

REGIONAL DISTRICT OF NANAIMO

REGULAR BOARD MEETING

TUESDAY, JUNE 28, 2011

7:00 PM

(RDN Board Chambers)

A G E N D A

PAGES

1. CALL TO ORDER
2. DELEGATIONS
 - 13 **Barbara Campbell**, re Well Water Quality, South Forks Road, Area 'C'.
 - 14 **Janette Poncratz-Doyle**, re Well Water Quality, South Forks Road, Area 'C'.
3. BOARD MINUTES
 - 15-22 Minutes of the regular Board meeting held May 24, 2011.
4. BUSINESS ARISING FROM THE MINUTES
5. COMMUNICATIONS/CORRESPONDENCE
 - 23 **Dawn Burnett**, Resignation from the City of Nanaimo Parks, Recreation and Culture Commission and from the Electoral Area 'A' Parks, Recreation and Culture Commission.
6. UNFINISHED BUSINESS
 - BYLAWS
 - Public Hearing and Third Reading.**
 - 24-29 **Bylaw No. 500.370.** (EA Directors except EA 'B' – One Vote)
 1. *That the report of the Public Hearing held on June 9, 2011 on "Regional District of Nanaimo Land Use and Subdivision Amendment Bylaw No. 500.370, 2011" be received.*
 2. *That "Regional District of Nanaimo Land Use and Subdivision Amendment Bylaw No. 500.370, 2011" be read a third time.*

This bylaw supports Zoning Amendment Application No. PL2010-123 – Landeca Services Inc. – 2956 & 2962 Ridgeway Road – Area 'C'.

Third Reading and Adoption.

30-41 **Bylaw No. 1309.01.** (All Directors – One Vote/Two Thirds)

1. *That the responses to the referral for acceptance of “Regional Growth Strategy Amendment Bylaw No. 1309.01” be received.*
2. *That “Regional Growth Strategy Amendment Bylaw No. 1309.01, 2011” be read a third time.*
3. *That “Regional Growth Strategy Amendment Bylaw No. 1309.01, 2011” be adopted.*

(EA Directors except EA ‘B’ – One Vote)

Bylaw No. 1148.07

That “Regional District of Nanaimo Arrowsmith Benson – Cranberry Bright Official Community Plan Amendment Bylaw No. 1148.07” be adopted.

These bylaws amend the Regional Growth Strategy and the Arrowsmith Benson – Cranberry Bright Official Community Plan to support zoning amendment application No. PL2009-778 – Addison - 2610 Myles Lake Road - Area ‘C’ which provides for the subject property to be subdivided into four lots.

For Adoption.

Bylaw No. 889.60. (All Directors – One Vote)

That “Regional District of Nanaimo Northern Community Sewer Local Service Boundary Amendment Bylaw No. 889.60” be adopted.

This bylaw amends the RDN’s Northern Community Sewer Service Bylaw in order to formally exclude 56 properties from paying the assessed tax for septage disposal since these properties are now included in the Fairwinds Sewer Service Area – Area ‘E’.

Bylaw No. 1498.01. (All Directors – One Vote)

That “Duke Point Sewer Service Area Development Cost Charges Amendment Bylaw No. 1498.01, 2011” be adopted.

This bylaw extends the Boundaries of the Duke Point Sewer Development Cost Charges Service to Include an Area ‘A’ Property (1965 Walsh Road).

7. STANDING COMMITTEE, SELECT COMMITTEE AND COMMISSION MINUTES AND RECOMMENDATIONS

7.1 ELECTORAL AREA PLANNING STANDING COMMITTEE

42-44 Minutes of the Electoral Area Planning Committee meeting held June 14, 2011. (for information)

PLANNING

AMENDMENT APPLICATIONS

Bylaw No. 500.373 to Support Zoning Amendment Application No. PL2011-057 – City of Nanaimo – South Forks Road – Area ‘C’. (EA Directors except EA ‘B’ – One Vote)

- 1. That the Summary of the Public Information Meeting held on May 18, 2011, be received.*
- 2. That "Regional District of Nanaimo Land Use and Subdivision Amendment Bylaw No. 500.373, 2011 ", be introduced and read two times.*
- 3. That the Public Hearing on "Regional District of Nanaimo Land Use and Subdivision Amendment Bylaw No. 500.373, 2011" be delegated to Director Young or another Area Director.*

