

REGIONAL DISTRICT OF NANAIMO

**COMMITTEE OF THE WHOLE
TUESDAY, JULY 22, 2003**

7:00 PM

(RDN Board Chambers)

A G E N D A

PAGES

CALL TO ORDER

DELEGATIONS

MINUTES

- 4-10 Minutes of the regular Committee of the Whole meeting held Tuesday, June 24, 2003.

BUSINESS ARISING FROM THE MINUTES

COMMUNICATION/CORRESPONDENCE

- 11 **Jim Abram, Chair, Comox-Strathcona Regional District**, re Bill 48 - Agriculture Food & Fisheries Statutes Amendment Act.
- 12 **Bill Mills, Nanaimo Port Authority**, re Election of Board Chairman.
- 13-27 **Derek Appleton, Alberni-Clayoquot Regional District**, re BC Hydro Heritage Contract.

COMMUNITY SERVICES

CORPORATE SERVICES

- 28-31 Application for a Temporary Change to a Liquor Licence - Cassidy Inn - Area A.

DEVELOPMENT SERVICES

BUILDING INSPECTION

32 Section 700 Filings.

PLANNING

33-36 Permanent Change to a Liquor Licence – Hours of Liquor Sales – Frontiersman Neighbourhood Pub & Restaurant – Area F.

PRESENTATION

37 Ted Olynyk, re Vancouver Island Generation Project.

38-47 Power Generation for Vancouver Island.

ENVIRONMENTAL SERVICES

LIQUID WASTE

48-49 2003 Local Government Grant Program – Infrastructure Planning (Study) Grants.

50-51 2002 Annual Report on the Liquid Waste Management Plan. (Annual Report included as separate enclosure)

52-54 Greater Nanaimo Pollution Control Centre Boiler Building Upgrade – Boiler Supply Tender Award and Construction Project Tender Award.

55-55 Greater Nanaimo Pollution Control Centre – Sludge Heating & Boiler Building Upgrade Consulting Services.

57-59 Southern Community LSA Wastewater Treatment System & Facilities Reserve Fund Expenditure Bylaw No. 1356 - Greater Nanaimo Pollution Control Centre Boiler Building Upgrade – Release of Reserve Funds.

UTILITIES

60-63 Rural Streetlighting LSA Boundary Amendment Bylaw 791.08 – Area G.

COMMISSION, ADVISORY & SELECT COMMITTEE

Verbal Reports As Available:

Municipal Finance Authority

Deep Bay Harbour Authority

Regional Library Board

Treaty Advisory Committee

North Island 911 Corporation

Municipal Insurance Association
Mt. Arrowsmith Biosphere Foundation
Vancouver Island Generation Project Committee
Vancouver Island Health Authority – Project Building Committee
Vancouver Island Health Authority – Joint Capital Planning Committee
Vancouver Island Regional Transportation Advisory Committee

ADDENDUM

BUSINESS ARISING FROM DELEGATIONS OR COMMUNICATIONS

NEW BUSINESS

BOARD INFORMATION (Separate enclosure on blue paper)

ADJOURNMENT

IN CAMERA

That pursuant to Section 242.2(1)(e) of the Local Government Act the Board proceed to an In Camera meeting to consider a matter related to the acquisition/disposition of land.

REGIONAL DISTRICT OF NANAIMO

MINUTES OF THE COMMITTEE OF THE WHOLE
MEETING HELD ON TUESDAY, MAY 27, 2003, AT 7:30 PM
IN THE RDN BOARD CHAMBERS

Present:

Director E. Hamilton Alternate	Chairperson
Director H. Kreiberg	Electoral Area A
Director G. Lund	Electoral Area B
Director D. Haime	Electoral Area D
Director P. Bibby	Electoral Area E
Director L. Biggemann Alternate	Electoral Area F
Director M. Klee	Electoral Area G
Director D. Bartram	Electoral Area H
Director R. Longmuir	City of Parksville
Director T. Westbrook	Town of Qualicum Beach
Director L. Sherry	City of Nanaimo
Director R. Cantelon Alternate	City of Nanaimo
Director D. Brennan	City of Nanaimo
Director G. Korpan Alternate	City of Nanaimo
Director J. Manhas	City of Nanaimo
Director B. Holdom	City of Nanaimo

Also in Attendance:

K. Daniels	Chief Administrative Officer
C. Mason	General Manager of Corporate Services
J. Finnie	General Manager of Environmental Services
B. Lapham	General Manager of Development Services
P. Shaw	Manager of Community Planning
S. Schopp	Manager of Inspection and Enforcement
M. Burton	Recording Secretary

The Chief Administration Officer called the meeting to order and requested nominations for Chairperson of this meeting, due to the absence of the Chairperson and the Deputy Chairperson.

Nomination of Chairperson.

MOVED Director Bartram, SECONDED Director Haime, that the Committee appoint Director Hamilton to Chair the meeting.

MINUTES

CARRIED

MOVED Director Sherry, SECONDED Director Bartram, that the minutes of the special and regular Committee of the Whole meetings held April 22, 2003, be adopted.

CARRIED

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COMMUNICATIONS/CORRESPONDENCE

George Abbott, Minister of Community, Aboriginal & Women's Services, re Board of Variance Appointments.

MOVED Director Cantelon, SECONDED Director Bibby, that the correspondence re Board of Variance appointments from Minister George Abbott be received.

COMMUNITY SERVICES

CARRIED

Intergovernmental Advisory Committee – District of Lantzville Representation.

MOVED Director Holdom, SECONDED Director Bartram, that the Regional District of Nanaimo Board invite the District of Lantzville Council to appoint a representative to the Intergovernmental Advisory Committee to represent the District.

Descanso Bay Wharf Service Bylaw No. 1352.

CARRIED

MOVED Director Lund, SECONDED Director Westbrook, that the report on the facility proposal for a new wharf function and for emergency medical evacuations for Gabriola Island be received.

CARRIED

MOVED Director Lund, SECONDED Director Sherry, that "Descanso Bay Wharf Service Bylaw No. 1352, 2003", be given 1st, 2nd and 3rd readings and proceed to counter petition pursuant to section 801.3 of the *Local Government Act*.

CARRIED

MOVED Director Lund, SECONDED Director Holdom, that the Counter Petition deadline of July 25, 2003 be established for "Descanso Bay Wharf Service Bylaw No. 1352, 2003".

RECREATION AND PARKS

CARRIED

Terms of Reference for the Descanso Bay Regional Park and Nanaimo River Regional Park Management Plans.

MOVED Director Sherry, SECONDED Director Kreiberg, that the Terms of Reference for the Descanso Bay Regional Park and Nanaimo River Regional Park Management Plans be approved.

TRANSIT

CARRIED

Pets on Board Program – Conventional Transit.

MOVED Director Westbrook, SECONDED Director Holdom, that the Master Joint Operating Agreement with BC Transit be amended to allow for Pets-On-Board Program.

CARRIED

MOVED Director Westbrook, SECONDED Director Sherry, that once the agreement was amended the proposed Pets-on-Board Program run for a trial period of six months.

CARRIED

CORPORATE SERVICES

ADMINISTRATION

Application for a Temporary Change to a Liquor Licence – Cassidy Inn – Area A.

MOVED Director Kreiberg, SECONDED Director Sherry, that the Board has no objection to the Cassidy Inn's request for a temporary change to their Liquor Licence to provide for an extended patio area for their Show 'n Shine event scheduled for June 22, 2003.

FINANCE

CARRIED

Nanoose Bay Bulk Water Supply Security Issuing Bylaw No. 1239.

MOVED Director Bibby, SECONDED Director Cantelon, that "Regional District of Nanaimo (Nanoose Bay Bulk Water Supply) Security Issuing Bylaw No. 1239, 2001" be forwarded to the Municipal Finance Authority to complete the borrowing for the Northwest Bay Road transmission line.

CARRIED

FIRE DEPARTMENTS

Firefighting Vehicle Upgrades for the Nanoose Bay Fire Protection Society.

MOVED Director Bibby, SECONDED Director Sherry,:

1. That the Regional District of Nanaimo advise the Nanoose Bay Fire Protection Society that the adjustments to its budget for the purposes of upgrades to trucks #12 and #13 are approved.
2. That "Regional District of Nanaimo Financial Plan (2003 to 2008) Amendment Bylaw 1337.01, 2003" be introduced for first three readings.
3. That "Regional District of Nanaimo Financial Plan (2003 to 2008) Amendment Bylaw 1337.01, 2003" having received three readings be adopted.
4. That "Nanoose Fire Protection Function Reserve Fund Expenditure Bylaw No. 1351, 2003" be introduced for first three readings.
5. That "Nanoose Fire Protection Function Reserve Fund Expenditure Bylaw No. 1351, 2003" having received three readings be adopted.

CARRIED

Coombs Hilliers Fire Protection.

Director Westbroek requested that discussions be held to determine if the properties surrounding Cameron Lake Resort can be included in the Coombs Hilliers Fire Protection Local Service Area. Director Biggemann noted that discussions were already underway.

DEVELOPMENT SERVICES

Nanaimo Airport Master Plan – Implications for Regional District of Nanaimo – Area A.

MOVED Director Cantelon, SECONDED Director Manhas,:

1. That the staff report on 'Nanaimo Airport Master Plan – Implications for the Regional District of Nanaimo' be received for information.
2. That the Chair of the Board select a Committee to work with Nanaimo Airport Commission to consider issues related to future land use at the Nanaimo Airport and direct staff to prepare amendments to the OCP policy and zoning for the airport lands that will harmonize proposed airport land use and development with the Electoral Area 'A' Official Community Plan and Regional Growth Management policies.

BUILDING INSPECTION

CARRIED

Section 700 Filings.

The Chairperson listed each filing and asked that any property owner in the audience wishing to address the Committee come forward when their name was called.

The Chairperson noted that the filing for 1765 Claudet Road has been withdrawn.

Mr. Pieter Van Western advised the Board that he is continuing to work towards rectifying the building deficiencies.

MOVED Director Cantelon, SECONDED Director Kreiberg, that a notice be filed against the title of Lot 1, Section 1, Range 6, Plan VIP68894, Cedar Land District, 3460 Whiting Way, Electoral Area 'A', owned by Pieter Van Westen, pursuant to Section 700 of the *Local Government Act* and that if the infractions are not rectified within ninety (90) days, legal action may be pursued.

ENVIRONMENTAL SERVICES

CARRIED

LIQUID WASTE

Licence Agreement with City of Nanaimo for a Portion of Regional District of Nanaimo Land at Chase River Pumping Station for Trail Network.

MOVED Director Sherry, SECONDED Director Haime, that the Licence Agreement that permits the City of Nanaimo to use the Regional District of Nanaimo lands at 1174 Island Highway South for extension of the Chase River Park trail network be approved and executed.

Pump and Haul LSA Amendment Bylaw No. 975.28.

CARRIED

MOVED Director Sherry, SECONDED Director Bartram, that "Regional District of Nanaimo Pump & Haul Local Service Area Amendment Bylaw No. 975.28, 2003" be read three times and forwarded to the Inspector of Municipalities for approval.

CARRIED

UTILITIES

Rural Streetlighting LSA Boundary Amendment Bylaw No. 791.07.

MOVED Director Westbrook, SECONDED Director Sherry, that 'Rural Streetlighting Local Service Area Boundary Amendment Bylaw No. 791.07, 2003' be introduced, read three times and forwarded to the Inspector of Municipalities for approval.

CARRIED

Electoral Area 'A' (MacMillan Road School Site) Sewer LSA Rates & Regulations Amendment Bylaw No. 1237.02.

MOVED Director, Sherry, SECONDED Director Kreiberg,:

1. That "Electoral Area 'A' (MacMillan Road School Site) Sewer Local Service Area Rates and Regulations Amendment Bylaw No. 1237.02, 2003" be introduced for three readings.
2. That "Electoral Area 'A' (MacMillan Road School Site) Sewer Local Service Area Rates and Regulations Amendment Bylaw No. 1237.02, 2003" having received three readings, be adopted.

CARRIED

Morningstar Streetlighting LSA Boundary Amendment Bylaw No. 869.04.

MOVED Director Westbrook, SECONDED Director Klee, that 'Morningstar Streetlighting Local Service Area Boundary Amendment Bylaw No. 869.04, 2003' be introduced, read three times and forwarded to the Inspector of Municipalities for approval.

CARRIED

COMMISSION, ADVISORY & SELECT COMMITTEE

Electoral Area 'A' Parks & Open Space Advisory Committee.

MOVED Director Kreiberg, SECONDED Director Korpan, that the minutes of the Electoral Area 'A' Parks & Open Space Advisory Committee meeting held April 17, 2003, be received for information.

CARRIED

Grants-in-Aid Committee.

MOVED Director Haime, SECONDED Director Longmuir, that the minutes of the Grants-in-Aid Committee meeting held May 15, 2003 be received for information.

CARRIED

MOVED Director Haime, SECONDED Director Sherry, that the following grants be awarded:

School District 68:

Cedar School & Community Enhancement Society	\$	260
1 st Lantzville Scouts		2,250
Nanaimo Search & Rescue Society		1,300

CARRIED

MOVED Director Barrtram, SECONDED Director Longmuir, that the following grants be awarded:

School District 69:

District 69 Historical Society	\$	2,500
Forward House Community Society		1,000
Oceanside Community Policing Offices		900
Parksville Special Olympics		200
Vancouver Island Palaeontology Museum Society		1,100

Lantzville Parks & Open Space Advisory Committee.

CARRIED

MOVED Director Haime, SECONDED Director Westbrook, that the minutes of the Lantzville Parks & Open Space Advisory Committee meetings held March 3 and April 7, 2003, be received for information.

Nanoose Bay Parks & Open Space Advisory Committee.

CARRIED

MOVED Director Bibby, SECONDED Director Cantelon, that the minutes of the Nanoose Bay Parks & Open Space Advisory Committee meeting held May 8, 2003, be received for information.

