

ADMINISTRATIVE REPORT



TO: Board of Directors
FROM: J. Zaffino, Chief Administrative Officer
DATE: November 21, 2024
RE: Petition to Enter Service Area – Electoral Area “D” (D2024.002-SAP)

Administrative Recommendation:

THAT the Okanagan Falls Water Service Establishment Amendment Bylaw 2978.02, 2024, being a bylaw to extend the Okanagan Falls Water Service Area to include an additional 33.6 ha area of the land described as as Lot B, Plan KAP22642, District Lot 551, SDYD, Except Plan EPP34540, and Except Plan EPP86797, be read a first, second and third time.

Purpose: To extend the Okanagan Falls Water Service Area to include an additional 33.6 ha of the subject property.

Legal: Lot B, District Lot 551, SDYD, Plan KAP22642 Civic: 1655 Maple Street Folio: D-03459.000

OCP: Industrial (I) & Large Holdings (LH) Zone: General Industrial (I1) & Large Holdings One (LH1)

Purpose:

The applicant has submitted a petition request to the Regional District that seeks to include an additional 33.6 ha portion of the property at 1655 Maple Street, which is legally described as Lot B, Plan KAP22642, District Lot 551, SDYD, in the Okanagan Falls Water Service Area.

In order to facilitate this, it is being proposed to amend Schedule ‘A’ of the Okanagan Falls Water Service Establishment Bylaw No. 2978, 2022, to include an additional 33.6 ha portion of the property.

Site Context:

The subject property is approximately 45.8 ha in area. The property access road is located at the intersection of Maple Street/Oliver Ranch Road, Weyerhaeuser Road, and Commercial Way. It is understood that the parcel is comprised of two industrial buildings.

The surrounding pattern of development is varied in nature, with agricultural lands to the east, northwest, northeast and south, industrial development to the southwest and southeast, and a manufactured home park to the northwest (i.e., Peach Cliff Estates).

Background:

The current boundaries of the subject property were created by a Plan of Subdivision deposited with the Land Titles Office in Kamloops on May 18, 1972, while available Regional District records indicate that numerous building permits for industrial buildings have been issued (1973-2022), many of which related to the previous use of the site as a lumber operation by Weyerhaeuser. Most recently, a building permit has been issued for an indoor growing facility (2022).

Regional Growth Strategy:

Under the Regional Growth Strategy (RGS), Okanagan Falls is designated as a Primary Growth Area and a goal of the RGS is to “support efficient, effective and affordable infrastructure services...” (Goal 3), and is supported by a policy that seeks to “direct new development to Primary Growth Areas to provide more cost-effective infrastructure, facilities and services” (Policy 3A-2).

Official Community Plan Bylaw:

Correspondingly, under the Electoral Area “D” Official Community Plan (OCP) Bylaw No. 2603, 2013, the subject property is located within the Primary Growth Containment Area Boundaries in Okanagan Falls. The delineation of these boundaries, in-part, sought to maximize the use of existing water and sewer service utilities that have capacity, and identify known developable land that could be efficiently serviced in the future.

Furthermore, a Growth Management policy of the OCP Bylaw encourages the most efficient use of land and existing physical infrastructure by promoting infill and intensification of land uses in the Primary growth containment boundary (Policy 7.6.5).

The subject property is currently designated part Industrial (I) and part Large Holdings (LH), and is the subject of Environmentally Sensitive Development Permit (ESDP), Industrial Development Permit (IDP), and Watercourse Development Permit (WDP) Area designations. An ESDP and WDP have been issued in relation to the proposed subdivision of the property.

Zoning Bylaw:

Under the Okanagan Valley Zoning Bylaw No. 2800, 2022, the property is currently zoned part General Industrial (I1) and part Large Holdings One (LH1) which require minimum parcel sizes of 500 m² (when connected to community sewer) and 4.0 ha for subdivision, respectively. The I1 Zone provides for a variety of industrial uses, while the LH1 Zone provides for large lot rural residential uses.

Okanagan Falls Water Service Establishment Bylaw:

At its meeting of January 5, 2023, the Board adopted the Okanagan Falls Water Service Establishment Bylaw No. 2978, 2022, in response to the conversion of the water service previously provided by the Okanagan Falls Irrigation District (OFID) to a Regional District service.

The OFID had been incorporated in 1934 for the purpose of providing irrigation water to local agricultural properties, but this mandate was expanded in proceeding decades to include other forms of development such as residential, commercial and industrial.