DEVELOPMENT PERMIT WITH VARIANCE APPLICATIONS

Development Permit with Variance Application No. PL2011-052 – Mike Seargeant – 3441 Trans Canada Highway – Area ‘A’. (EA Directors except EA ‘B’ – One Vote)

- 1. That staff be directed to complete the required notification.*
- 2. That Development Permit with Variance Application No. PL2011-052 be approved subject to the conditions outlined in Schedule No. 1.*

Development Permit with Variance Application No. PL2011-058 – Quentin & Melissa Koop – 1401 Greig Road – Area ‘G’. (EA Directors except EA ‘B’ – One Vote)

- 1. That staff be directed to complete the required notification.*
- 2. That Development Permit with Variance Application No. PL2011-058 be approved subject to the conditions outlined in Schedule No. 1.*

DEVELOPMENT VARIANCE PERMIT

Development Variance Permit Application No. PL2011-085 – Regional & Community Utilities, Regional District of Nanaimo - 2471/2473 Nanoose Road - Area ‘E’. (EA Directors except EA ‘B’ – One Vote)

- 1. That staff be directed to complete the required notification.*
- 2. That Development Variance Permit Application No. PL2011-085 be approved subject to the conditions outlined in Schedule No. 1.*

OTHER

Bylaw No. 1432.02 - Proposed Amendments to Regional District of Nanaimo Development Approval Procedures and Notification Bylaw. (EA Directors except EA 'B' – One Vote/Two Thirds)

1. *That "Regional District of Nanaimo Development Approval Procedures and Notification Amendment Bylaw No. 1432.02, 2011" be introduced and read three times.*
2. *That "Regional District of Nanaimo Development Approval Procedures and Notification Amendment Bylaw No. 1432.02, 2011" be adopted.*

Request for Frontage Relaxation on Subdivision Application No. PL2010-197 – Fern Road Consulting Ltd. – 6120 Island Highway West – Area 'H'. (EA Directors except EA 'B' – One Vote)

That the request to relax the minimum 10% perimeter frontage requirement width requirement be approved.

Subdivision and Non-farm Use Within the ALR. (All Directors – One Vote)

That Policy B1.8, "Review of Provincial Agricultural Land Reserve Applications" be amended to:

- a) *Authorize all subdivision and non-farm use applications to be forwarded to the Agricultural Land Commission, and*
- b) *Include a general policy statement, as amended, that will be forwarded to the ALC with each subdivision application.*

7.2 COMMITTEE OF THE WHOLE STANDING COMMITTEE

45-53 Minutes of the Committee of the Whole meeting held June 14, 2011. (for information)

COMMUNICATIONS/CORRESPONDENCE

J. A. Ferrero, re People with Disabilities. (All Directors – One Vote)

That the correspondence from J.A. Ferrero be received.

FINANCE AND INFORMATION SERVICES

FINANCE

Use of Development Cost Charges in 2010. (All Directors – One Vote)

That the report on Development Cost Charges provided under Section 937.01 be received for information.

Bylaws No. 1078.07 and 1317.03 - Board Remuneration Review and Recommendations.

(All Directors – One Vote/Two Thirds)

1. *That the recommendations of the Board Remuneration Committee be approved.*
2. *That "Regional District of Nanaimo Board and Committee Member Remuneration, Expenses and Benefits Bylaw No. 1078.07, 2011" be introduced and read three times.*
3. *That "Regional District of Nanaimo Board and Committee Member Remuneration, Expenses and Benefits Bylaw No. 1078.07, 2011" be adopted.*
4. *That "Regional District of Nanaimo Board Remuneration and Expenses (Electoral Areas Only) Bylaw No. 1317.03, 2011" be introduced and read three times.*
5. *That "Regional District of Nanaimo Board Remuneration and Expenses (Electoral Areas Only) Bylaw No. 1317.03, 2011" be adopted.*

Central Island 911 Service Update. (All Directors – One Vote)

That the report be received for information.

