

## Proposed Amendments to the Regional Biosolids Compost Facility's Joint Operating Agreement

July 2024

Section	Current Wording	Proposing	Reason for Change	Amended
<b>1 - c. Nature of Agreement and Schedules</b>	<p>c. The following schedules shall form part of, and be incorporated into, the terms of this agreement:</p> <p>Schedule A: Commonage Compost Site Equipment Allocation</p> <p>Schedule B: Vernon Fees and Charges Bylaw No. 3909</p> <p>Schedule C: Criteria Agreement</p>	<p>c. The following schedules shall form part of, and be incorporated into, the terms of this agreement:</p> <p>Schedule A: Commonage Compost Site Equipment Allocation</p> <p>Schedule B: Fire Protection Terms of Service</p>	<p>Schedules B and C were not included in our original PDF copy of the agreement.</p> <p>We propose removing Schedule B: Vernon Fees and Charges Bylaw (See Section 6 below) and replacing it with Schedule B: Fire Protection Terms of Service.</p> <p>Schedule C is effectively replaced by regulatory requirements in Permit and Regulation.</p>	<p>yes</p>
<b>2. Terms</b>	<p>a. Both Kelowna and Vernon agree to participate in the operation of the Facility and be bound by this agreement until at least December 31, 2018 and continuing after that date unless either Municipality withdraws in accordance with</p>	<p>a. Both Kelowna and Vernon agree to participate in the operation of the Facility unless either Municipality withdraws in accordance with section 3 or this agreement is terminated in accordance with section 2.c. or</p>	<p>Addresses the passing of the initial review date. Clarifies that agreement remains in place in perpetuity unless either party</p>	<p>yes</p>

	<p>section 3 or this agreement is terminated in accordance with section 2.c. or section 21 below.</p> <p>b. The effective date of this agreement is November 1, 2011.</p> <p>c. This agreement will remain in effect until terminated by mutual agreement or until either Kelowna or Vernon wish to withdraw from the Facility as detailed in section 3 below.</p> <p>d. Kelowna and Vernon agree to enter into negotiations to renew or extend this agreement at least one year in advance of December 31, 2018.</p> <p>e. Vernon agrees and acknowledges that Kelowna is the day to day "Operator" of the Facility.</p>	<p>section 21 below.</p> <p>b. The effective date of this agreement is November 1, 2011.</p> <p>c. This agreement will remain in effect until terminated by mutual agreement or until either Kelowna or Vernon wish to withdraw from the Facility as detailed in section 3 below.</p> <p>d. Vernon agrees and acknowledges that Kelowna is the day to day "Operator" of the Facility.</p>	<p>withdraws in accordance with Section 3</p>	
<p>4-a</p>	<p>a. The Facility is located within the Regional District of North Okanagan ("RDNO") approximately 3.4 km southwest of the intersection of Bench Row Road and Commonage Road.</p>	<p>a. The Facility is located within the Regional District of North Okanagan ("RDNO"), Electoral Area B, approximately 3.4 km southwest of the intersection of Bench Row Road and Commonage Road.</p>	<p>Specified electoral area</p>	<p>yes</p>

<p><b>5 - d. Lease and Ownership</b></p>	<p>d. Vernon and Kelowna acknowledge and agree that they are also both parties to an option to purchase and right of first refusal agreement dated for reference September 23, 2005 and registered against title to Lot A-2 as charge no. KX14,9500 (the"Option/RFR").</p>	<p>Delete sub-section d.</p>	<p>Remove d. as charge is no longer on title</p>	<p>yes</p>
<p><b>6 - g. Operation of the Facility</b></p>	<p>g. Other equipment required in the future either as a change in operations, as a required component due to "contracting in" or as a result of expansion will be deemed Facility operational requirements and be purchased and maintained by Kelowna. The Facility will pay either an annual equipment fee for equipment reserve and maintenance to Kelowna or actual operating costs depending on the mutual agreement of both parties prior to the purchase.</p> <p><i>The three loaders currently used at the Facility will continue to be charged out at actual cost and their debt repayment will be provided for in the operating budget of the facility.</i></p> <p>A copy of the annual operating budget for the Facility will be provided for review and approval by Vernon at least 30 days prior to submission to Kelowna</p>	<p>g. Other equipment required in the future either as a change in operations, as a required component due to "contracting in" or as a result of expansion will be deemed Facility operational requirements and be purchased and maintained by Kelowna. The Facility will pay an equipment fee to Kelowna for equipment reserve and maintenance on an ongoing basis or actual operating costs depending on the mutual agreement of both parties.</p> <p>A copy of the annual operating budget for the Facility will be provided for review and approval by Vernon at least 30 days prior to submission to Kelowna City Council. Should Vernon have questions regarding the annual operating budget for the Facility, Vernon may request that the Kelowna Utilities Services Manager or designate, present the annual operating budget for the Facility to</p>	<p>Reserve contributions are now made quarterly. The contribution amount and schedule are subject to change based on current best practices in Fleet Services and Financial Services, and we propose amending the language to allow for this.</p> <p>We also propose including the front-end loaders in Schedule A, which includes the list of equipment eligible for the equipment reserve. The reserve contribution would be reconciled through</p>	<p>yes</p>