The basis of the current service area boundary as it relates to the subject property (e.g. only being applied to a 9.0 ha portion of the parcel) is unknown to Administration.

Development Proposal:

On August 4, 2021, the Ministry of Transportation and Infrastructure (MoTI) referred a proposed 18 lot subdivision involving the subject property to the Regional District for compliance with any applicable RDOS land use bylaws.

The proposed subdivision has been amended several times in the interim. The Regional District prepared a Subdivision Review Report dated February 22, 2024 for an amended 20 lot subdivision.

Analysis:

In considering this proposal, Administration notes that the inclusion of the additional portion of the subject property within the water service area is consistent with the RGS and furthers the Strategy's guiding principles of ensuring the provision of efficient and affordable services and the inter-relationship between these and land use (e.g. directing new development and servicing to designated growth areas).

Further to this, it is noted that the area to be serviced, being the industrial zoned lands south of Shuttleworth Creek are situated within the Okanagan Falls "Primary Growth Area" boundary under the Electoral Area "D" OCP Bylaw, an objective of which is the provision of efficient and cost-effective infrastructure services.

Administration also notes that there are numerous benefits to ensuring industrial zoned lands are connected to a community water service, including:

- community systems being better regulated and monitored for water quality, which helps reduce the risk of contamination from industrial uses;
- fire safety and suppression as community water systems *generally* support higher-capacity fire hydrants and provide better water pressure;
- facilitating a wider range of industrial uses that require access to a reliable water supply for their industrial processes (e.g. cooling and cleaning);
- facilitating economic growth as sites serviced by a community water system may be more attractive to potential businesses than sites relying on a private system (leading to job creation and economic growth); and
- reduced Infrastructure costs for the broader community as costs to operate and maintain a community system can be distributed more widely, leading to lower costs per user.

Infrastructure Upgrades:

Regarding the ability of the Regional District to service this parcel, the Okanagan Falls Irrigation District (OFID) completed a Water Master Plan in 2019 that identified deficiencies related to fire flow demand and water storage. Importantly, this deficiency was confirmed by the Regional District when a subsequent water system review was completed in 2021 as part of the assessment of the proposed subdivision of the property.

Of note, there are currently two pressure zones within the Okanagan Falls Water System, each of which has their own separate water reservoir storage; a Lower Pressure Zone (LPZ) and an Upper Pressure Zone (UPZ).

The subject property is located within the UPZ and the required reservoir storage capacity required to service the range of industrial uses permitted by zoning (including fire flows) was calculated to be approximately 4,150 m³. Existing capacity in the UPZ reservoir, however, is currently estimated to be 1,135 m³.

To address, the off-site works required of the property owner to service the proposed new industrial parcels will include the construction of a new reservoir with a capacity of 3,015 m³, which will supplement the capacity provided by the existing UPZ reservoir.

Another priority identified in the Water Master Plan (2019) is the sourcing of a new groundwater well in order to replace existing groundwater well(s) that may have water quality concerns. In response, the Regional District submitted a successful grant application to the Investing in Canada Infrastructure Program (ICIP) to support upgrades to the Okanagan Falls Water System, including upgrading water sources. At present, the Regional District is exploring options in relation alternate water sources (e.g. wells), and this *may* include the subject property.

Administrative Boundaries:

From an administrative perspective, the partial inclusion of a property in a service area is undesirable for a number of reasons, including; taxation, enforcement and land use planning purposes.

In this instance, however, the north-east section of the property, which is bisected by Shuttleworth Creek, is being proposed to remain excluded from the water service area.

This is due to a preferred future land use of “rural” (e.g. agricultural or open space) having previously been applied to this land, which is one in which community servicing is not required. In support of this, the land has been excluded from the Okanagan Fall “Primary Growth Area” boundary and has had alternate zoning (e.g. Large Holdings).

Alternative:

Conversely, the option of not amending the Okanagan Falls Water Service Establishment Bylaw is available to the Board.

Under this scenario, the servicing of proposed new parcels not currently within the Okanagan Falls Water Service Area could be done either through the establishment of a private water system(s), which is something that both the RGS and OCP bylaws speak against. Or, due to the proposed parcels being greater than 1.0 ha in area, by individual wells.

For proposed parcels that may be partially within the service area, Administration is concerned about ensuring that water services, if provided, are not inappropriately extended to parts of the parcel outside of the service area boundary (which has proven difficult to enforce in the past).