Bylaw No. 1611 - Renewal of Central Island 911 Partnership Agreement and 911 Call Answer Levy.

(All Directors – One Vote)

1. *That the Parties support the Guiding Principle to work together to provide 911 Service in each of their respective jurisdictions with the eventual goal of the Parties to fund 911 Service entirely through a call answer - levy (CAL) placed on all telephone subscribers within the service areas.*

(EA Directors 'A', 'B', 'C' and District of Lantzville – Weighted Vote/Two Thirds)

2. *That until such time as the CAL is sufficient to provide all funding necessary for the 911 Service, that any shortfall will be made up by the Parties on the basis of population in accordance with Schedule 'A' of the "911 Partnership Agreement".*

(All Directors – Weighted Vote)

3. *That the "911 Partnership Agreement" between the Regional District of Nanaimo, the Cowichan Valley Regional District and the City of Nanaimo be approved for a period of five years expiring on December 31, 2015.*

(EA Directors 'A', 'B', 'C' and District of Lantzville – Weighted Vote/Two Thirds)

4. *That "911 Call Answer Levy Bylaw No. 1611, 2011" be introduced and read three times.*

5. *That "911 Call Answer Levy Bylaw No. 1611, 2011" be adopted.*

Fire Departments Authority to Respond to Emergencies Outside Fire Protection Boundaries. (All Directors – One Vote)

1. *That the Extension, Dashwood, Nanoose Bay, Errington and Coombs Hilliers Volunteer Fire Departments be authorized to deploy fire-fighting resources outside their statutory boundaries for the 2011 fire season as outlined in this report.*
2. *That the Errington Volunteer Fire Department be authorized to provide assistance to the BC Ambulance service for cross country and downhill cyclist rescue responses in Blocks 380, 469, 468 and 36 of the Nanoose District, and that the Errington Volunteer Fire Department be authorized to lend their air/lighting pod to the Port Alberni fire department in the case of a tsunami event localized to the Port Alberni area.*

DEVELOPMENT SERVICES

BUILDING & BYLAW

Building Inspection – Contaminated Building Remediation Policy. (All Directors – One Vote)

That the Board policy entitled "Building Inspection Procedure for the Remediation of Contaminated Buildings" be adopted as outlined in Schedule No. 1.

Building Inspection – Building Bylaw Contravention – 3106 Northwest Bay Road – Area 'E'. (All Directors – One Vote)

That staff be directed to register a Notice of Bylaw Contravention on the title of the subject property legally described as Lot 2, District Lot 30-A, Plan 3074, Nanoose District, pursuant to Section 57 of the Community Charter.

Bylaw Enforcement – Zoning and Building Bylaw Contraventions – 146 Kinkade Road – Area 'G'. (All Directors – One Vote)

That staff be directed to register a Notice of Bylaw Contravention on title pursuant to Section 57 Community Charter and that legal action be taken if necessary to ensure that Lots 1, 2 & 3, District Lot 9, Plan 21816, Newcastle Land District, are in compliance with "Regional District of Nanaimo Building Regulations Bylaw No. 1250, 2010 and Regional District of Nanaimo Land Use and Subdivision Bylaw 500, 1987."

PLANNING

Bylaw No. 1615 – Regional District of Nanaimo Growth Strategy Bylaw and Summary of Public Input. (All Directors – One Vote)

1. *That the report summarizing the results of Phase 3 of the RGS review community consultation process be received.*

2. *That the changes to the Draft Regional Growth Strategy as recommended in this report be included prior to the first two readings of the bylaw.*
3. *That "Regional District of Nanaimo Growth Strategy Bylaw No 1615, 2011" be introduced and read two times.*
4. *That a public hearing on "Regional District of Nanaimo Growth Strategy Bylaw No. 1615, 2011" be scheduled and chaired by Director Stanhope.*

REGIONAL AND COMMUNITY UTILITIES

LIQUID WASTE

Greater Nanaimo Pollution Control Centre and Nanaimo Community Gardens Society Agreement. (All Directors – Weighted Vote)

That the RDN enter into a two year agreement from September 1, 2011 to August 31, 2013 with the Nanaimo Community Gardens Society for the use of the greenhouses at Greater Nanaimo Pollution Control Centre.