CARRIED

MOVED Director Bibby, SECONDED Director Westbrook, that the Guidelines for Regional District Role in Ministry of Transportation Water Accesses in Area 'E' be accepted.

Regional Waste Advisory Committee.

CARRIED

MOVED Director Sherry, SECONDED Director Longmuir, that the minutes from the Regional Waste Advisory Committee meetings (previously named Regional Environmental Advisory Committee) held April 24 and May 15, 2003 be received for information.

Transit Business Plan Update Select Committee.

CARRIED

MOVED Director Holdom, SECONDED Director Sherry, that the minutes of the Transit Business Plan Update Select Committee meeting held May 15, 2003, be received for information.

Verbal Reports.

CARRIED

Regional Waste Advisory Committee.

Director Sherry gave a verbal account of his attendance at the Kyoto conference in Regina, and challenged the City of Parksville and the Town of Qualicum Beach to become members in the FCM Partners for Climate Protection Program.

Vancouver Island Regional Library Board.

Director Bibby gave an overview of the March meeting to the Committee Members.

Mt. Arrowsmith Biosphere Foundation.

Director Bibby gave a verbal report addressing the role of the Mt. Arrowsmith Biosphere Foundation, and referred to the development of their five-year plan.

NEW BUSINESS

Director Haime requested clarification of comments made by Mayor Korpan at the May 26, 2003 City of Nanaimo Council meeting. Director Haime requested a public apology from Director Korpan at the next Council meeting, as well as a published written apology for those comments. Director Haime also requested staff offer clarification on the policy for covering legal fees.

Haslam Creek Suspension Bridge.

MOVED Director Korpan, SECONDED Director Bibby, that the Board congratulate Regional District Staff on the successful completion of the Haslam Creek Suspension Bridge.

Electoral Area 'A'.

CARRIED

Director Kriebert thanked the Board and Staff for their support during his term in office as Alternate Director for Electoral Area 'A'.

ADJOURNMENT

MOVED Director Sherry, SECONDED Director Cantelon, that this meeting adjourn to allow for an In Camera meeting.

CARRIED

TIME: 8:23 PM

CHAIRPERSON

Comox-Strathcona

From the Office of the

CHAIR OF THE BOARD
REGIONAL DISTRICT
OF NANAIMO

JUL 10 2003

BO-C

CHAIR

GMCrs

CAO

GMDS

GmCms

GMES

Call Comox

July 10, 2003

The Honourable George Abbott
Minister of Community, Aboriginal and Women's Services
Room 103 Parliament Buildings
Victoria, BC V8V 1X4

Dear Minister Abbott:

RE: BILL 48 - AGRICULTURE FOOD & FISHERIES STATUTES AMENDMENT ACT, 2003

At the regular meeting of the Regional District of Comox-Strathcona held June 30, 2003, the Regional Board considered the impact of Bill 48 on local governments. Part of their deliberations included considering correspondence from the Regional District of Powell River, dated June 4, 2003, and information from the Islands Trust and the UBCM regarding this Bill. Subsequent to much discussion, the Board, adopted the following motion:

THAT the Regional District of Comox-Strathcona objects to Bill 48, the Agriculture, Food and Fisheries Statutes Amendment Act, 2003 as it undermines the relationships between the Provincial Government and local governments, and between local governments and the people they serve, in that:

- 1. it violates the principles for relationship between local governments and the Provincial Government as prescribed in Section 4 of the Local Government Act.*

The Regional Board urges the Province to provide local government with some assurance that the Province will, in future, respect the intent and requirements of section 4 of the Local Government Act, by undertaking direct and meaningful consultation with local governments prior to introducing any legislation that directly affects our interests.

Sincerely,



Jim Abram
Chair

cc: All Union of British Columbia Municipalities members
Stan Hagen, MLA
Rod Visser, MLA



PORT OF NANAIMO

Nanaimo Port Authority
P.O. Box 131, 104 Front St.
Nanaimo, B.C., Canada V9R 5K4
Tel: 250-753-4146
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REGIONAL DISTRICT OF NANAIMO			
JUL 15 2003			
CHAIR		GMCRs	
CAO	✓	GMDS	
GMCRs		GMES	
Board Conv. P.			✓

NEWS RELEASE: JULY 15, 2003
FOR IMMEDIATE RELEASE
Contact: Bill Mills, President & CEO

At the Nanaimo Port Authority's Board meeting held earlier today Dave Bakes was elected Chairman of the Board by acclamation.

Dave Bakes, who is a User Representative appointee to the Port Authority, will hold office for a term of two years. Other Directors on the Board are: Michael Berry and Bryon Calverley who are User Representatives appointed by the Minister of Transport; Ross Fraser, the new member on the Board who is the City of Nanaimo representative; Vice-Chair Carol Matthews is the Provincial representative; and David Lobay, the Federal appointee.

Chairman Bakes took a few minutes to express appreciation to the Directors for their confidence in him. He said he looks forward to working with the Directors and Port Administration as the Port faces the challenges of promoting its services and continuing the enhancement of Nanaimo's waterfront.



**ALBERNI-CLAYOQUOT
REGIONAL DISTRICT**

3008 Fifth Avenue, Port Alberni, B.C. CANADA V9Y 2E7

REGIONAL DISTRICT OF NANAIMO	
JUL 15 2003	
CHAIR	GMDS
CAO	GMDS
GMCms	GMES
<i>Bed Corbett</i>	

(250) 720-2700 FAX: (250) 723-1327

June 8, 2003

Directors
Regional District of Nanaimo
6300 Hammond Bay Road
Nanaimo, B.C.
V9T 6N2

In compliance with the Provincial Energy Policy, and the terms of reference issued on March 25, 2003, BC Hydro has submitted a proposal to the British Columbia Utilities Commission regarding a Heritage Contract, Stepped Rates and Access Principles. The terms of reference call for a Heritage Contract will have the effect of locking in the value of existing low-cost generation assets for BC Hydro's ratepayers and ensure the continued benefits of those "heritage assets". In addition the terms of reference call for the development of a stepped rate for industrial customers.

This result of this process will be very significant for Vancouver Island communities. As home to some of the largest industrial customers access to the heritage resources of the Province will be key to maintaining economically feasible hydro costs for industry. Access to the heritage resource, almost all of which is generated on the mainland, will be a significant concern for Vancouver Island. Unless the access to the power is reflected in the rates in such a way as the ability to actually transmit that power to the Island is not a necessary condition of receipt of benefits, Island communities will indeed be subjected to much higher energy costs. This will negatively impact the industries that drive our economies. Our intervention is critical.

The Alberni Clayoquot Regional District believes that power is a key ingredient to economic development of Vancouver Island. Energy and competitive pricing is key and for this reason the ACRD has registered as an intervenor in the BCUC hearings regarding the Heritage Power and Stepped Rates and Access Principles issue. We have submitted the attached evidence and will participate in the regional Inquiry session to be held in Victoria on Monday 21, 2003.

The BCUC has extended an invitation to BC stakeholders, particularly local governments, to participate in the regional sessions. (see attached letter, BUCU June 17, 2003) On behalf of our Regional District, I encourage you to participate. This issue is critical to Island communities and our future. Please voice your comments directly to the BUCU at the noted address on the attached letter and plan to attend the regional inquiry session on July 21st.

We invite you to consider and will appreciate support for our submission. If you concur with our thoughts, please indicate support either with a letter of support or attendance at the Inquiry session.

If you have any questions please contact either our Economic Development Officer, Janet Schlackl, (250) 723-2188 or myself.

Yours truly,

Derek Appleton,
Chair

Enc.

**Regional District of Alberni Clayoquot
Intervenor Evidence**

**BC Hydro Proposal regarding a Heritage Contract for B.C. Hydro's Existing
Generation Resources and Regarding Stepped Rates and Transmission Access**

The Regional District of Alberni Clayoquot is situated in the heart of Vancouver Island at the head of the Alberni Inlet leading to the Pacific Coast and includes the communities of Tofino, Ucluelet, Port Alberni, and Bamfield together with several electoral areas. The region has a significant industrial heritage primarily in forestry and marine activities.

The decline in resource-based industry during the past decade has severely impacted our community prompting a need for economic diversification with a view to sustaining existing industry/business and attracting new investment. We believe power is a key component to the economic stability and growth of our region. The Regional District of Alberni-Clayoquot (RDAC), on behalf of the City of Port Alberni, the Port Alberni Port Authority, the Port Alberni Labour Council and their member communities Ucluelet, Tofino and electoral areas including Bamfield, wishes to address the following issues of concern a propos the BC Hydro's proposal regarding a Heritage Contract, Stepped Rates and Access Principles:

1. Economic development concerns related to security of power supply
2. Fair and equitable access to heritage power for Vancouver Island Communities
3. Allocation of heritage power to new commercial/industrial customers
4. Direction of surplus capability (i.e. the determination of quantity to be traded or sold by Powerex and to whom)
5. The terms and conditions governing existing or new industrial rates
6. The net cost effect to BC communities resulting from the introduction of IPPs
7. "Incentives" for large industrial customers

1. Economic development concerns related to security of power supply

Small, resource based communities on Vancouver Island are faced with not only the market threats, soft lumber agreements, and regulatory/process changes to traditional economic sectors but have to deal with the resulting shrinking tax base. The community demand for services and operational dollars has not declined. The shift in the economic base has resulted in industry closures and to some degree population decline. The loss of tax base results in fewer paying more, placing greater burden on existing industry. This shift in financial burden poses a significant risk to communities who are unable to augment their economic base to provide a greater sharing of tax load. An inability to access more power on Vancouver Island severely curtails the potential for any new industrial investment.

New and sustained employment levels, the sustaining/expanding of existing industry and the attraction of new investment are critical to the economic stability of the Island. The RDAC has traditionally been an industrial region dependent on resource-based industry including manufacturing. As one of the province's prime forestry resource producers the RDAC has and continues to be home to some of BC's largest industry and major hydro consumers.

2. Fair and equitable access to heritage power for Vancouver Island Communities

Summary Slides, BCUC Workshop, May 13 Slide # 9 Heritage Beneficiaries receive the full benefits of the generation of the Heritage Resources and first call on all available Heritage Resource capacity.

The Heritage Resources are available now. The BC Hydro Proposal recommends that the energy supply obligation be set at 49,000 GWh per year. (BC Hydro Proposal Volume 1, 3.1) but suggests that in some market conditions electricity purchases may be necessary

and in fact cites three methods of supply including purchases from independent power producers.

BC Hydro Proposal Volume 1 3.1 Optimization of System through Coordinated Operation

BC Hydro provides a secure and reliable supply of electricity to its ratepayers through a combination of the Heritage Resources, electricity purchases from independent power producers and purchases from the wholesale electricity market.

Vancouver Island has been identified as the one area in BC facing a critical power shortage in the near future. The BC Hydro proposal provides for a bundled service without a security of allocation to Heritage Energy for any area of BC. The proposal states that most new resources will come on line with relatively little ability to be shaped. BC Hydro seems to suggest in both their Vancouver Island Generation Plant application and recent articles in the media that the power needs on Vancouver Island will be met by some form of gas/fossil fuel generation. How will Vancouver Island communities be assured of the benefits of Heritage Resources? An embedded pricing formula will not guarantee the right of access to the energy. What guarantee do Island communities have that they will indeed receive fair and equitable access to Heritage Energy in a timely fashion and not be subjected to embedded rates that continue to rise due to the increased use of IPP generated power? The commitment to provide access to Heritage Energy appears only to relate to rates within a total Hydro revenue requirement. The increased use of IPP generated power, increased sales of Hydro generated power on the mainland, and continued export of the Canadian Entitlement provides little comfort to Island communities that they will continue to enjoy the secure and reliable supply of electricity at a reasonable rate.

The BC Hydro proposal does not include the transmission infrastructure currently in place and owned by BC residents. The proposal allows the rates to be set for Heritage Rates to be determined to the gate of the generation facilities. We would argue that the transmission of power on the existing grid should be included in the Heritage Resources and as such included in the rate schedule.

BC Hydro Proposal Volume 1 3.2.4 Other Rights and Obligations

The Heritage Contract clearly excludes power generated from the downstream benefits associated with the Columbia River Treaty. The Canadian Entitlement should be included in the Heritage Energy calculation rather than be reserved for export sales. Minister Neufeld emphatically advised this community that the Canadian Entitlement is owned by the Province, not BC Hydro, and is available for purchase by BC Hydro. (see attached Appendix A) The BC Hydro proposal excludes this energy in its estimate of Heritage power thereby not making it available for use in the Province to assist with business expansion and economic development opportunities.

Proceeds from the Canadian Entitlement are included in the Poworex revenue but only as export sales, excepting the Power For Jobs and Alcan agreements. Where then is the allowance made for use of the power in BC? Power currently being sold on the export market could address power shortages in Northern BC and Vancouver Island. Vancouver Island faces critical power shortages in the short term. The use of the dsb power could address those concerns in a short time and provide opportunities for economic diversification and growth.

RDAC advocates that the downstream benefits should be directed to BC for domestic use to insure that **"Heritage Beneficiaries receive the full benefits of the generation of the Heritage Resources and first call on all available Heritage Resource capacity."**

Summary Slides, BCUC Workshop, May 13 Slide # 9

BC Hydro Proposal, Volume 2, Stepped Rate Design Report, 1.2.3, BC Hydro
"....BC Hydro states in the introduction to this filing that it does not believe that
the consideration of feasible stepped rate designs should be restricted or tied to the
costs or terms and conditions of the Heritage Contract."

The Energy Policy under the heading of Solutions Policy Action #1 indicates the intention of a heritage contract to preserve the benefits of BC Hydro's existing generation. If the Heritage Contract is not tied to the stepped rate designs how can BC Hydro insure that the 1821 customers benefit from the Heritage Resources? The Heritage Contract must be in some way tied to the stepped rate customer baseline to provide security to industry with a percentage of Heritage Resource guarantee.

