able to reach consensus, any party can evoke the participation of a mutually agreeable facilitator who will be engaged from a short-list established in the initial phase of the work. If facilitation fails to expedite a decision, dispute resolution will proceed.

## **PUBLIC ANNOUNCEMENTS PROTOCOL**

The parties will provide the MOU to the public. The parties will agree on any public announcement regarding the work of the MOU, as well as any public engagement processes.

## **OTHER PURVEYORS**

Requests from other utilities to participate in the MOU will not be considered. Other purveyors within the City limits would need to be represented by one of the original parties.

## **TERM**

This MOU shall be in force for the period of 8 months following the date of execution provided that the parties may by mutual consent extend the agreement.

## **BUDGET ALLOCATIONS AND COST SHARING**

All common costs (technical consultants, technical writers, facilitators) will be funded and administered by the KJWC Technical Committee current available funds (estimated \$40,000). Extra costs will be shared in proportion to each party's essential capital projects as provided to Council in February 2009 and as adjusted for completed projects and current costs.

## **CONFIDENTIALITY**

No party can publish, release or disclose any information or documents produced in the work of the MOU without consent of all parties until the end of the term of the MOU.

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**CONFLICT OF INTEREST**

No representative of a party shall provide advice that results in personal benefit.

**DISPUTE RESOLUTION**

All disputes arising out of or in connection with the MOU that cannot be resolved through facilitation will be referred to mediation on agreement of all the parties.

**TERMINATION**

Any party may terminate the MOU at any time upon 1-month written notice. The MOU would be void and require renegotiation.

**ADMINISTRATIVE & PROCEDURAL ARRANGEMENTS**

- A. Scheduling of meeting: One regular KJWC meeting per month will be devoted to the work of the MOU. Any additional meetings will require a 2-week notice from the Chair of the technical committee.
- B. Consulting contracts: The signing authority for all contracts is the KJWC Board of the Whole
- C. Interior Health will be invited to observe and comment on the proceedings.

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The signatures below confirm that all parties understand and agree to the terms set out herein. IN WITNESS WHEREOF the parties have executed this Agreement this \_\_\_ day of \_\_\_\_, 2010.

IN WITNESS WHEREOF THE CHAIR OF THE Corporate Seal of the Black Mountain Irrigation District

\_\_\_\_\_  
CHAIR, Gordon Ivans

\_\_\_\_\_  
ADMINISTRATOR, Robert Hrasko

IN WITNESS WHEREOF the Corporate Seal of the City of Kelowna was hereunto affixed in the presence of:

\_\_\_\_\_  
MAYOR, Sharon Shepherd

\_\_\_\_\_  
CITY CLERK, Stephen Fleming

IN WITNESS WHEREOF the Corporate Seal of the Glenmore-Ellison Improvement District

\_\_\_\_\_  
CHAIR, Bob Fugger

\_\_\_\_\_  
ADMINISTRATIVE TREASURER, Linda O'Neil

IN WITNESS WHEREOF the Corporate Seal of the Rutland Waterworks District

\_\_\_\_\_  
CHAIR, Garry Zarr

\_\_\_\_\_  
ADMINISTRATOR, Jim Csek

IN WITNESS WHEREOF the Corporate Seal of the South East Kelowna Irrigation District

\_\_\_\_\_  
CHAIR, David Stirling

\_\_\_\_\_  
MANAGER, Toby Pike