WATER

Drinking Water and Watershed Protection – Water Budget Project – Expenditure of Reserve Funds. (EA Directors – Weighted Vote)

That the expenditure of up to \$107,000 from the Drinking Water and Watershed Protection Reserve Fund Expenditure Bylaw No. 1608 be approved to support proceeding with the Water Budget Project.

TRANSPORTATION AND SOLID WASTE SERVICES

SOLID WASTE

Regional Landfill – Cedar Road Bioenergy Facility Expansion Agreement. (All Directors – Weighted Vote)

That the Board approve the Fifth Amending (Facility Expansion) Agreement with Cedar Road Bioenergy Inc.

COMMISSION, ADVISORY & SELECT COMMITTEE

Arrowsmith Water Services Management Board. (All Directors – One Vote)

That the minutes from the meeting of the Arrowsmith Water Service Management Board held April 26, 2011 be received for information.

District 69 Recreation Commission. (All Directors – One Vote)

That the minutes from the meeting of the District 69 Recreation Commission held May 19, 2011 be received for information.

1. That a cross reference process be formalized in RDN Grant-In-Aid procedures to ensure applicants are accurately completing RDN Grant-In-Aid request forms and to verify applying organizations meet the criteria for the Grant-In-Aid programs.

(Parksville, Qualicum Beach, EAs 'E', 'F', 'G' 'H' – Weighted Vote)

2. That the following District 69 Recreation Youth Grants be approved:

<i>Arrowsmith Community Enhance. Society - youth sport facility rental</i>	\$ 400
<i>Bard to Broadway Society - youth summer theatre facility rental</i>	800
<i>Bard to Broadway Society - Education Series facility rental</i>	1,500
<i>Erik Goetzing BMX Society Qualicum Beach - gate controls, gate repairs and PA speaker</i>	1,500
<i>District 69 Family Resource Association - youth week event</i>	600
<i>Milner Gardens and Woodland - Shoots with Roots youth camps at VIU marine field station</i>	1,195
<i>Oceanside Minor Baseball - video training equipment</i>	1,500
<i>Ravensong Aquatic Club - pool rental</i>	2,500

3. That the following District 69 Recreation Community Grants be approved:

<i>Arrowsmith Community Enhancement Society – Coombs Halloween Candy Walk</i>	\$ 1,500
<i>Arrowsmith Agricultural Association - padding for indoor court</i>	2,500
<i>Oceanside Building Learning Together – sand; play cars and helmets; play traffic signs</i>	2,500
<i>Nanoose Bay Landscaping Project - landscape materials and irrigation</i>	1,500
<i>Parksville and District Association for Community Living - program and event expenses</i>	1,500
<i>Parksville and District 69 Team – transportation</i>	1,500
<i>Parksville Lions Club - playground maintenance</i>	1,500
<i>Qualicum Beach Lawn Bowling Club - equipment and signage</i>	1,400
<i>Qualicum Beach Historical and Museum Society – children's day event costs</i>	750

Arrowsmith Community (Area 'F') Recreation Services Agreement 2011-2013.
(All Directors – Weighted Vote)

That the Agreement with the Arrowsmith Community Enhancement Society, as provided in Appendix 'A', covering the term from June 1, 2011 to December 31, 2013, be approved as presented.

District 69 Recreation Services Fees and Charges. (Parksville, Qualicum Beach, EA's 'E', 'F', 'G', 'H' – One Vote)

1. That the 2011-2012 Northern Community Recreation Services Program Fees be approved as provided in Appendix 'A'.
2. That the 2011-2012 program, admission and rental fees for Oceanside Place be approved as provided in Appendix 'B'.

3. *That the 2011-2012 program, admission and rental fees for Ravensong Aquatic Centre be approved as provided in Appendix 'C'.*
4. *That the Fees and Charges Policy be approved as amended in Appendix 'E'.*

Electoral Area 'A' Parks, Recreation and Culture Commission.