3. Allocation of heritage power to new commercial/industrial customers

Terms of Reference, Schedule A - 11th Recital requires that a new rate structure should be developed to send better price signals to large electricity consumers. Clearly if we are not able to provide power at a competitive long term rate, attraction or expansion of industry is unlikely, but if we are not able to provide power the opportunity for economic growth does not exist.

Summary Slides, BCUC Workshop, May 13 Slide #17

BC Hydro will provide Heritage Energy along with priority use of the capacity from the Heritage Resources in a manner that best serves domestic needs

We suggest that the Canadian Entitlement, already in the grid, be included in the 49,000 GWh proposed as the quantity of Heritage Energy available be redirected for use within the Province. This power is hydroelectrically produced, is in the grid, and will help to insure lower cost electricity (embedded rates) for residents and industry of BC.

4. Direction of surplus capability (i.e. the determination of quantity to be traded or sold by Powerex and to whom)

BC Hydro Proposal Volume 1, 3.3.1 Deriving Benefits from Accessing External Market. BC hydro makes surplus available to Powerex for re-sale outside BC.

BC Hydro makes available to Powerex any surplus system capability to earn Trade Income. That Trade Income is proposed to contribute to the BC Hydro revenue requirement ultimately affecting the price for ratepayers in a favourable manner. If BC Hydro were to employ power currently in the grid, (dsb) rather than have to purchase other than hydro generated power we suggest that the cost to the Heritage Beneficiaries will be significantly less.

The sale of surplus power appears to be available for sale outside of the province only. The application does not address the potential of providing surplus power for expansion or new industry, although the BC Hydro Proposal, Volume 3.3.4 (1) states, "*BC Hydro has first priority access to Powerex imports and exports and to thermal generation to meet domestic supply*". The section goes on to say, "*that domestic customers would generally receive the lowest cost imports,and first access to BC Hydro's thermal generation to meet domestic load. If these capabilities are not required for domestic supply... Powerex could access surplus capability to engage in trade activity at a later date.*"

The Proposal does not define how the surplus will be identified, who will declare the power surplus, and how that surplus will be used and if it will be made available for domestic users at first call rather than export market first.

New industrial customers requesting power supply bringing new investment to the Province have been consistently advised that there is no surplus power for sale in BC. If in fact there is surplus power, including the Canadian Entitlement it must be made available to British Columbia communities to assist with economic development and

employment replacement. Allocation of heritage power to new commercial/industrial customers is not addressed in this proposal which suggests the "opportunity cost" has not been appropriately considered and does not consider future economic development opportunity.

The Province of British Columbia Energy Policy Executive Summary

"The purpose of the energy policy, Energy for Our Futures: A Plan for BC, is to build on B.C.'s strengths to help revitalize the provincial economy and create jobs in an environmentally responsible way." It goes on to say "This plan builds on B/C's advantages, in particular our abundant energy resources and low electricity prices...."

The distinct lack of reference to new industrial demand for power, and the obvious omission of economic development concerns in the BC Hydro Proposal is cause for concern in communities who are try to sustain and build new economic drivers.

5. **The terms and conditions governing existing or new industrial rates**

BC Hydro Proposal Volume 2, 1.1 Policy Action #14 under new rate structures, large electricity consumer will be able to choose a supplier other than the local distributor. Policy Action #21 New rate structures will provide better price signals to large electricity consumer for conservation and energy efficiency.

BC Hydro proposes that the new stepped pricing will provide incentive for large industrial customers to purchase from IPPs or self generate, or conserve their energy requirements. Although the plan may encourage demand side management, it discourages economic development and expansion of non-energy business. BC Hydro suggests that in determining cost of new supply, the last block of energy consumed should reflect that cost. We argue that this provides no incentive to new customers nor indication that new industrial customers, considering investment in our communities will benefit from the Heritage Power.

During the May 13th workshop, BC Hydro in discussing slide #45 suggested that conservation by large industrial customers could be met through curtailment of production. Curtailment of production in BC communities translates to job lay-offs, and spins out to dramatically effect the entire economic engine of small communities. We are appalled that BC Hydro would demonstrate a decided lack of concern for the economy of small towns in BC and in particular those on Vancouver Island who house a significant portion of major industry that drives the economy of the province.

BC Hydro proposed to establish a Customer Baseline (CBL) for each industrial customer based on some estimate of historical consumption. How will this apply to new industry or to new investment by existing companies? The industrial customer baselines would need adjustment every few years, undermining the Energy Plan, and may discourage businesses from developing IPPs, self-generation or conservation plans. If industrial users have previously invested in energy efficiency and conservation, will their CBL be set at pre-investment levels?

6. The net cost effect to BC communities resulting from the introduction of IPPs

The BC Energy Policy Action #13 the private sector will develop new electricity generation, with BC Hydro restricted to improvements at existing plants. Policy Action #14 under new rate structures, large electricity consumers will be able to choose a supplier other than the local distributor.

The Stepped rate design clearly encourages the 1821 customers to seek alternate supplies of energy through other suppliers or IPPs. The net cost effect to BC communities of encouraging new thermal generation is not explored in this proposal but it should be considered. The proposal encourages, in tandem with the Energy Policy, the introduction of new generation by the private sector. Nowhere in the proposed plan does BC Hydro address the environment effects significant new generation may cause. In addition, Vancouver Island's power demand has been deemed best answered by gas generation.

Does this provide us with a level playing field access to the Heritage Resources? Will this discriminate between Island and mainland communities and industry? How will this proposal ensure that Island communities will benefit equally from the Heritage Resources if the current mind set is gas generation for the Island? The RDAC recommends that these issues be examined closely before implementing a formula for access to Heritage Resources.

The incentive for customers to pursue IPP power could have negative impacts on communities in isolated parts of the province. The potential for new industry investment in communities located on Vancouver Island, for example, may be somewhat limited if the only opportunity for the industry to benefit from the "low energy rates" B.C. advertises is to either self-generate or purchase from an IPP who may be willing to locate close to the industry. This will place a larger burden on small communities to have a greater density of generation than the larger centers with access to more transmission facility and Heritage Resources.

IPP thermal power will undoubtedly tax the environment and perhaps saturate the allowable limits under the Kyoto accord. If IPP generation site potential is considered, it is likely that the most logical locations will be identified in the rural parts of the Province and of course Vancouver Island. Our Industrial Heritage Communities, primarily rural communities, sustain the Provincial economy and GDP and this proposal cannot be considered with no concern for existing communities future, particularly the opportunity for new economic development.

7. "Incentives" for large industrial customers

BC Hydro Proposal, Volume 2, Stepped Rate Design Report 3.2 Shopping credit

The offering of reduced rates for reduced load served by BC Hydro through the shopping credit proposal allows for price reduction incentives through activities such as self generation, purchase from IPP and production curtailment. As stated earlier in this

presentation, we are appalled that BC Hydro would encourage industry to shut down their operations in order to collect shopping credit.

Vancouver Island has limited access to mainland IPP generated power. The transmission infrastructure that is currently in use is ageing and has to be replaced. To access other IPP resources will demand an upgrade to the transmission system from the mainland to the Island. This is not contemplated in the proposal. Even if the decision were made to supply 100% of the current Vancouver Island demand by gas generation, without mainland to Island transmission, Island communities would be at a distinct disadvantage to access a shopping credit unless they were able to self generate, conserve or curtail production. As previously stated a program that encourages production curtailment or suggests that a shut down may result in a more profitable situation for a customer is simply not acceptable by RDAC.



NOV 19 2002

Mr. Richard Berg
3077 Ninth Avenue
Port Alberni, BC V9Y 2M1

Dear Mr. Berg:

Honourable Gordon Campbell, Premier, has asked me to respond to your recent letter regarding the use of the Canadian Entitlement to the Columbia River Treaty Downstream Benefits (DSB Entitlement). I will also take this opportunity to respond to your recent letters regarding electricity supply options for the Province.

You have asked whether the Government of British Columbia has entered into any long-term contract with the United States to sell the DSB Entitlement. The Province does not have any long-term contracts with the U.S. for the sale of the returning DSB Entitlement; however, the 1964 Canadian Entitlement Purchase Agreement has not yet expired, so the commitment for the sale of the Canadian Entitlement attributed to the Mica Dam remains until March 31, 2003.

You also ask whether there has been a cost-benefit analysis on the use of the DSB Entitlement for an aluminum smelter in Port Alberni. In the spring of 2001, BC Hydro did help Port Alberni examine power supply options for smelters. During this study, BC Hydro determined that the cost of bringing the DSB Entitlement to Vancouver Island, including the lost revenue and upgraded transmission required, was more expensive than other available options. The two most economically feasible options were new gas-fired generation on the Island or new gas-fired generation on the Mainland, with additional transmission from the Interior to the Lower Mainland and then to the Island. In June 2001, these results were provided to Port Alberni officials.

In terms of potential future commitments of the DSB Entitlement to an aluminum smelter in Port Alberni, the Province has determined that the DSB Entitlement, a valuable Provincial resource, will be used to benefit all British Columbians, and will not be used to provide subsidized power to selected companies. Only existing commitments under the previous Government's Power for Jobs initiative are being honoured.

Ministry of
Energy and Mines

Office of the Minister

Mailing Address:
PO Box 9060 Stn Prov Govt
Victoria BC V8W 9E2

Telephone: 250 387-5896
Facsimile: 250 356-2965

Location:
Parliament Buildings
Victoria

PAGE
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The Province has advised aluminum smelter proponents to discuss power supply options with BC Hydro, whose electricity rates are currently among the lowest in North America, or alternatively, with an independent power producer.

In your recent letters regarding electricity supply options to meet the Province's electricity requirements to 2013, you suggest the use of the DSB Entitlement. This Provincial resource is a premium power product with significant market value, as it can all be delivered within peak hours. There is about 1100 MW to 1400 MW available at about a 45 percent capacity factor. The February 2002 Budget forecasts DSB Entitlement revenue for this year at \$85 million, with only 55 percent of the full DSB being returned, and rising to \$165 million for 2003/04 when the full DSB Entitlement is returned starting April 2003. Revenues from this resource were substantially higher during the high market prices from June 2000 to June 2001. In 2000/01, revenues were \$632 million, and last fiscal year, they were \$360 million.

The DSB Entitlement could be purchased by BC Hydro to meet domestic load if required. However, it may not be the least cost option for BC Hydro, given the DSB Entitlement's high market value and additional or upgraded transmission that may be required. As noted above, this was the conclusion regarding the use of the DSB Entitlement for serving an aluminum smelter in Port Alberni, and would be true for supply to Vancouver Island, generally. Your suggestion of increasing income taxes to offset lost DSB Entitlement revenues is inconsistent with this Government's efforts to reduce taxes to create a competitive environment, and would simply amount to British Columbia taxpayers subsidizing BC Hydro customers.

With respect to your other suggestions, as you may be aware, the Ministry of Energy and Mines does not undertake specific technical evaluations on electricity supply options, and hence can not evaluate and comment on your proposal. Instead, I am forwarding your letter to Mr. Larry Bell, Chair and Chief Executive Officer of BC Hydro, and ask that he have his technical staff review and consider your suggestions.

Sincerely,



Richard Neufeld
Minister

pc: Honourable Gordon Campbell
Premier

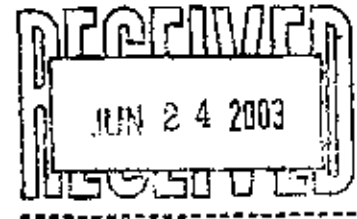
Mr. Larry Bell
Chief Executive Officer
BC Hydro



ROBERT J. PELLATT
COMMISSION SECRETARY
Commission.Secretary@bcuc.com
web site: <http://www.bcuc.com>

SIXTH FLOOR, 600 HOWE STREET, BOX 260
VANCOUVER, B.C. CANADA V6Z 2N9
TELEPHONE: (604) 680-4700
BC TOLL FREE: 1-800-683-1385
FACSIMILE: (604) 660-1102

June 17, 2003



Mr. Derek Appleton, Chair
Regional District of Alberni-Clayoquot
3008 - 5th Avenue
Port Alberni, B.C. V9Y 2E3

Dear Mr. Appleton:

Re: British Columbia Hydro and Power Authority ("B.C. Hydro")
Proposal regarding a Heritage Contract, Stepped Rates and Access Principles

On November 25, 2003, the Province of British Columbia announced its new Energy Plan. The four cornerstones of the Energy Plan are: low electricity rates and public ownership of B.C. Hydro; secure and reliable energy supply; more private sector opportunities; and environmental responsibility and no nuclear power sources.

On March 25, 2003 the Province directed the Commission to hold an Inquiry relating to a Heritage Contract for B.C. Hydro's Existing Generation Resources, Stepped Rates for transmission voltage customers and Transmission Access. As directed under the terms of reference for the Inquiry, B.C. Hydro filed its proposal on the Inquiry issues on April 30, 2003.

The Commission is to provide a report and recommendations to the Province by October 17, 2003. The Commission's report will include recommendations on the terms and conditions of a Heritage Contract that will lock in the value of existing low-cost generation (heritage energy) in order to benefit all B.C. Hydro ratepayers. The contract will be implemented through legislation that specifies the term and amount of energy involved. Public ownership of B.C. Hydro generation, transmission and distribution assets along with the use of trading revenues to supplement domestic revenues is to continue.

The Commission will be conducting regional Inquiry sessions at the following locations:

- Victoria on Monday, July 21, 2003 at the Bedford Regency Hotel, 1140 Government Street;
- Prince George on Wednesday, July 23 at the Ramada Hotel, 444 George Street;
- Kelowna on Friday, July 25, 2003 at the Prestige Inn, 1675 Abbott Street.

The sessions in Victoria and Prince George will take place from 9:00 a.m. to 12:00 noon and from 1:00 p.m. to 4:00 p.m. The Kelowna session will take place from 9:00 a.m. to 12:00 noon and from 1:00 p.m. to 3:30 p.m. The Commission is inviting participation and comments from B.C. stakeholders and particularly from local governments.