Summary:

In summary, and for the reasons outlined above, Administration is recommending that Okanagan Falls Water Service Establishment Bylaw be amended to include the additional area of the parcel.

Financial Implications:

The Regional District will be working with the developer of the lands to provide the necessary reservoir and associated upgrades as part of the ongoing capital projects within the Okanagan Falls Water System.

Communication Strategy:

This request is not subject to notification requirements under the *Local Government Act*.

Alternative:

1. THAT Okanagan Falls Water Service Establishment Amendment Bylaw No. 2978.02, 2024, be denied.

Respectfully submitted:

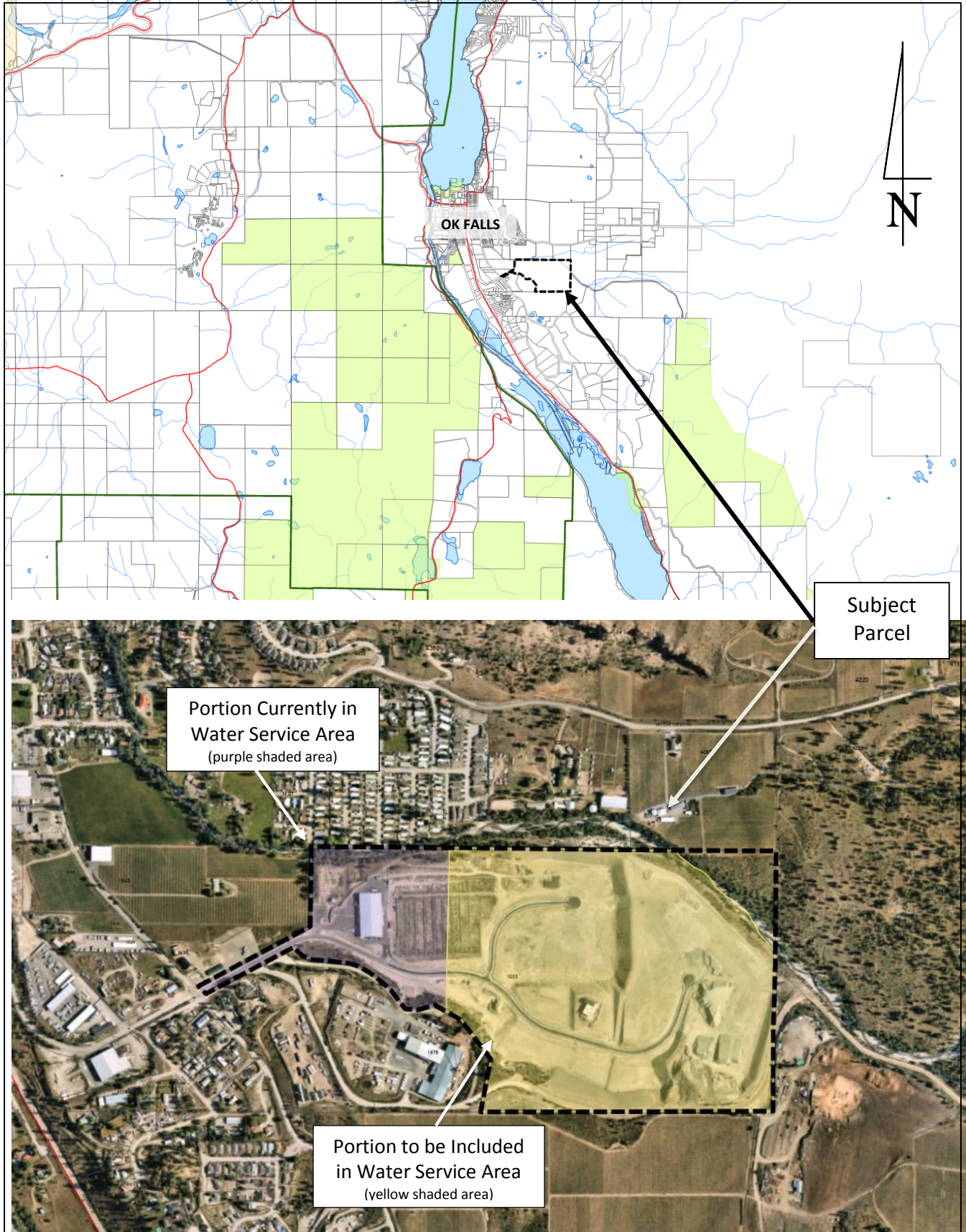


C. Garrish, Senior Manager of Planning

Attachments: No. 1 – Context Maps

No. 2 – Existing Okanagan Falls Water System Service Area Boundaries

Attachment No. 1 – Context Maps

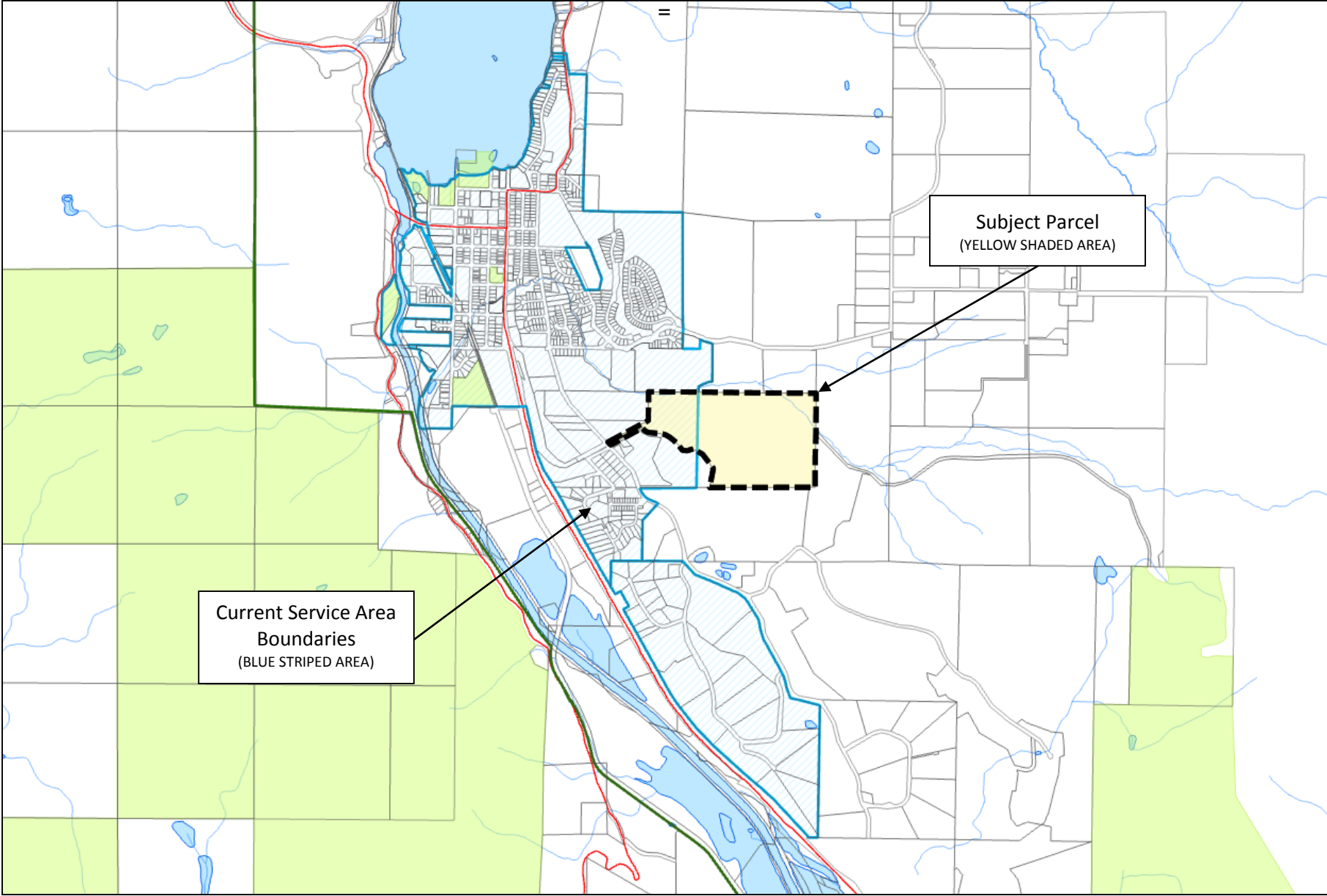


Subject Parcel

Portion Currently in Water Service Area (purple shaded area)

Portion to be Included in Water Service Area (yellow shaded area)

Attachment No. 2 – Existing Okanagan Falls Water System Service Area Boundaries



Subject Parcel
(YELLOW SHADED AREA)

Current Service Area
Boundaries
(BLUE STRIPED AREA)