(All Directors – One Vote)

1. *That the minutes from the meeting of the Electoral Area 'A' Parks, Recreation and Culture Commission held May 26, 2011 be received for information.*
2. *That a Porta Potty with a concrete privacy surround, a garbage can and dog sign be installed at the Pebble Beach MOTI water access in Electoral Area 'A'.*
3. *That the Electoral Area 'A' Recreation and Culture Services Fees and Charges Policy be approved as amended in Appendix A.*
4. *That the Electoral Area 'A' Recreation and Culture Services 2011-12 program fees and charges be approved as outlined in Appendix B.*
5. *That \$27,000 in 2011 and \$21,000 in 2012 be provided to Cedar Community Hall Association for hall upgrades funded by the Area 'A' Community Parks Budget.*
6. *That the request by Cedar School and Community Enhancement Society (CSCES) be approved as presented, with the understanding that the placement of the memorial bench for Mr. Jock Gourlay may be temporary due to being on leased land and should the removal of the bench be required, it will be returned to the family.*
7. *That a memorial bench policy in RDN Parks be developed.*

(All Directors – Weighted Vote)

8. *That the Regional District enter into an Agreement with the Cedar Community Hall Association that provides for a reduced rental arrangement for a five year period.*
9. *That the License to Use Agreement between the Regional District of Nanaimo and the Cedar Community School and Enhancement Society for the operation and use of the Cedar Heritage Centre be approved for a Three Year Term from July 1, 2011 – May 30, 2014.*

BUSINESS ARISING FROM DELEGATIONS OR COMMUNICATIONS

People with Disabilities. (All Directors – One Vote)

That correspondence be sent to senior levels of government regarding services required to assist people with disabilities.

NEW BUSINESS

Noise Control Regulatory Bylaw No. 1082. (All Directors – One Vote)

That staff be directed to examine the feasibility of amending Electoral Area 'B' Noise Control Bylaw No. 1082 to include firearms related noise and report back to the Board.

7.3 EXECUTIVE STANDING COMMITTEE

7.4 COMMISSIONS

7.5 SCHEDULED STANDING, ADVISORY STANDING AND SELECT COMMITTEE REPORTS

54-82 Transit Select Committee:

(All Directors – One Vote)

Minutes from the meeting of the Transit Select Committee held June 15, 2011. (for information)

1. *That the Board receive the report on the Electoral Area 'A' Transit Service Feasibility Study for information and direct staff to investigate the full financial impacts of the various expansion options and to work with BC Transit to prioritize the proposed service increase and update the RDN Transit Business Plan as required.*
2. *That staff be directed to investigate the financial impact of introductory midday scheduled paratransit service for implementation in the 2011/2012 budget year.*
3. *That the Board receive the report on the Electoral Area 'H' Transit Service Feasibility Study for information and direct staff to investigate the full financial impacts of the various expansion options, to work with BC Transit to prioritize the proposed service increase and to update the RDN Transit Business Plan as required.*
4. *That the Board approve the Bus Stop Realignment Program.*
5. *That the Board approve the U-PASS Promotion Campaign and direct staff to work with BC Transit to implement the campaign.*

(All Directors – Weighted Vote)

6. *That the Board approve the 2011/2012 Annual Operating Agreement and direct staff to work with BC Transit staff to reduce debt service costs by having interior/exterior retrofit work postponed until the RDN transit body bay is completed and the work can be done by RDN staff.*

83-101 **Sustainability Select Committee.** (All Directors – One Vote)

Minutes from the meeting of the Sustainability Select Committee held June 15, 2011.
(for information)

1. *That the staff report on Carbon Management in the RDN be received for information purposes.*
2. *That the Community Emissions Model report be received for information purposes.*

102-120 **Regional Parks and Trails Advisory Committee.**

Minutes from the meeting of the Regional Parks and Trails Advisory Committee held June 21, 2011. (for information) (All Directors – One Vote)

Moorecroft Regional Park Management Plan Terms of Reference

1. *That the Terms of Reference for the Moorecroft Regional Park Management Plan be approved.*
2. *That staff be directed to issue a Request for Proposals for a Project Consultant for the development of the Moorecroft Regional Park Management Plan.*
3. *That two members of the Regional Parks and Trails Advisory Committee be appointed to participate as members of the Moorecroft Regional Park Management Plan Sub Committee.*
4. *That Mr. Van Eynde and Mr. Young be appointed as the Regional Parks and Trails Advisory Committee representatives on the Moorecroft Regional Park Management Plan Sub Committee.*

Mount Arrowsmith Massif Regional Park Management Plan

That the Mt. Arrowsmith Massif Regional Park Management Plan be approved.