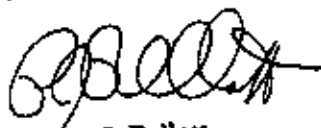
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A list of Policy Actions from the Energy Plan that participants may consider relevant to the Inquiry are attached. The Terms of Reference issued by the Province, and a subsequent letter of clarification from the Ministry of Energy and Mines are also attached. In brief the issues are as follows:

- Terms and conditions which should be contained in the Heritage Contract, including the quantity of energy, the cost of supplying the energy, the extent to which the terms or price contained in the Heritage Contract should vary during the initial term, and the renewal provisions for the contract.
- The appropriate regulatory framework for creating incentives for B.C. Hydro to maximize electricity trade revenues and to allocate those trade revenues between B.C. Hydro and customers up to a maximum of \$200 million per year. Trade income up to \$200 Million will flow to the benefit of ratepayers and reduce B.C. Hydro's revenue requirement.
- Terms and conditions of access to transmission services by transmission voltage customers and new stepped rate schedules for such customers. Stepped power rates charge a higher price as energy consumption increases and are designed to create an incentive to undertake conservation and energy efficiency without increasing the average electricity rate.

The Commission looks forward to the constructive comments and recommendations of local governments regarding the issues set out in the terms of reference for the Inquiry and invites submissions from the Regional District of Alberni-Clayoquot and its member municipalities. Submissions to the Inquiry Panel may be made in person at the Inquiry sessions or in writing to the undersigned.

Yours truly,



Robert J. Pellatt
Commission Secretary

RJP/yl

Attachments

cc: Ms. Deana Grinnell
Policy Research Officer
Union of B.C. Municipalities
Ms. Sue Clark
Executive Coordinator
North Central Municipal Association



REGIONAL DISTRICT
OF NANAIMO

JUL 14 2003

CHAIR		GMCrs	MEMORANDUM
CAO		GMDS	
GMCms		GMES	

Call ✓

TO: Carol Mason
General Manager of Corporate Services

DATE: July 28, 2003

FROM: Maureen Pearse
Manager, Administrative Services

FILE: 4320-50

SUBJECT: Application for a Temporary Change to a Liquor Licence
Cassidy Inn - Area A

PURPOSE

To consider a temporary change to the Liquor Licence for the Cassidy Inn.

BACKGROUND

The Cassidy Inn has applied to the Provincial Liquor Control and Licencing Branch for a temporary change to their liquor licence.

The Cassidy Inn, located at 2954 Trans Canada Highway in Electoral Area 'A', currently has an Liquor-Primary Licence which authorizes the facility to house 145 patrons in a designated area. The Cassidy Inn is requesting a temporary change to their Liquor Licence to provide for an extension of their licenced area to outside of the patio area. This extension is requested for a one day Show 'n Shine event scheduled for Sunday, September 7, 2003. The event will start at 11:00 am with contests being held for old cars, trucks and bikes. This event is the second and final Show 'n Shine scheduled for 2003.

The Provincial Liquor Licence Regulations requires that the Board consider this request and review the application in terms of the following:

- a) The potential for noise if the application is approved.
- b) The impact on the Community if the application is approved.
- c) Whether the amendment will result in the establishment being operated in a manor that contrary to its primary purpose.
- d) The views of the residents.

The Cassidy Inn has held similar events in the past and no concerns have been raised with respect to any of the foregoing terms. Considering that the temporary change will not increase the Inn's occupant load, staff believe that the proposal will not have any additional impact on the community or nearby residents. Staff are recommending that the Board support the issuance of a *Letter of No Objection* for this application. The Area Director is in support of that recommendation.

ALTERNATIVES

1. That the Board has no objection to the Cassidy Inn's request for a temporary change to their Liquor Licence to provide for an extended patio area for a one day event scheduled for September 7, 2003.
2. That the Board not support the Cassidy Inn's request for a temporary change to their Liquor Licence.

RECOMMENDATION

That the Board has no objection to the Cassidy Inn's request for a temporary change to their Liquor Licence to provide for an extended patio area for their Show 'n Shine event scheduled for September 7, 2003.

M. Jann
for Report Writer General Manager Concurrence

R. [Signature]
CAO Concurrence

JULY 03, 2003

Att: Maureen Pearse or Carol Mason
Manager of Administrative
Services
From: Sue Hagel
CASSIDY INN (1989) LTD.

This is a written request for an Extension of Licensed Area for the date of Sunday SEPTEMBER 07, 2003 outside of the Cassidy Inn patio area. We would like to hold a Show and Shine event the second and final of the year at the Cassidy Inn, This is a day that starts at 11:00 am with contests being held for old cars, trucks and bikes. Prizes such as trophies will be given to the winners, peoples choice and A.I.M.(Association for Injured Motorcyclist) do the judging, this is an event for all ages, the show provides entertainment for everyone. This event has been going on for years, and is under exceptional supervision. In the past we have had a great response to the show and would like to continue this event.

I would also like to point out that the June show n shine turned out to be a great day with outstanding security, traffic control to create the great atmosphere here for the day, without any problems or concerns.

Please review this letter, call Sue Hagel if you have any questions, we hope to hear from you soon, and hope that the Regional District of Nanaimo will once again grant us this extension. Phone # (250) 245-3531.

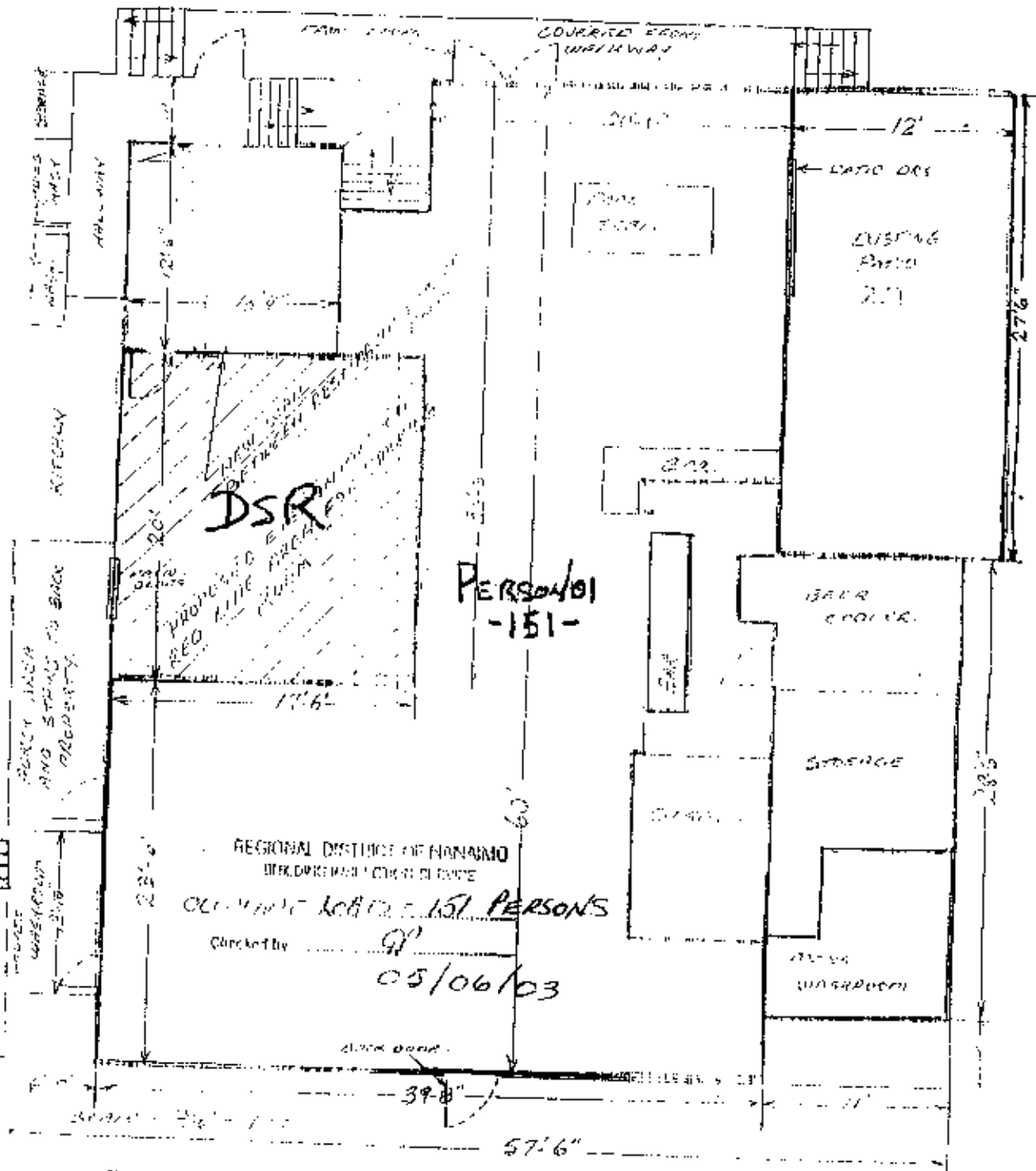
Thank-you,



Sue Hagel
General Manager
Cassidy Inn



Propose to
TEMPORARILY
EXTENSION
REQUEST
FOR 1 DAY



FLOOR PLAN
"CLASSY BUN" 219 LTD.
LP # 11646

LIQUOR CONTROL AND LICENSING BRANCH
 APPROVED, IN PRINCIPLE FOR DSR/Expansion
 Subject to the terms and/or conditions specified in the approval
 in principle letter(s) dated May 27/03
 Authority X. McKeown
 Maximum Person(s) to be 151
 (frequency subject of
 intensive oversight level)

LIQUOR CONTROL & LICENSING
 RECEIVED
 MAY 12 2003
 PM VICTORIA BC

JUL 14 2003

MEMORANDUM

CHAIR	GMCrs
CAO	GMDS
GMCms	GMES

TO: Stan Schopp
Manager, Building Inspection Services

DATE: July 9, 2003

FROM: Allan Dick
Senior Building Inspector

FILE: 3810-20

SUBJECT: Local Government Act - Section 700 - Contravention of Bylaw
Meeting Date - July 22, 2003

PURPOSE

To provide for the Committee's review, proposed Section 700 filings on properties which have outstanding occupancy or safety issues that contravene Building Bylaw No. 1250.

BACKGROUND

The individual area inspectors have worked closely with the property owners to resolve outstanding issues prior to the sending of letters. A minimum of two letters addressing deficiencies has been sent to the registered property owners. Where required, the Manager and/or the Senior Building Inspector have been involved with proposed resolutions. At this time we are unable to approve construction at the indicated addresses.

SUMMARY OF INDIVIDUAL INFRACTIONS

Electoral Area 'B'


1. Owners Name: B & K Shopping Centre
Legal Description: Parcel E (DD 401378I) of Section 21, Gabriola Island, Nanaimo Land District
Street Address: 371 Berry Point Road


Summary of Infraction:

- February 3, 2003 - permit issued for automotive retail space
- April 9, 2003 - inspection reveals change of use from issued permit
- May 2, 2003 - notice left requiring occupancy permit prior to occupancy of building
- May 5, 2003 - 1st letter sent requiring occupancy permit
- June 3, 2003 - Senior Inspector spoke with owner regarding land use issues and 700 filing process
- July 4, 2003 - 2nd letter sent notifying intent to file on title
- July 9, 2003 - no response from owner


RECOMMENDATION

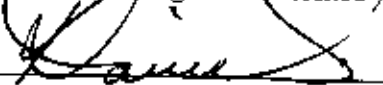
That a notice be filed against the titles of the properties listed, pursuant to Section 700 of the *Local Government Act* and that if the infractions are not rectified within ninety (90) days, legal action will be pursued.



Report Writer


Manager Concurrence



General Manager Concurrence


C.A.O. Concurrence

REGIONAL DISTRICT OF NANAIMO			
JUL 15 2003			
CHAIR		GMCrs	
CAO		GMDS	
GMCrs		GMES	
		DATE: _____	

MEMORANDUM

TO: Robert Lapham
General Manager, Development Services

FROM: Stan Schopp
Manager of Inspection/Enforcement

SUBJECT: Permanent Change to a Liquor Licence - Hours of Liquor Sales
Electoral Area F

ColW+L

DATE: July 15, 2003

FILE: 4320-50

PURPOSE

To consider an application to the Liquor Control and Licensing Branch (LCLB) regarding a change to the hours of liquor sales for the licensed establishment known as the Frontiersman Neighbourhood Pub and Restaurant.

BACKGROUND

The Liquor Control and Licensing Branch (LCLB), through the *Liquor Control and Licensing Act*, has regulations and procedures to address permanent changes to a liquor license. For any amendments to an existing liquor license, an application is referred to the local government for comment. Specifically, regulations within the Liquor Control and Licensing Regulation require the local government to consider the application for any implications pertaining to potential noise and/or impacts on the community.

One of the changes that can be requested for a liquor licence is an adjustment to the hours of operation of a facility. In this case, the Frontiersman Neighbourhood Pub and Restaurant, located at 2280 Alberni Highway and legally described as Lot A, Salvation Army Lots, Nanoose District, Plan VIP60993, has requested a change to their licensed hours for liquor sales by proposing sales on Friday and Saturday from 11:00 am until 2:00 am, extending the hours from the current 1:00 am. The applicant has indicated this increase is for the pub portion only, and their reason for amending the hours of sales is to offset increased entertainment and labour costs.

Therefore, as a result of this specific application, the Regional Board is requested to provide a resolution supporting or opposing the requested permanent change to the Frontiersman Pub liquor license.

ALTERNATIVES

1. To approve the application for a permanent change in hours of liquor sales for the Frontiersman Neighbourhood Pub and Restaurant.
2. To not approve the application for a permanent change in hours of liquor sales for the Frontiersman Neighbourhood Pub and Restaurant.