	<p>City Council. Should Vernon have questions regarding the annual operating budget for the Facility, Vernon may request that the Kelowna Utilities Services Manager or designate, present the annual operating budget for the Facility to Vernon and be available to answer questions.</p>	<p>Vernon and be available to answer questions.</p>	<p>quarterly operating invoices.</p>	
<p><b>6 – h. Operation of the Facility</b></p>	<p>[sub-section not included in original contract]</p>	<p>h. The three loaders currently used at the Facility will be included in Schedule A.</p>	<p>h. A list of the heavy equipment currently included in use at the Facility will be included in Schedule A. Schedule A may be amended from time to time based on agreed operating and capital budgets between the two municipalities.</p>	<p>yes</p>
<p><b>6 – k. Operation of the Facility</b></p>	<p>k. Vernon will provide reclaimed water from the VWRC to the Facility for the term of this agreement. The annual fee for the supply of reclaimed water to the Facility will be as per the Vernon Fees and Charges Bylaw No. 3909, a copy of which is attached to this agreement as Schedule B.</p> <p>For billing purposes, the Facility will be classified as a commercial operation with an equivalent irrigated area of 2.0 Ha.</p>	<p>k. Vernon will provide reclaimed water from the VWRC to the Facility for the term of this agreement. The annual fee for the supply of reclaimed water to the Facility will be as per the Vernon Fees and Charges Bylaw No. 3909.</p> <p>For billing purposes, the Facility will be classified as a commercial operation with an equivalent irrigated area of 2.0 Ha.</p>	<p>Schedule B was not included in our copy of the original agreement. We propose the agreement include a hyperlink to the bylaw, which may change over time.</p>	<p>yes</p>

<p><b>7. Decision Making</b></p>	<p>a. Unless otherwise indicated in this agreement, and without fettering the discretion of either Municipality's councils, the parties shall co-operate and agree on all major decisions and significant matters for the Facility including any matters relating to the lease, the RFR, the Option/RFR, land acquisition, any contracts or expenditures exceeding <b>\$10,000</b>, and any borrowing or any agreements where a liability is incurred for more than 5 years.</p>	<p>a. Unless otherwise indicated in this agreement, and without fettering the discretion of either Municipality's councils, the parties shall co-operate and agree on all major decisions and significant matters for the Facility including any matters relating to the lease, the RFR, the Option/RFR, land acquisition, any contracts or expenditures exceeding <b>\$100,000</b>, and any borrowing or any agreements where a liability is incurred for more than 5 years.</p>	<p>Increase the amount from \$10,000 to \$100,000 to be more in-line with current practices.</p>	<p>yes</p>
<p><b>8-d</b></p>	<p>d. The Criteria for material acceptance and processing is set out in a separate "Criteria Agreement" between the Facility and the VWRC and WWTP attached to this agreement as Schedule C.</p>	<p>d. The Criteria for material acceptance and processing is set out in the Facility's ENV Permit 108537 and BC's <i>Organic Matter Recycling Regulation</i> under the Environmental Management Act.</p>	<p>Schedule C was not included in the agreement on file and was effectively replaced by the ENV Permit in 2017, which outlines the criteria for material acceptance and processing at the Facility.</p>	<p>yes</p>
<p><b>20 - a. Insurance</b></p>	<p>a. Both parties will obtain, maintain and pay for during the term of this agreement the following insurance:  i. Comprehensive Public Liability and Property Damage in the amount of \$5,000,000;   ii. Automobile Insurance (owned and</p>	<p>a. Both parties will obtain, maintain and pay for during the term of this agreement the following insurance:  i. Comprehensive Public Liability and Property Damage in the amount of \$5,000,000;   ii. Automobile Insurance (owned</p>	<p>Kelowna's Risk Management group recommend keeping coverage of i, ii and iii at \$5,000,000, and adding Environmental Liability Insurance in an amount that is to be determined.</p>	<p>yes</p>