Horne Lake Regional Park Concept Plan

1. *That the Concept Plan for facility and infrastructure improvements at Horne Lake Regional Park be received as information.*
2. *That staff undertake the Northpark water system upgrade and assemble an in-house integrated design team.*
3. *That as part of the 2012 work plan, staff be directed to review the concept plan and related costs and provide development alternatives that prioritize essential infrastructure requirements to be undertaken in the short and long term.*

8. ADMINISTRATOR'S REPORTS

121-128 **Tri-Regional District Solid Waste Study.** (All Directors – One Vote)

- 129-131 Nanoose Bay Peninsula Water Treatment Plant Construction and Engineering Services Award. (All Directors – Weighted Vote)
- 132-172 Arrowsmith Water Service Joint Venture Agreement. (All Directors – Weighted Vote)
- 173-208 Englishman River Water Service Joint Venture Agreement. (All Directors – Weighted Vote)

9. ADDENDUM

10. BUSINESS ARISING FROM DELEGATIONS OR COMMUNICATIONS

11. NEW BUSINESS

12. BOARD INFORMATION (Separate enclosure on blue paper)

13. ADJOURNMENT

14. IN CAMERA

That pursuant to Section 90(1)(e) and (g) of the Community Charter the Board proceed to an In Camera meeting to consider items related to land matters and land use contraventions.

Burgoyne, Linda

From: B Campbell <campbelb@shaw.ca>
Sent: Monday, June 20, 2011 12:04 PM
To: Burgoyne, Linda
Subject: presentation to the RDN board

Hi Linda, I phoned you earlier today about making a presentation to the board at the June 28 meeting. I would like to talk about the well water quality in the South Forks Area by where the new water treatment plant will be built. Thank you

Barbara Campbell
2540 South Forks Rd., Nanaimo
250-755-3093
campbelb@shaw.ca

(Request by telephone)

June 20, 2011

Janette Poncratz-Doyle
2710 South Forks Road
Nanaimo, BC
V9X 1H3

Phone: 250-753-4908

Would like to appear as a delegation at the Board meeting on Tuesday, June 28th to discuss the quality of well water in the area and the City of Nanaimo water treatment plant.

REGIONAL DISTRICT OF NANAIMO

MINUTES OF THE REGULAR MEETING OF THE BOARD
OF THE REGIONAL DISTRICT OF NANAIMO HELD ON
TUESDAY, MAY 24, 2011 AT 7:03 PM IN THE
RDN BOARD CHAMBERS

Present:

Director J. Stanhope	Chairperson
Director J. Burnett	Electoral Area A
Director G. Rudischer	Electoral Area B
Director M. Young	Electoral Area C
Director G. Holme	Electoral Area E
Director L. Biggemann	Electoral Area F
Director D. Bartram	Electoral Area H
Director M. Lefebvre	City of Parksville
Director T. Westbroek	Town of Qualicum Beach
Director J. Ruttan	City of Nanaimo
Director B. Holdom	City of Nanaimo
Director B. Bestwick	City of Nanaimo
Director D. Johnstone	City of Nanaimo
Director L. Sherry	City of Nanaimo
Director M. Unger	City of Nanaimo

Also in Attendance:

C. Mason	Chief Administrative Officer
M. Pearse	Sr. Mgr., Corporate Administration
W. Idema	A/C Gen. Mgr., Finance & Information Services
P. Thorkelsson	Gen. Mgr., Development Services
J. Finnie	Gen. Mgr., Regional & Community Utilities
T. Osborne	Gen. Mgr., Recreation & Parks Services
D. Trudeau	Gen. Mgr., Transportation & Solid Waste Services
N. Hewitt	Recording Secretary

DELEGATIONS

Heather Vallance, re Clarification on a Request from the ALC for a Resolution on a Subdivision Application within the ALR.