LAND USE IMPLICATIONS

The "Electoral Area 'F' Official Community Plan Bylaw No. 1152, 1999," designates the subject property for Comprehensive Mixed Use within the Coombs village node. The parcel is also zoned Commercial 2 (C-2) under the "Electoral Area 'F' Zoning and Subdivision Bylaw No. 1285, 2002," which provides for the operation of a pub and restaurant. The pub is located along the north portion of the property that borders the Alberni Highway. The south portion of the property is bordered by French Creek and is subject to a Watercourse Protection Development Permit Area. A covenant is also registered to the title of the subject property that further addresses the protection of French Creek from any development or alteration of land on the subject property. Staff note that this application does not involve any additional development on the subject parcel.

As the location of the pub is on the Alberni Highway within the Coombs Village Centre, the subject portion of the property is surrounded by similar zoned commercial properties. However, with the proposal to extend sale of liquor by to 2:00 am, there is the potential for noise to extend later into the morning. While this will result in increase activity in the area the proposal is not in conflict with any current land use or development policies for this location. It is also noted that Electoral Area 'F' currently has no bylaw to regulate noise or hours of operation and therefore the Regional District will not respond to potential complaints about noise or other related disturbances.

PUBLIC CONSULTATION IMPLICATIONS

As a referral application, there is no legal requirement for local government to notify adjacent residents of the application for extended hours. Given the location within a mixed-use urban area and has commercial zoning surrounding the subject parcel, no public information meeting was held to discuss the referral.

SUMMARY/CONCLUSIONS

The Liquor Control and Licensing Branch (LCLB) has requested that the RDN Board provide a resolution supporting or opposing the request for a permanent change to the liquor license issued for the Frontiersman Neighbourhood Pub and Restaurant. The proposed change will affect the hours of operation for when liquor sales can take place, extending the current Friday and Saturday evening hours from 1:00 am until 2:00 am.

A review of the land use and development regulations applicable to the Frontiersman Pub indicates the proposal is not in conflict with any Regional District bylaws or land use policies. Further, as Electoral Area 'F' currently has no bylaws regulating noise or hours of operation within the area, staff recommends the application be supported.

VOTING


All Directors – one vote.

RECOMMENDATION

That the application for a permanent change in a liquor licence for the purpose of amending the hours of liquor sales, as submitted by the Frontiersman Neighbourhood Pub and Restaurant, legally described as Lot A, Salvation Army Lots, Nanoose District, Plan VIP60993, be supported.



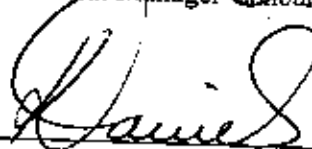
Report Writer



Manager Concurrence



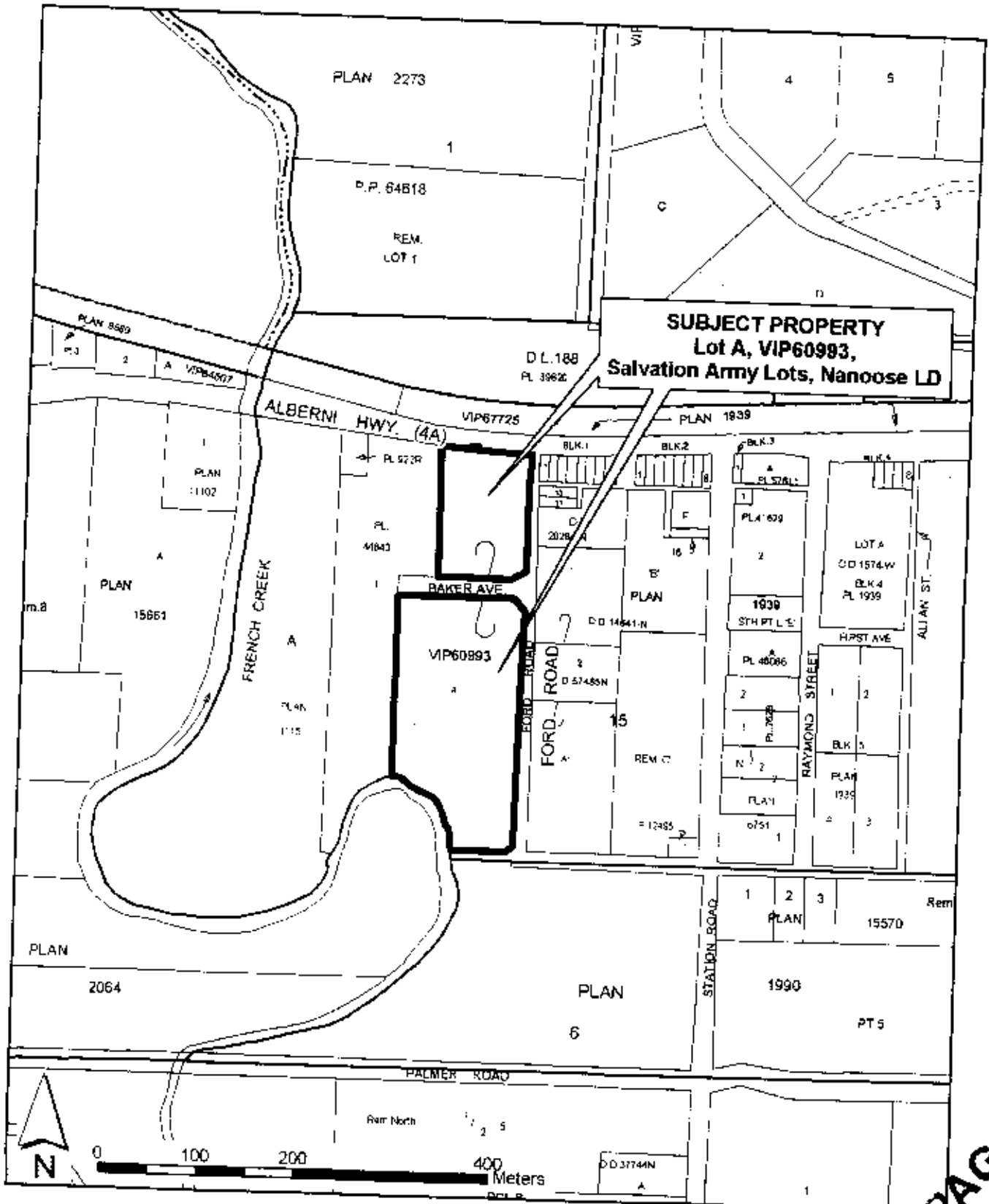
General Manager Concurrence



CAO Concurrence

COMMENTS:

Attachment No. 1
Subject Property Map



Burgoyne, Linda

From: Shaw, Pamela
Sent: Tuesday, July 15, 2003 12:02 PM
To: Burgoyne, Linda
Subject: delegations

Hi Linda

Ted Olynik from the Vancouver Island Generation Project is appearing as a delegation to the July 22, 2003 Committee of the Whole as per a request of the Board.

Could you put him on the agenda?

Thanks!

Pam

PAGE

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REGIONAL DISTRICT OF NANAIMO

JUL 15 2003

CHAIR		GMCS	
CAO		GMDS	
GMCS		GMES	

MEMORANDUM

Call

TO: Robert Lapham
General Manager, Development Services

DATE

July 14, 2003

FROM: Pamela Shaw
Manager of Community Planning

FILE:

SUBJECT: Power Generation for Vancouver Island
All Electoral Areas and Member Municipalities

PURPOSE

To provide background information on power generation options for Vancouver Island.

BACKGROUND

At the July 8th, 2003 Board Meeting, staff were directed to:

Invite the proponents of the Vancouver Island Generation Project, the NorskeCanada proposal and the Terasen proposal to the next available meeting of the Committee of the Whole or the RDN Board to present on the details of their proposals and on the larger issue of energy needs for Vancouver Island, and that the invitation also be extended to the BC Utilities Commission.

As the Board will note on July 22nd, 2003 Agenda for the Committee of the Whole, a representative of the Vancouver Island Generation Project has agreed to appear as a delegation to provide information on the Project. Proponents from the other organizations have indicated they would be available at a later date to present on their proposals and issues.

Also at the July 8th, 2003 Board Meeting, staff were directed to:

Prepare a report that would provide a base level of information prior to a presentation by the Vancouver Island Generation Project proponents that would address the following concerns:

- a) Do we need more energy?*
- b) If so, is this the project to provide it?*
- c) What is the environmental impact of the proposal?*
- d) Concerns with reliability of gas supply and pricing.*

This report provides the following in response to the above noted questions on the Vancouver Island Generation Project (VIGP) for the Board's review prior to the VIGP's scheduled presentation.

- a) Do we need more energy?*

In their submission to the BC Utilities Commission, the VIGP proponents indicated that the need for new electricity supply to Vancouver Island is driven by the expected retirement of a significant part of the

bulk transmission system from the Mainland to the Island and anticipated increased peak power demands (based on both economic and population forecasts, analysis of present and potential changes in electricity use, and historical temperatures) on the Island. Therefore, the question posed by BC Hydro is not whether there is a need for more energy, but how and where that energy is to be produced.¹

BC Hydro has consistently stated that, given the need for more power, there is the accompanying need to generate Island-used power on Vancouver Island. BC Hydro has been researching options for a number of years (construction of the Island Cogeneration Plant in Campbell River (providing 240 MW by 2005), the unsuccessful Port Alberni Cogeneration Project, and recent calls for green energy and customer based generation projects on the Island).

Intervenors to the BC Utilities Commission hearings have questioned the need for increased power production and have proposed that power needs could be decreased through the revitalized Power Smart program (particularly focusing on the industrial sector) and individual's efforts to reduce power consumption.

It is within the mandate of the BC Utilities Commission (BCUC), pursuant to the *Utilities Commission Act* to consider the question of 'necessity'. It is anticipated that a decision will be made by the BCUC in fall 2003 on this issue as part of their consideration of the VIGP's application for a *Certificate of Public Convenience and Necessity*.

b) *If so, is this the project to provide it?*

In preparing for the BCUC application, BC Hydro identified the basic options possible then constructed various portfolio options. BC Hydro's submission states that the VIGP addresses the Island's immediate reliability concerns, while offering time for Island customers to pursue Power Smart energy savings, customer-based generation, and the consideration of other options. The proponents have also indicated that the project provides diversification of energy and gas supply to the Island and delays the need for Mainland bulk transmission additions. In addition, the proponent's application states that the VIGP fills the gap created by the expected retirement of the submarine cable systems.

In short, BC Hydro would consider that this is the project to meet the power needs of Vancouver Island residents over the short term. Again, it is within the mandate of the BC Utilities Commission to consider if the VIGP is the most cost-effective means of reliably meeting the Island's energy needs.

c) *What is the environmental impact of the proposal?*

The VIGP's environmental impacts are subject to a review and issuance of a certificate from the province's Environmental Assessment Office (EAO). This Office considers the potential of the project to impact air quality, human health, water quality, heritage and socio-economic values. The assessment also takes into account practical means to prevent or reduce impacts to an acceptable level to mitigate any potentially significant adverse effects.

¹ Most of the electricity used on Vancouver Island is generated on the Mainland and provided through three underwater transmission cables, portions of which date to the 1950's. The key issue, as stated by BC Hydro, is the unreliability of the underwater cable system as it nears its expected retirement. While BC Hydro expects to continue investing in the refurbishment of this system, it is considered risky to continue to rely for firm capacity on an aging system. Given the risk of failure, BC Hydro does not rely on the cable system for planning purposes past 2007. Therefore, this results in the loss of about 240 MW of dependable energy and creates an 'energy shortage' on Vancouver Island. BC Hydro is proposing that this shortfall will be met through the VIGP.

The RDN (along with the City of Nanaimo, Snuneymuxw First Nations, and relevant provincial government agencies) participated in a Technical Working Group that considered the environmental impacts of the VIGP. Discussions at Technical Working Group meetings were intended to clarify the assessments presented in the VIGP's application and identify approaches to addressing health, environmental, and social impacts from the project.

The EAO anticipates referring the application for assessment to the Minister of Sustainable Resource Management, the Minister of Water, Land and Air Protection, and the Minister of Energy and Mines within 15 days of a decision being made by the BCUC regarding the Certificate of Public Convenience and Necessity for the project. At that time, EAO will provide conclusions and/or recommendations on the issue of whether or not the applicant can implement mitigation and compensation measures to avoid or address potential adverse effects on air quality, health, water quality and socio-economic values.

d) Concerns with reliability of gas supply and pricing.

The VIGP is integrally linked to the Georgia Strait Crossing Project (GSX Project), a proposed natural gas pipeline from Washington State to Vancouver Island. That is, the VIGP cannot proceed if the GSX Project is not approved.

The GSX project originates at Sumas, Washington (adjacent to Huntingdon, BC). This is an existing hub for the sale and purchase of natural gas; the supply of gas has been contracted to Powerex Corp, the power marketing subsidiary of BC Hydro. Powerex will purchase at the hub from Canadian and US suppliers through supply contracts. The Executive Summary from the GSX Pipeline Ltd. application to the National Energy Board is attached for the Board's information (*see Attachment No. 1*).

The Canadian portion of the GSX crossing is currently under review by the National Energy Board (NEB) and the review is a two-stage process. First, the NEB determines if the project is in the public interest (taking into account environmental effects, economic feasibility, socio-economic and land matters, engineering and safety concerns, adequacy of consultation with First Nations, and tolling and tariff issues). Second, the NEB considers the detailed route of the proposed pipeline, with consideration given to the impact on landowners where rights of way are required.

A decision of the National Energy Board is expected in fall 2003 after the NEB makes its recommendations to federal cabinet.

It should be noted that the portion of the pipeline located in the US was subject to and has received necessary approvals.

CONCLUSIONS

At the July 8th, 2003 Board Meeting, staff were directed to invite the proponents of the Vancouver Island Generation Project (VIGP), the NorskeCanada proposal and the Terasen proposal to the next available meeting of the Committee of the Whole or the RDN Board to present on the details of their proposals and on the larger issue of energy needs for Vancouver Island, and that the invitation also be extended to the BC Utilities Commission. In addition, staff were directed to prepare a report that would provide a base level of information prior to a presentation by the Vancouver Island Generation Project proponents.

A representative of the VIGP is scheduled as a delegation at the July 22, 2003 Committee of the Whole. This report provides background information to their presentation. Representatives of the other agencies would present at a later date.