	<p>non-owned) in the amount of \$5,000,000;</p> <p>iii. Professional Liability of \$5,000,000.</p>	<p>and non-owned) in the amount of \$5,000,000;</p> <p>iii. Professional Liability of \$5,000,000.</p> <p>iv. Environmental Liability in the amount of \$5,000,000, minimum.</p>		
<b>23. Fire Protection</b>	<p>a. Vernon's Fire Rescue Services will provide emergency response services to the Facility site. The level of service will be consistent with the Vernon Fire Rescue Services Emergency response policy. The cost of this service will be based on the assessed value of the site and invoiced annually to the Facility.</p>	<p>a. Vernon's Fire Rescue Services will provide emergency response services to the Facility site. The level of service will be consistent with the Vernon Fire Rescue Services Emergency response policy. The cost of this service will be based on the cost of service and included in the operating budget. For the Service, Kelowna agrees to pay to Vernon the fees and charges as contained in Schedule B attached hereto and forming part of this Agreement.</p>	<p>Revise wording to match current practice and refer to a new Schedule B – Fire Protection Terms of Service.</p>	<p>yes</p>
<b>24. Notices</b>	<p>a. Any notice that either Municipality may be required or may desire to provide to the other Municipality will be deemed to have been delivered and received, if delivered personally on the date of such personal delivery or if mailed, on the third business day after mailing in British Columbia by pre-paid post addressed to either Municipality at its City Hall</p>	<p>a. Any notice that either Municipality may be required or may desire to provide to the other Municipality will be deemed to have been delivered and received, if delivered personally on the date of such personal delivery or if mailed, on the third business day after mailing in British Columbia by pre-paid post addressed to either Municipality at its</p>	<p>Remove names and update titles</p>	<p>yes</p>

	<p>address, and to the attention of the following persons or their successors:</p> <p>Don Degen Utilities Services Manager Kelowna</p> <p>Shirley Koenig Operation Services Manager Vernon</p>	<p>City Hall address, and to the attention of the following or their designates:</p> <p>Utilities Services Manager City of Kelowna</p> <p>Director of Operations City of Vernon</p>		
<b>Schedule A</b>			Replace Table SA-1 with Table SA-2 to include the 3 Front-End Loaders in asset renewal program.	yes
<b>Schedule B</b>			Replace Schedule B with a new Schedule B – Fire Protection Terms of Service	yes

Table SA-1 (current)

**Schedule A Equipment**

Vehicle #	Description		Original Cost
V6384	2007 McCloskey Trommel Screen	(Trommel)	418,170
V6481	2009 Supreme 900ST Enviroprocessor	(Mixer)	236,000
V6511	Supreme EnvirorProcessor 900 ST Compost Mixer	(Mixer)	209,000

Table SA-2 (proposed)

**Schedule A Equipment**

Vehicle #	Description	Category	Original Cost (\$)
V6384	2007 McCloskey Trommel Screen	Trommel	418,170
V6481	2009 Supreme 900ST Feed Mixer	Mixer	236,000
V6511	2009 Supreme 900 ST Feed Mixer	Mixer	209,000
V6831	2016 Volvo L110H Front End Loader	Loader	403,100
V6881	2018 CAT 950M Front End Loader	Loader	463,390
V6963	2020 Volvo L110H Front End Loader	Loader	453,030



**Schedule B – Fire Protection Terms of Service**

The Facility (Customer) shall pay to the City of Vernon (Service Provider) an annual fee for each year of the Term (the "Annual Fee"). The Customer shall pay the Annual Fee for the first year of the Term upon execution of this Agreement in the amount of \$20,000.00. On each anniversary of the date of this Agreement during the Term, the Annual Fee shall be invoiced to the Customer and the rate per Service Site shall increase by three percent (3.0%) compounded.

<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
\$ 20,000.00	\$ 20,600.00	\$ 21,218.00	\$ 21,854.54	\$ 22,510.18	\$ 23,185.48	\$ 23,881.05	\$ 24,597.48	\$ 25,335.40	\$ 26,095.46
<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>	<b>2037</b>	<b>2038</b>	<b>2039</b>	<b>2040</b>	<b>2041</b>	<b>2042</b>
\$ 26,878.33	\$ 27,684.68	\$ 28,515.22	\$ 29,370.67	\$ 30,251.79	\$ 31,159.35	\$ 32,094.13	\$ 33,056.95	\$ 34,048.66	\$ 35,070.12
<b>2043</b>									
\$36,122.22									