August 15, 2025

Premier David Eby PO Box 9041 STN PROV GOVT Victoria, BC V8W 9E1

Dear Premier Eby,

Re: Urgent Request for Provincial Intervention - Sage Mesa Water System Crisis

The Sage Mesa Water customers respectfully request your immediate attention for provincial intervention regarding the Sage Mesa Water System near Penticton, BC.

The BC Water Comptroller seized the water system from a private owner under Order No. 1378 on June 27, 1990.

Sadly, over the past 35 years, the Comptroller of Water Rights has not resolved the original chlorination failure or established adequate reserve funding thereby violating multiple statutes including the - Water Sustainability Act, Drinking Water Protection Act, and Utilities Commission Act.

The question of whether the water users were better served under the management of the Water Comptroller's Office rather than the private owner is extremely troublesome!

Recent engineering assessments have estimated the system is in catastrophic disrepair with a potential need for \$33 million of upgrade costs to be paid by 242 ratepayers. The proposed transfer of ownership to the RDOS—along with full financial liability to residents—without guaranteed provincial funding is unconscionable!

Many affected residents are seniors and young families who were NEVER informed of the system's condition. Full disclosure has never been made to buyers acquiring homes within this private water system's boundary.

The projected annual cost of over \$12,000 per household for 30 years totalling \$250,000 per household will devastate property values, force people into bankruptcy and ultimately drive people from their homes. The download effect is not only to owners but major lenders including banks, mortgage companies, Real Estate Companies and insurance companies carrying insurance on properties without having had full disclosure.

On April 12, 2012, an agreement was signed by the City of Penticton and the Regional District of Okanagan-Similkameen to supply water to the former West Bench Irrigation District. Items C and D on page 1 of this agreement acknowledged the Sage Mesa Water System for future consideration. This option for water delivery was the most cost-effective option by the McElhanney study and Provincial staff.

Questions are also being raised as to negligence with inadequate fire flows from existing hydrants. Sage Mesa Water system is in a wildfire interface region. Insurance rates are established when hydrants are located within proximity to properties. Have the insurance companies been misled over these past 35 years with the lack of full disclosure for the fire fighting services that are contracted from the City of Penticton? Has the Real Estate Board been selling homes without information from the Provincial Government on the state of the water system and the financial burden for homeowners?

Why now are the Sage Mesa Water Users being threatened that we must accept this crushing and overwhelming debt when the Water Comptroller, in conjunction with the water system owner, have been negligent in their "Duty of Care". In the 35 years of operations and maintenance, was it not their fiduciary duty to have managed the system under the statutes they were entrusted to administer?

Interior Health has also failed its statutory duty by allowing the system to operate below minimum standards for decades, without enforcement actions.

We respectfully request your office's immediate attention and leadership in addressing the serious concerns affecting the Sage Mesa Water Users. Specifically, we ask that you:

- 1. **Investigate** the Province's potential breach of fiduciary duty under its "Duty of Care" following the 1990 seizure of the water system.
- 2. **Clarify** the legality of transferring a \$33 million liability to 242 residents through a \$1 sale to the Regional District of Okanagan-Similkameen (RDOS).
- 3. **Assess** the impact on property values and real estate transactions that occurred without proper disclosure of the water system's condition and associated liabilities.
- 4. **Address** Interior Health's failure to enforce provincial water quality standards, which continues to put residents at risk.
- 5. **Support** a commitment to provincial grant funding prior to the RDOS referendum this fall, to ensure a viable and equitable solution.

We are hopeful for a collaborative resolution that benefits all parties. Provincial grant funding would allow both the province and the private owner to move forward, while ensuring Sage Mesa residents have safe and reliable access to clean drinking water.

Without this assistance, the RDOS referendum is likely to fail—leaving the province, the private owner, and our community in a precarious and high-risk situation.

We urge your office to act swiftly to prevent further harm and restore public trust.

Sincerely,

The Sage Mesa Water Users Group

Email Contact: Sagemesawater242@gmail.com

Spokesperson: Bruce Turnbull, 250-486-1495, natcaptured@gmail.com

cc:

Prime Minister of Canada, Mark Carney, mark.carney@parl.gc.ca

Jay Chalke, Ombudsman, Province of BC, info@bcombudsperson.ca

John Rustad, Leader of the Conservative Party of British Columbia, John.Rustad.MLA@leg.bc.ca

Hon. Randene Neill – Minister of Water, Land and Resource

Stewardship: Randene.Neill.MLA@leg.bc.ca | WLRS.Minister@gov.bc.ca

Bryan Robinson - Deputy Comptroller (Water Utility Regulation): bryan.robinson@gov.bc.ca

MLA Amelia Boultbee – Penticton–Summerland: Amelia.Boultbee.MLA@leg.bc.ca

MLA Donegal Wilson - Opposition Critic for WLRS <u>Donegal.Wilson.MLA@leg.bc.ca</u>

Mark Pendergraft RDOS Board Chair: <u>m.pendergraft@rdos.ca</u>

MP Helena Konanz - South Okanagan-West Kootenay: helena.konanz@parl.gc.ca

Judi Ekkert- Interior Health Specialist Environmental Health Officer, judi.ekkert@interiorhealth.ca

Al Aderichin Head of Utility Engineering, Province of BC, Al.Aderichin@gov.bc.ca

Minister Brittny Anderson, Minister of State, <u>Brittny.Anderson@MLA@leg.bc.ca</u>

 $\label{thm:minister} \textbf{Minister Christine Boyle, Housing in Municipal Affairs: } \underline{\textbf{Christine.Boyle.MLA@leg.bc.ca}}$