Staff would suggest that, given the complexity of the VIGP and Georgia Strait Crossing, some confidence needs to be placed in the regulatory agencies responsible for the review of the project. A decision from the National Energy Board on the Georgia Strait Crossing is expected in fall 2003 after the NEB makes its recommendations to federal cabinet. A decision from the BC Utilities Commission on the VIGP is also anticipated in fall 2003; the referral to Ministers by the Environmental Assessment Office on the VIGP will follow 15 days after the decision by the BC Utilities Commission regarding the Certificate of Public Convenience and Necessity for the project.

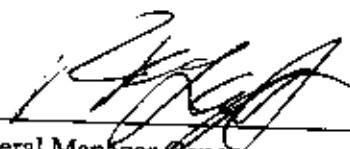
As these are the provincial and federal authorities for the various aspects of the proposal, staff would recommend that the Board await the findings of these regulatory agencies, and then consider options around obtaining further specific information if required on the project.

RECOMMENDATION

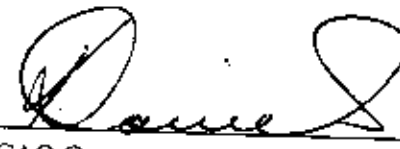
To receive the staff report for information.



Report Writer



General Manager Concurrence



CAO Concurrence

COMMENTS:

EXECUTIVE SUMMARY

Project Overview

The Georgia Strait Crossing Project ("the GSX Project") involves the design, construction and operation of a new natural gas pipeline from Sumas, Washington to Vancouver Island, British Columbia. The project will enable natural gas received from Westcoast Energy Inc. and Northwest Pipeline Corporation at Sumas to be transported to markets in northwestern Washington and on Vancouver Island. The location of the project is shown on Figure ES-1.

The Canadian portion of the GSX Project, which is the subject of this Application, will consist of:

- (i) Approximately 60 kilometres of 406 mm OD (16 inch) natural gas pipeline from a point on the Canada – U.S. border in Boundary Pass west of the Strait of Georgia to an interconnection with the existing Centra Gas British Columbia Inc. ("Centra") pipeline on Vancouver Island south of Duncan;
- (ii) Mainline block valves located just landward of the Vancouver Island shoreline, and at an intermediate point between the landfall and the Centra interconnection;
- (iii) A line block valve/blow-off assembly, an excess flow control valve, a check valve, a separator, pig receiving equipment, and liquid handling/storage equipment located at the Centra interconnection;
- (iv) A Supervisory Control and Data Acquisition ("SCADA") system linking the above facilities to control centres; and
- (v) Permanent access roads, communications system, and power supply as may be required to service mainline valve sites and other pipeline facilities.

The GSX Canada Pipeline will be designed to initially transport $2.66 \times 10^6 \text{ m}^3/\text{d}$ (94 MMcf/d) of natural gas on a firm basis. It is proposed to be in-service in October 2003.

The Applicant and Project Sponsors

The GSX Project is jointly sponsored by British Columbia Hydro and Power Authority ("BC Hydro") and Williams Gas Pipeline Company ("Williams"). BC Hydro is the third largest electric utility in Canada, supplying power to over 1.5 million customers in the Province of British Columbia. Williams is one of the largest transporters of natural gas in the United States, with a pipeline network that extends more than 40,000 kilometres.

GSX Canada Limited Partnership ("GSX Canada LP") is a limited partnership formed pursuant to the laws of British Columbia. The limited partners of GSX Canada LP are GSX Holdings Ltd., a subsidiary of BC Hydro, and WGP International (Canada) Inc., an affiliate of Williams.

Georgia Strait Crossing Pipeline Limited ("GSX PL"), a subsidiary of BC Hydro, is the general partner of GSX Canada LP. GSX PL will construct and operate the GSX Canada Pipeline.

Purpose and Justification

As described in Section 2.0 in Volume II, there is a need for additional natural gas transportation service to Vancouver Island. The purpose of the GSX Canada Pipeline is to satisfy this need.

Powerex Corp. ("Powerex"), the power marketing subsidiary of BC Hydro, has entered into a precedent agreement with GSX LP. Powerex has contracted firm transportation capacity on the GSX Canada Pipeline of 99,175 GJ/day for a term of 30 years. This commitment demonstrates that GSX Canada Pipeline will be used and useful.

Markets

The GSX Canada Pipeline will transport natural gas to new and expanding markets on Vancouver Island. Powerex has requested firm service in order to supply natural gas (about 90 TJ/day) to two new generation facilities at Campbell River and Port Alberni. Other markets that may be served by the pipeline include future generation projects and the growing natural gas demand of residential, commercial and industrial customers on the Island.

Evidence respecting the markets for natural gas on Vancouver Island is included in Section 3.0 of Volume II. This evidence demonstrates that there is and will continue to be a long-term need for the natural gas that will be transported by the GSX Canada Pipeline.

Gas Supply

Evidence respecting overall natural gas supply has been prepared on behalf of GSX PL by Confer Consulting Ltd., and is included in Section 4.0 of Volume II. This evidence shows that there is and will be sufficient natural gas supplies to support the long-term utilization of the GSX Canada Pipeline.

The GSX Project originates at Sumas, Washington, which is adjacent to Huntingdon, British Columbia, and which is the location of the Sumas/Huntingdon market hub. This is a long-standing, liquid, and transparent market for the sale and purchase of natural gas. It can be relied upon to provide sufficient, competitive natural gas supply to shippers on the GSX Canada Pipeline.

Powerex intends to use a diversified portfolio approach to secure the natural gas necessary to support its firm service obligations. It will make purchases at the Sumas/Huntingdon market hub from Canadian and U.S. suppliers through short-term and intermediate-term supply contracts.

Engineering Matters

Evidence respecting engineering matters is provided in Section 6.0 of Volume II. This evidence demonstrates that the GSX Canada Pipeline will be designed to meet or exceed all applicable regulations, codes, and standards, to ensure that the pipeline provides for the safety of the public and pipeline employees, and for the protection of the environment.

Cost of Proposed Facilities

The estimated total capital cost of the GSX Canada Pipeline is approximately \$100 million. Details of this estimate are included in Section 8.0 in Volume II.

Tolls and Financial Information

The construction of the GSX Canada Pipeline will be financed using funds provided by BC Hydro. Financial information for BC Hydro, demonstrating its ability to finance the proposed facilities, is provided in Section 9.0 in Volume II.

Powerex has subscribed for all of the initial available capacity on the GSX Canada Pipeline. GSX LP and Powerex have negotiated the principles that will determine the firm service toll payable by Powerex. Interruptible transportation service will be offered at a toll that will be determined by a bidding mechanism.

GSX PL has requested that the GSX Canada Pipeline be designated as a Group 2 pipeline for the purposes of toll and tariff regulation. Regulation on a complaint basis would be appropriate having regard to the size of the pipeline and the fact that the tolling principles have been agreed to with the sole firm service shipper.

Public Involvement Program

GSX PL has initiated an extensive public consultation program, as described in Volume III. The consultation activities to date have been numerous and varied, ranging from the distribution of information materials, to the establishment of a website, to

having individual and group meetings and discussions, to conducting public open houses. The general objectives of the program are to inform interested parties about the project, and to provide them with an opportunity to comment on and have input into the development of the project.

GSX PL has consulted with federal, provincial and municipal regulators and government agencies, landowners and occupants, environmental interest groups and non-government organizations, First Nations, community and business organizations, and many individuals. Included in Volume III is an identification of the issues that have been raised by the public, together with a description of the measures taken or to be taken by GSX PL to address these issues.

GSX PL is committed to ensuring meaningful public involvement. It will continue to solicit input from interested parties on matters relating to the design, construction and operation of its pipeline project.

Environmental and Socio-Economic Considerations

An Environmental and Socio-Economic Impact Assessment ("ESELA") of the GSX Canada Pipeline has been conducted by TERA Environmental Consultants (Alta.) Ltd., with the aid of numerous subconsultants. The ESELA is contained in Volume IV. It examines the marine and terrestrial environmental settings and socio-economic setting relevant to the pipeline project, identifies the potential environmental and socio-economic effects of the project, including cumulative effects, and assesses the significance and likelihood of any residual effects remaining after the implementation of mitigative measures. The conclusion of the ESELA is that the GSX Canada Pipeline will generate socio-economic benefits and will not likely cause any significant adverse environmental or socio-economic effects, including cumulative effects.

GSX PL is committed to ensuring protection of the environment, to avoiding or mitigating negative socio-economic effects, and to promoting positive socio-economic

effects. To this end, various mitigative measures and plans for the GSX Canada Pipeline have been recommended by the Project's environmental and socio-economic consultants, as described in Volumes IV and V. GSX PL accepts and will adhere to these recommendations.

Alternatives

The sponsors of the GSX Project evaluated alternatives to meet the need for additional natural gas transportation service to Vancouver Island, including alternative routes for the GSX Canada Pipeline. This evaluation (which is discussed in Section 2.3 in Volume II and Section 2.0 in Volume IV) clearly demonstrates that the GSX Canada Pipeline, as applied-for, is the preferred alternative to satisfy the project need and the preferred means of carrying out the project.

Regulatory Compliance

GSX PL has prepared its Application in accordance with the *Guidelines for Filing Requirements* of the National Energy Board dated February 22, 1995 as amended. The information provided in the Application demonstrates that the GSX Canada Pipeline is and will be required by the present and future public convenience and necessity, such that a certificate should be issued pursuant to Section 52 of the *National Energy Board Act*.



REGIONAL DISTRICT OF NANAIMO	
JUL - 9 2003	
CHAIR	GMCrs
CAO	GMDS
GMCrs	GMES
<i>Colin</i>	
DATE:	

MEMORANDUM

TO: Dennis Trudeau
Manager of Liquid Waste

July 9, 2003

FROM: Sean De Pol
Engineering Technologist

FILE:

1855-03

SUBJECT: 2003 Local Government Grant Program - Infrastructure Planning (Study) Grants

PURPOSE

To receive support from the Board for a proposed planning grant application to be submitted to the Ministry of Community, Aboriginal & Women's Services Local Government Grants Program.

BACKGROUND

On February 13th 2001 the Board directed staff to apply for a provincial planning grant to determine the best options for addressing on-site sewage disposal problem areas in the RDN. In August 2001, the Ministry of Community, Aboriginal & Women's Services awarded a grant for the preparation of a study to address the on-site sewage disposal problems of Site #57 on Gabriola Island. The study evaluated and compared wastewater servicing alternatives and prepared capital and operation and maintenance cost estimates for viable treatment, disposal and reuse options. It is anticipated that the strategies presented in this study may be used for other on-site sewage disposal problem areas in the RDN.

One of the recommendations of the study is to conduct a water supply evaluation regarding a secure, sufficient and safe supply of drinking water for the community. This evaluation would consist of obtaining additional information on the state of potential groundwater contamination of Site #57. The information from this evaluation would be used in making any decisions on addressing on-site sewage disposal problems. To conduct this drinking water evaluation of Site #57 on Gabriola Island the RDN must secure a provincial planning grant.

The grants are provided for projects to study feasibility, costs, technology, and location of proposed sewer, water, groundwater or stormwater drainage facilities. The maximum grant for approved studies is \$10,000. The first \$5,000 or less is funded 100% with the remaining costs being funded 50% up to the \$10,000 maximum. The total cost of the drinking water evaluation study should not exceed \$5,000 therefore 100% funding is expected if approved. The application protocol requires Board support prior to submitting the application.

ALTERNATIVES

1. Submit an application for an infrastructure planning grant for the study.
2. Do not submit an application for an infrastructure planning grant for the study.

FINANCIAL IMPLICATIONS

Alternative 1 - There will be no additional financial implications in applying for or receiving a provincial planning grant, though some staff and time would be required in order to manage this project.

Alternative 2 - There are no costs to the RDN with this alternative.

SUMMARY

At the February 13th 2001 Board meeting, the Board directed staff to apply to the Ministry of Community, Aboriginal & Women's Services for a planning grant to determine the best options for addressing the on-site sewage disposal problems of Site #57 on Gabriola Island.

The RDN was subsequently awarded a \$10,000 planning grant, which was used to complete a Servicing Study for Site #57 on Gabriola Island. One of the recommendations of this Servicing Study was to conduct a drinking water evaluation. This evaluation would provide information on the state of potential groundwater contamination of Site #57, which would assist the RDN in making any decisions on addressing on-site sewage disposal problems for this area.

For this evaluation study to be conducted the RDN must secure a provincial planning grant from the Ministry of Community, Aboriginal & Women's Services. If approved, the grant is expected to cover 100% of the cost of the study.

Liquid Waste department staff recommend that an application be submitted for a planning grant for conducting a drinking water evaluation of Site #57 on Gabriola Island. Protocol requires Board support of the application.

RECOMMENDATION

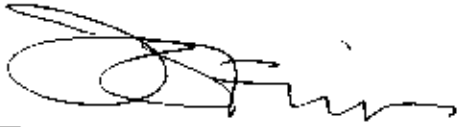
That staff be directed to make application to the Ministry of Community, Aboriginal & Women's Services for a planning grant of \$5,000 to evaluate potential groundwater contamination of Site #57 on Gabriola Island.



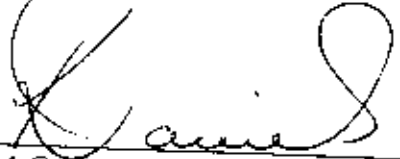
Report Writer



Manager Concurrence



General Manager Concurrence



C.A.O. Concurrence

COMMENTS:



REGIONAL DISTRICT OF NANAIMO			
JUL - 9 2003			
CHAIR		GMCrs	
CAO		GMDS	
GmCms		GMES	
<i>Call</i>			
DATE:			

MEMORANDUM

TO: Dennis Trudeau
Manager of Liquid Waste

July 6, 2003

FROM: Sean De Pol
Engineering Technologist

FILE: 5340-01

SUBJECT: 2002 ANNUAL REPORT ON THE LIQUID WASTE MANAGEMENT PLAN

PURPOSE

To receive the 2002 Annual Report on the Liquid Waste Management Plan (LWMP).

