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WINFIELD & OKANAGAN CENTRE IRRIGATION DISTRICT

July 19, 1946.

Dean F. M. Clement
Royal Commissioner re. Dyking, Drainage, & Irrigation

Dear Sir:

In 1931 the Winfield & Okanagan Centre Irrigation District borrowed approximately $[illegible],000.00 from the Conservation Fund. This money was used to build CROOKED LAKE dam & a flume known as "THE BYPASS" in order to supplement & conserve the supply of water in BEAVER LAKE. A shortage of water for several years had convinced the users that this policy was an essential one, and finding that the carrying agents viz. THE OKANAGAN CENTRE IRRIGATION & POWER CO. LTD. was unwilling to build more storage, the District had to go ahead and do the building itself.

Thus the District stored water that the Company was - and still is - paid by the users to deliver.

To-date about $7,500.00 has been repaid on this loan, but the District now owes the Government $14,000.00

Under the 1938 agreement we understand that other districts have been able to replace & renew their systems out of their repayments. No such privilege has been granted us. This in spite of the fact that we spent $10,000.00 in 1944 helping to rebuild BEAVER LAKE dam.

The renewal of this dam was considered very necessary. The Company stated that they were in no position to finance this work but finally agreed to pay 50% of the cost. The District, to raise it's share of the money had to assess it's members $5.00 per acre. This in addition to all other costs.

We have been informed, both verbally & by letter, by the Hon. John Hart, Premier of B. C. that this Commission would deal with our problems.

But our problem is not entirely one of debt adjustment. Our Financial Statement for 1945, with which the Government is familiar, clearly sets forth our position in this regard.

Our major problem is the ownership, maintenance, & continuity of ~~our~~ THE system. You have already received certain information from us, & at the risk of repetition, we would like to consolidate our statements at this time for record purposes.

Prior to 1943 the owners of the carrying system which delivered water to the Winfield & Okanagan Centre districts had been delivering water at a charge of $6.00 per acre foot. This price was considered by the users to be a high one. In 1943 the Irrigation Co. applied to the Public Utilities Commission for permission to increase the rate. It was only at this time that the users realised that not only was the system in a bad state of repair, but that the Company had no reserve fund.

Mr. S. Weston made a report to the Commission that shocked the users into the realisation that their strait was a desperate one.

At this time the Co. signified it's willingness to sell but the District could get no actual figure quoted.

An interview with the Premier, as mentioned in our letter of June 6, 1946, had no apparent result, although at the time he sounded favourably inclined toward us.

The right to charge an increase of $2.00 per acre foot was granted by an Order-in-Council. This rate was supposed to be enough to maintain the system & provide for depreciation - or so we thought.

On December 14, 1944 the District received a letter from the Co. stating that the purchase price of the system was $75,000.00. As Mr. Weston's report had set a value of $103,000.00 on it, the District felt that the Co's offer was reasonable enough, but $75,000.00 plus the $150,000.00 that Mr. Weston said was required almost immediately to place the system in an adequate state of repair, was a forbidding figure.

And so nothing definite was done except that the District withheld it's repayments to the Government hoping that some solution to it's combined problems could be worked out.

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In 1945 the Co. applied to the Public Utilities Commission again. This time for permission to borrow $30,000.00. The Commission granted this application only after the users had agreed to it. Actually there was not much choice. The District was faced with the serious risk that the pipe line might blow out - an event that could ruin the whole area - and were thus really forced into agreeing to finance the debt.

The users are being charged an additional $2.00 per acre foot until the debt is retired, so that actually when that time comes the District will have paid for $30,000.00 worth of system, plus interest, less depreciation, but only if the District purchases the system will it receive credit for the money thus spent. The same applies of course, to the District's share of BEAVER LAKE dam, as mentioned earlier.

The District feels that it may eventually be compelled to purchase the system piecemeal by repeated repayments on similar loans, and yet still not own it. The Public Utilities Commission says that this is not the case. Yet the fact remainsthat the District is annually pouring over $30,000.00 into the carrying oper - ation, the water being free, and has no guarantee even of continuity.

To-day the charge for receiving two acre feet of water is $22.00. Of this amount $2.00 is assessed by the District on each acre under it's control.

This , in our view, extremely high cost, cannot be maintained with certainty over a period of years.

Most of the foregoing may be , to quote from page 9 of Mr. Weston's report "a matter of historical interest only". The District does not think so. To-day will be history to-morrow and it is to-day that we would like to settle this problem. Assistance from the Government only after the recipient has reached rock bottom is often of no avail. We would appreciate some action that could be used with advantage to-day.

We have offered you this information Sir, because we feel that we will have difficulty in meeting the present high costs during the coming years. The Government should have as much interest in keeping Okanagan Centre & Winfield in production as the water users themselves have.

In our opinion the situation may be summarised as follows :-
unless financial assistance is given to this area by the Government, it cannot indefinitely stay in business.

Yours very truly,
On behalf of the Board of Trustees.