BACKGROUND

The 2002 Annual Report on the LWMP (a separate attachment) provides an assessment of the progress made towards the Plan's vision and goals. Progress towards attainment of the goals of the Plan must be monitored and reported annually in accordance with section 5.2 of the Plan. The report summarizes the development/implementation of the RDN's source control, volume reduction, stormwater management and odour control programs. Progress on expansions and upgrades of the treatment plants and related infrastructure are also reported on.

Some of the key achievements for 2002 include:

- Chemical Enhanced Primary Treatment at the Greater Nanaimo Pollution Control Centre (GNPCC) is now in operation to provide a higher quality effluent for better protection of the environment;
- Reducing number of odour complaints received at the French Creek Pollution Control Centre (FCPCC) from 227 in 1999 to 23 in 2002;
- Purchasing two properties adjacent to GNPCC to ensure sufficient room for future expansion;
- Composting all biosolids from FCPCC and GNPCC instead of landfilling;
- "Sewage Outfall Pipe - Joint Use Agreement" to share a new, longer outfall was signed by the RDN and West Coast Reduction Ltd. for the Duke Point Pollution Control Centre;
- Developing a Draft Stormwater Management Plan in partnership with the Ministry of Water Land and Air Protection, Environment Canada, and Ministry of Community, Aboriginal and Women's Services;
- Meetings with the Nanaimo Regional Dental Society to; explain the RDN's Source Control Strategy, the issue of mercury discharges, and new federal standards;
- Adopting Sewer Use Regulatory Bylaw No. 1225 to control wastewater discharges to the treatment plant facilities.

The Liquid Waste Management Plan is intended to have a 20-year life span. It is therefore expected that the Plan's vision and goals will be achieved gradually, over this 20-year period.

The Regional Waste Advisory Committee (RWAC) monitors progress in implementing the LWMP. The Committee consists of the following members:

- Director Sherry, Chair
- Director Longmuir
- Mike Gallo (Business)
- Gordon Proctor (Public South)
- John Beute (Waste Management Private)
- Ed Lai (Environment Canada)
- David Coombe (Health)
- Michael Schellinik (Waste Management Non-Profit)
- Director Biggemann
- Director Haime
- Norman Abbey (Environment)
- Clive Jones (Public North)
- Don Alberg (TQB)
- Gary Franssen (CON)
- Al Leuschen (MWLAP)
- Gary O'Rourke (COP)

The Committee reports its findings to the Board by means of an annual report. The annual report was accepted by the Committee at the July 3, 2003 RWAC meeting.

ALTERNATIVES

1. To receive the 2002 Annual Report on the LWMP.
2. To not receive the 2002 Annual Report on the LWMP.

LIQUID WASTE MANAGEMENT PLAN IMPLICATIONS

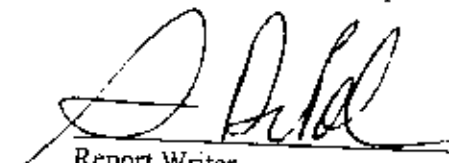
The 2002 Annual Report on the LWMP is intended to assist the Regional District and its partners to manage liquid waste. It can be used to raise awareness about the LWMP and what needs to be done to implement it. It may also help to identify programs and policies that need to be created or modified, where resources need to be allocated, and how individual behaviours or perceptions need to change.


SUMMARY

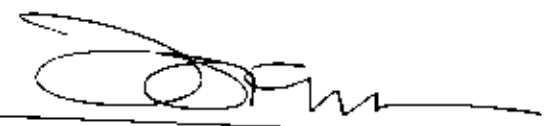
The 2002 Annual Report on the Liquid Waste Management Plan provides the Regional Waste Advisory Committee's assessment of progress towards the attainment of the Plan's vision and goals. Overall the report indicates that the region is progressing toward accomplishing the commitments and obligations of the LWMP.

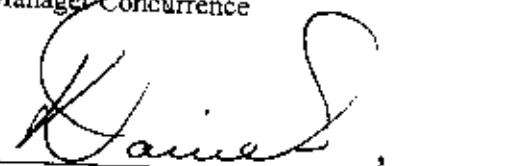
RECOMMENDATION

That the 2002 Annual Report on the Liquid Management Plan be received.


Report Writer


Manager Concurrence


General Manager Concurrence


C.A.O. Concurrence

COMMENTS:



REGIONAL DISTRICT OF NANAIMO	
JUL - 8 2003	
CHAIR	GMCrS
CAO	GMDS
GMCms	GMES 1
DATE:	
FILE:	

MEMORANDUM

TO: John Finnie, P. Eng.
General Manager of Environmental Services

FROM: Dennis Trudeau
Manager of Liquid Waste

SUBJECT: Liquid Waste
Greater Nanaimo Pollution Control Centre Boiler Building Upgrade
Boiler Supply Tender Award and Construction Project Tender Award

July 8, 2003

0810-20-GNPC-04-BB

PURPOSE

To consider the tenders for the supply of boilers and the construction of the boiler building for the Greater Nanaimo Pollution Control Centre (GNPCC) Boiler Building Upgrade.

BACKGROUND

The GNPCC Sludge Heating and Boiler Building needs to be upgraded. The upgrade will consist of new boilers, gas collection, and heat exchangers, piping and building. The upgrade will reduce our expenditures on external fuel sources that are currently needed to heat our buildings and sludge digesters and will correct gas code non-compliance issues.

A number of upgrading alternatives were reviewed during the design process including modifying and upgrading the existing facilities. The existing facilities are either located at sites required for future expansion or are not large enough to meet code. While some upgrading of these facilities could occur there would remain sludge heating issues. This option would not meet digester recovery criteria and would reach capacity in as little as 3 years. At that time a new boiler building would be required. It was decided that the best long-term solution to our sludge heating needs would be a new building located close to the sludge digesters. This upgrade represents the first significant project of the long range capital plan for the GNPCC.

Detailed design has been completed for this project and the implementation phase has begun.

On March 27, 2003 the RDN received two bids for supplying boilers for the GNPCC Boiler Building Upgrade. The work involves the supply of boilers to replace old inefficient boilers. The following bidders submitted tenders (includes taxes):

Cleaver Brooks (Cannepp Sales Ltd.)	\$206,995.39
Boilersmith (Boilersmith Ltd.)	\$226,547.41

Our consultant has evaluated the tenders and the proper documentation has been verified. The low bidder for the project is Cleaver Brooks at a cost of \$206,995.39. Our consultants recommend the award of the project to Cleaver Brooks. Staff supports this recommendation.

On June 24, 2003 the RDN received five bids for the construction of the boiler building. The construction project will include dismantling old equipment, installation of boilers, gas collection and heat exchanger equipment, and piping. The construction work will be carried out next to and eventually connected to an existing operating facility thereby increasing the complex nature of this project. The following bidders submitted tenders (including taxes):

Walter Construction	
PCI	\$2,946,727.00
D. Robinson	\$2,834,148.00
Tri Tech	\$3,265,100.00
Knappett Construction	\$2,864,945.00
	\$2,654,411.90

The construction portion of the Boiler Building Upgrade is the final phase of the project and we are now at a point where total cost can be more accurately determined. The following is our most recent cost estimate for the completion of the project (including taxes):

Construction Contract	\$2,654,411.90
Boiler Purchase	\$206,995.39
Utility Connections (Gas and Hydro)	\$60,000.00
Building Permit	\$5,000.00
Engineering (Design and construction period services)	\$420,000.00
Contingency	75,000.00
Total Estimated Cost	\$3,421,407.29

The original estimate of \$2,700,000 for the project has been exceeded by the latest estimate. The original cost estimate was made over two years ago with a limited amount of information and some approximations were necessary. Now that the full scope of the work is known and the majority of prices have been confirmed, staff are confident that the total estimated cost of \$3,420,000 would be sufficient to complete the project. Adequate funds are available in reserve to complete this project.

Staff have reviewed the tenders with our consultants to determine whether there are components that could be deleted or deferred, bringing our costs closer to the original estimate. While there are components that could be removed from the project, they would result in additional work being scheduled next year at increased costs. Those increased costs would be due to retrofitting an existing building and having to retender smaller portions of the projects.

Once the project is complete it is expected that our operational costs will be reduced. No additional staff will be required to operate or maintain this equipment and our energy costs will be reduced.

ALTERNATIVES

1. Retender the project next year.
2. Award the contract to supply boilers to Cleaver Brooks for the tendered price of \$206,995.39 and award the construction contract for the boiler building to Knappett Construction for the tendered price of \$2,654,411.90.

FINANCIAL IMPLICATIONS

The total cost of the project including the boiler purchase, the boiler building construction and consulting is now estimated at \$3,421,407.29. There are adequate funds available in reserve to complete this project.

SUMMARY/CONCLUSIONS

The GNPC Sludge Heating and Boiler Building needs to be upgraded. The upgrade will consist of new boilers, gas collection, and heat exchangers, piping and building. The upgrade will reduce our expenditures on external fuel sources that are currently needed to heat our buildings and sludge digesters and correct gas code non-compliance issues.

Detailed design has been completed for this project and the implementation phase has begun.

On March 27, 2003 the RDN received two bids for supplying boilers for the GNPC Boiler Building Upgrade. The work involves the replacement of old inefficient boilers. The low tender was submitted by Cleaver Brooks for the amount of \$206,995.39.


On June 24, 2003 the RDN received 5 bids for the construction of the boiler building. The construction project will include dismantling old equipment, installation of boilers, gas collection and heat exchanger equipment, and piping. The low tender was submitted by Knappett Construction for the amount of \$2,654,411.90.


Our consultants recommend the award of the project to supply boilers to Cleaver Brooks and to construct the boiler building to Knappett Construction. Staff supports these recommendations.

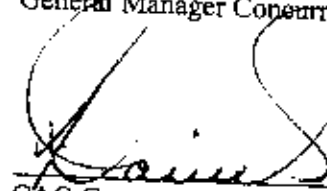
There is adequate money in reserves for this project. The installation of the boilers is necessary for the proper operation of the GNPC. The existing facilities have reached their life capacity and must be replaced.

RECOMMENDATION

That the Regional District of Nanaimo award the contract to supply boilers to Cleaver Brooks for the tendered price of \$206,995.39 and award the construction contract for the boiler building to Knappett Construction for the tendered price of \$2,654,411.90.


Report Writer


General Manager Concurrence


CAO Concurrence

COMMENTS:



REGIONAL DISTRICT OF NANAIMO			
JUN 27 2003			
CHAIR		GMCrS	
CAC		GMDS	
Grns		GMS	
<i>Edw</i>			

MEMORANDUM

TO: John Finnie, P. Eng. DATE: June 23, 2003
 General Manager of Environmental Services

FROM: Dennis Trudeau FILE: 0810-20-GNPC-04-BB
 Manager of Liquid Waste

SUBJECT: Liquid Waste
 Greater Nanaimo Pollution Control Centre
 Sludge Heating and Boiler Building Upgrade Consulting Services

PURPOSE

To consider awarding the Greater Nanaimo Pollution Control Centre (GNPCC) Sludge Heating and Boiler Building Upgrade construction services consulting project to Associated Engineering Ltd.

BACKGROUND

The GNPCC Sludge Heating and Boiler Building needs to be upgraded. The upgrade will consist of new boilers, gas collection, and heat exchangers, piping and building. The upgrade will reduce our expenditures on external fuel sources that are currently needed to heat our buildings and sludge digesters and correct gas code non-compliance issues.

As a result of a Request for Proposals (RFP) process, the Regional District of Nanaimo entered into an agreement with Associated Engineering Ltd. to provide professional services for Liquid Waste for a period of three years. Associated Engineering Ltd. has successfully assisted the District in a number of difficult projects, which have included odour reduction at French Creek Pollution Control Centre, start-up of the Duke Point Pollution Control Centre, optimization of the Nanoose Bay Pollution Control Centre and upgrade and expansion planning for the Greater Nanaimo Pollution Control Centre. All projects have adhered to their budgets and have been completed in a timely manner. Staff has found the consultants to be competent, innovative and budget conscious.

Associated Engineering Ltd. has completed the design of the GNPCC Heating and Boiler Building and is completing the equipment procurement process. The next stage of the GNPCC Sludge Heating and Boiler Building project is construction of the building and installation of equipment. The construction project will include dismantling old equipment, installation of boilers, gas collection and heat exchanger equipment, and piping. The construction work will be carried out next to and eventually connected to an existing operating facility, thereby increasing the complex nature of this project.

Associated Engineering Ltd.(AE) has submitted a purchase order request for the construction period services for \$180,000. The work covered for this final portion of the project includes:

- Tendering
- Approvals and permits
- Submittal review
- Contract administration
- Site inspection
- Testing and commissioning
- Post Construction services
- Resident Inspector

The resident inspector is a major component of the costs for the construction period services but is necessary for a project of this size and complexity. It is expected that the project will take 8½ months. AE has only charged 7½ months for the resident inspector towards this project since it was felt by the consultant that the time could be reduced due to the inspector working on other projects being constructed concurrent with the boiler building thus providing savings for the RDN.

Associated Engineering Ltd. has been involved in this project from the beginning and staff recommend that they be retained for the completion of this important project.

ALTERNATIVES

1. Issue a purchase order to Associated Engineering Ltd. for GNPC Sludge Heating and Boiler Building construction services.
2. Put out a Request for Proposals to attract proposals from other engineering consultant firms.

FINANCIAL IMPLICATIONS

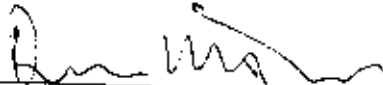
The Sludge Heating and Boiler facilities are integral to the operation of the plant and the upgrade is expected to cost 2.7 million dollars. The consulting fees for construction services are expected to cost \$180,000. The project has been previously approved in the 2002 capital plan and will be funded out of reserves.

CONCLUSIONS

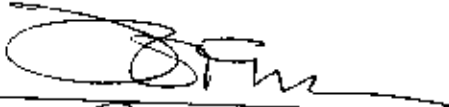
For contracts the size of the Sludge Heating and Boiler Building Upgrade, RDN policy would typically require that the consultant be chosen by a separate RFP process. Associated Engineering Ltd. was initially chosen to provide day-to-day consulting services via an RFP process. Associated Engineering Ltd. has developed a thorough knowledge of our facilities and this familiarity provides a practical and financial benefit to the RDN to retain their services for the Sludge Heating and Boiler Building Upgrade project. Accordingly, staff recommends that Associated Engineering Ltd. be retained for the construction of the GNPC Sludge Heating and Boiler Building Upgrade.

RECOMMENDATION

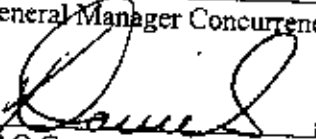
That the Board direct staff to award the construction services consulting project for the GNPC Sludge Heating and Boiler Building Upgrade to Associated Engineering Ltd.



Report Writer



General Manager Concurrence



CAO Concurrence

COMMENTS:



REGIONAL DISTRICT OF NANAIMO	
JUN 27 2003	
CHAIR	GMCrs
CAO	GMDS
GMCS	GMES
DATE: <i>2003</i>	
FILE:	

MEMORANDUM

TO: John Finnie
General Manager of Environmental Services

FROM: Dennis Trudeau
Manager of Liquid Waste

SUBJECT: Liquid Waste
Greater Nanaimo Pollution Control Centre Boiler Building Upgrade
Release of Reserve Funds

DATE: June 27, 2003

FILE: 0810-20-GNPC-04-BB

PURPOSE

To introduce for three readings and adoption the "Southern Community Local Service Area Wastewater Treatment System and Facilities Reserve Fund Expenditure Bylaw No. 1356, 2003".

BACKGROUND

The Greater Nanaimo Pollution Control Centre (GNPCC) Sludge Heating and Boiler Building needs to be upgraded. The upgrade will consist of new boilers, gas collection, and heat exchangers, piping and building. The upgrade will reduce our expenditures on external fuel sources that are currently needed to heat our buildings and sludge digesters and correct gas code non-compliance issues.

Detailed design has been completed for this project and the implementation phase has begun. Prices have now been received for the purchase of the boilers and the construction of the boiler building. The following is our most recent cost estimate for the completion of the project (including taxes):

Construction Contract	\$2,654,411.90
Boiler Purchase	\$206,995.39
Utility Connections (Gas and Hydro)	\$60,000.00
Building Permit	\$5,000.00
Engineering (Design and construction period services)	\$420,000.00
Contingency	75,000.00
Total Estimated Cost	\$3,421,407.20

To complete the boiler building upgrade, staff propose using \$3,200,000 from reserves and \$220,000 from the regular budget. The \$220,000 is available by a reducing the amount put towards the reserve fund.

The attached bylaw is is required to release these funds from reserve.

ALTERNATIVES

1. Approve the bylaw authorizing the release of reserve funds totaling \$3,200,000 for the boiler building upgrade at the Greater Nanaimo Pollution Control Centre.
2. Do not approve the bylaw and defer the project.

FINANCIAL IMPLICATIONS

The department has a current reserve fund balance of over \$4,200,000. To complete the Boiler Building Upgrade staff propose using \$3,200,000 from reserves and \$220,000 from the regular budget. The \$220,000 would be made available by a reduction in the amount that was to be put towards the reserve fund in 2003. An analysis by staff indicates that these actions do not jeopardize the long-term capital plans for the GNPCC.

SUMMARY/CONCLUSIONS

The GNPCC Sludge Heating and Boiler Building needs to be upgraded. The upgrade will consist of new boilers, gas collection, and heat exchangers, piping and building. The upgrade will reduce our expenditures on external fuel sources that are currently needed to heat our buildings and sludge digesters and correct gas code non-compliance issues.

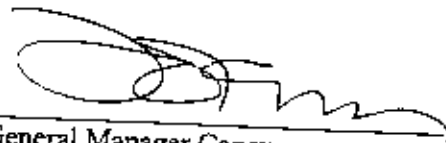
Detailed design has been completed for this project and the implementation phase has begun. Prices have now been received for the purchase of the boilers and the construction of the boiler building. The project is estimated to cost \$3,421,407.20. The attached bylaw allows \$3,200,000 of the project to be funded out of the Southern Community Capital Reserve Fund. The remainder of the project would be funded out of the regular budget by reducing the amount contributed to reserves in 2003 by \$221,000.

RECOMMENDATION:

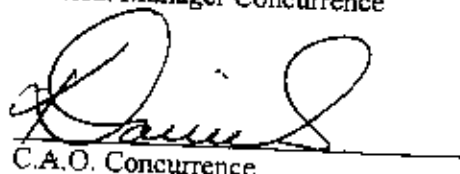
1. That "Southern Community Local Service Area Wastewater Treatment System and Facilities Reserve Fund Expenditure Bylaw No. 1356, 2003" be introduced for three readings.
2. That "Southern Community Local Service Area Wastewater Treatment System and Facilities Reserve Fund Expenditure Bylaw No. 1356, 2003" having received three readings be adopted.



Report Writer



General Manager Concurrence



C.A.O. Concurrence

COMMENTS:

**REGIONAL DISTRICT OF NANAIMO
BYLAW NO. 1356**

**A BYLAW TO AUTHORIZE AN EXPENDITURE
OF FUNDS FROM THE SOUTHERN COMMUNITY
WASTEWATER CAPITAL RESERVE FUND**

WHEREAS the Southern Community Local Service Area Wastewater Treatment System and Facilities Reserve Fund was established under Bylaw No. 989;

AND WHEREAS the Board has approved the construction and upgrade of sludge heating and boiler building;

NOW THEREFORE the Board of the Regional District of Nanaimo in open meeting assembled, enacts as follows:

1. The sum of Three Million, Four Hundred Thousand, (\$3,400,000) is hereby appropriated from the Southern Community Local Service Area Wastewater Treatment System and Facilities Reserve Fund to be expended on the Boiler building upgrade project.
2. Should any of the above amount remain unexpended, such unexpended balance shall be returned to the credit of the Reserve Fund.
3. This bylaw may be cited as "Southern Community Local Service Area Wastewater Treatment System and Facilities Reserve Fund Expenditure Bylaw No. 1356, 2003".

Introduced and read three times this 8th day of July, 2003.

Adopted this 8th day of July, 2003.

CHAIRPERSON

GENERAL MANAGER, CORPORATE SERVICES



JUL - 8 2003

MEMORANDUM

CHAIR		GMCrs	
CAO		GMDS	
GMCS		GMES	

TO: Wayne Moorman
 Manager of Engineering and Utilities

FROM: Natalie Cielanga
 Engineering Technologist

SUBJECT: Utilities
 Rural Streetlighting Local Service Area Boundary Amendment

DATE: July 7, 2003

FILE: 5500-21-RG

PURPOSE

To consider a request to include the following property in the Rural Streetlighting Local Service Area (see attached map).

Lot 1, Plan VIP61866, DL 28 & Lot 2, VIP61866, DL 28

BACKGROUND

The property owner of the above noted property is proposing subdividing the property and has petitioned the RDN to include streetlights in the subdivision. In order to provide for the operating costs of the streetlights, the property needs to be included in the Rural Streetlighting Local Service Area Bylaw 791.

ALTERNATIVES

1. Do not amend the boundaries of the Rural Streetlighting Local Service Area Bylaw 791.
2. Amend the boundaries of the Rural Streetlighting Local Service Area Bylaw 791.

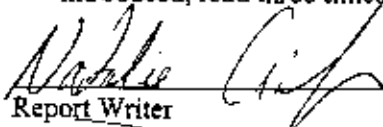
FINANCIAL IMPLICATIONS

There is no financial implication to the Regional District of Nanaimo. If accepted into the Local Service Area the streetlights will be installed by the property owner/developer and the energy/maintenance costs will be paid for by the property owner(s).

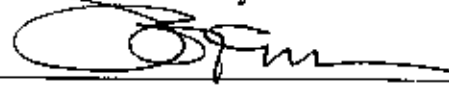
In 2003 the tax rate for this service for properties already in the RLSA was approximately \$8.70 per \$100,000 of assessment. Inclusion of this property in the LSA is not expected to significantly alter the tax rate.

RECOMMENDATION

1. That "Rural Streetlighting Local Service Area Boundary Amendment Bylaw 791.08, 2003" be introduced, read three times and forwarded to the Inspector of Municipalities for approval.

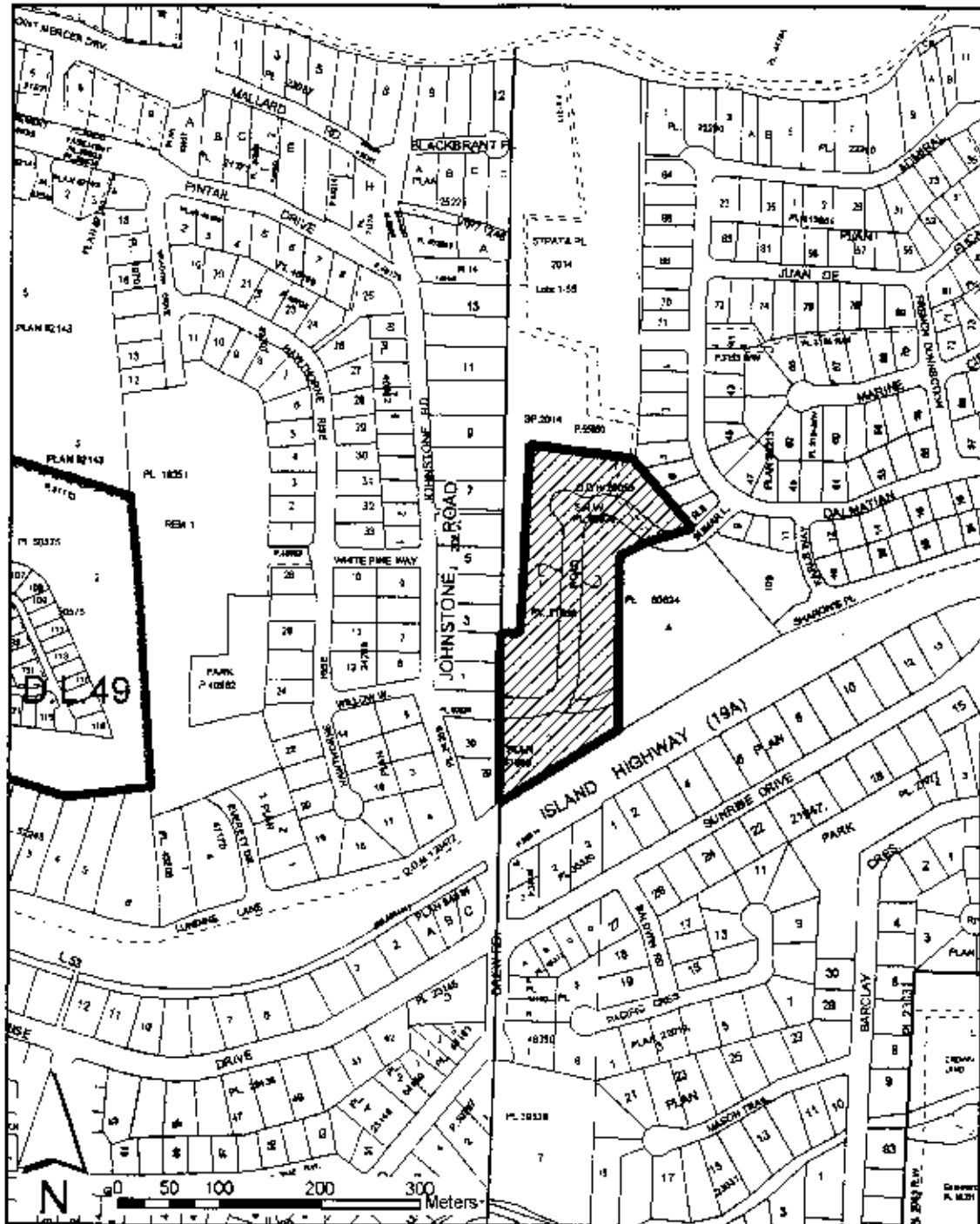

 Report Writer


 Manager Concurrence


 General Manager Concurrence


 CAO Concurrence

COMMENTS:



BCGS MAPSHEET NO. 92F 039.1 3

REGIONAL DISTRICT OF NANAIMO

BYLAW NO. 791.08

A BYLAW TO AMEND THE RURAL
STREETLIGHTING LOCAL SERVICE AREA
ESTABLISHMENT BYLAW NO. 791

WHEREAS Regional District of Nanaimo Bylaw No. 791 established the Rural Streetlighting Local Service;

AND WHEREAS the Board wishes to amend the Local Service Area boundaries in accordance with Section 802(1)(b) of the *Local Government Act*;

AND WHEREAS the consent of the Directors of Electoral Areas E and G have been obtained;

NOW THEREFORE the Board of the Regional District of Nanaimo, in open meeting assembled, enacts as follows:

1. The boundaries of the Rural Streetlighting Local Service Area are hereby revised to include the properties outlined on Schedule 'A' attached hereto and forming part of this bylaw.
2. The amended boundaries of the Rural Streetlighting Local Service Area shall be as shown outlined on Schedules 'B-1' and 'B-2' attached hereto and forming part of this bylaw.
3. Bylaw No. 791.07 is hereby repealed.
4. This bylaw may be cited as "Rural Streetlighting Local Service Area Boundary Amendment Bylaw No. 791.08, 2003".

Introduced and read three times this 12th day of August, 2003.

Received the approval of the Inspector of Municipalities this _____ day of _____, 20__.

Adopted this _____ day of _____, 20__.

CHAIRPERSON

GENERAL MANAGER, CORPORATE SERVICES

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Chairperson

General Manager, Corporate Services