Ms. Vallance requested that the Board direct staff to prepare a report with respect to their subdivision request and forward it to the ALC for their consideration.

BOARD MINUTES

MOVED Director Holdom, SECONDED Director Ruttan, that the minutes of the regular Board meeting held April 26, 2011 be adopted.

CARRIED

BYLAWS

Public Hearing & Third Reading.

Report of the Public Hearing held on May 17, 2011 on Bylaw No. 500.371 – Fern Road Consulting Ltd.

MOVED Director Bartram, SECONDED Director Westbroek, that this item be considered at the next regular Board meeting to be held on June 28, 2011.

CARRIED

Report of the Public Hearing held on May 9, 2011 on Bylaw No. 1400.03 – Lakes District Neighbourhood Plan.

MOVED Director Holme, SECONDED Director Bartram, that the report of the Public Hearing held on May 9, 2011 on Bylaw No. 1400.03 be received.

CARRIED

MOVED Director Holme, SECONDED Director Bartram, that Bylaw No. 1400.03 be amended at third reading as set out in Schedule No. 1 of the staff report.

CARRIED

MOVED Director Holme, SECONDED Director Bartram, that “Regional District of Nanaimo Nanoose Bay Official Community Plan Amendment Bylaw No. 1400.03, 2011” be read a third time, as amended, and forwarded to the Minister of Community, Sport and Cultural Development for approval.

CARRIED

Report of the Public Hearing held on May 3, 2011 on Bylaw No. 1400.04 – Schooner Cove Neighbourhood Plan.

MOVED Director Holme, SECONDED Director Bartram, that the report of the Public Hearing held on May 3, 2011 on Bylaw No. 1400.04, be received.

CARRIED

MOVED Director Holme, SECONDED Director Bartram, that Bylaw No. 1400.04 be amended at third reading as set out in Schedule No. 1 of the staff report.

CARRIED

MOVED Director Holme, SECONDED Director Bartram, that “Regional District of Nanaimo Nanoose Bay Official Community Plan Amendment Bylaw No. 1400.04, 2011” be read a third time, as amended, and forwarded to the Minister of Community, Sport and Cultural Development for approval.

CARRIED

For Adoption.

Bylaws No. 867.05 & 1049.06.

MOVED Director Holme, SECONDED Director Bartram, that “Nanoose Bay Peninsula Water Service Area Amendment Bylaw No. 867.05, 2011” be adopted.

CARRIED

MOVED Director Holme, SECONDED Director Bartram, that “Nanoose Bay Bulk Water Supply Local Service Area Amendment Bylaw No. 1049.06, 2011” be adopted.

CARRIED

Bylaw No. 975.55.

MOVED Director Rudischer, SECONDED Director Bartram, that "Regional District of Nanaimo Pump & Haul Local Service Amendment Bylaw No. 975.55, 2011" be adopted.

CARRIED

Bylaws No. 1628, 1629, 1630 & 1231.03.

MOVED Director Holdom, SECONDED Director Ruttan, that "Regional Parks and Trails Service Loan Authorization Bylaw No. 1628, 2011" be adopted.

CARRIED

MOVED Director Holdom, SECONDED Director Ruttan, that "Regional Parks and Trails Service Security Issuing Bylaw No. 1629, 2011" be adopted.

CARRIED

MOVED Director Holdom, SECONDED Director Ruttan, that "Regional Parks and Trails Service Interim Financing Bylaw No. 1630, 2011" be adopted.

CARRIED

MOVED Director Holdom, SECONDED Director Ruttan, that "Regional Parks and Trails Service Amendment Bylaw No. 1231.03, 2011" be adopted.

CARRIED

STANDING COMMITTEE, SELECT COMMITTEE AND COMMISSION MINUTES AND RECOMMENDATIONS

ELECTORAL AREA PLANNING STANDING COMMITTEE

MOVED Director Bartram, SECONDED Director Lefebvre, that the minutes of the Electoral Area Planning Committee meeting held May 10, 2011 be received for information.

CARRIED

PLANNING

OTHER

Bylaw No. 1259.07 – Proposes to Amend the Regional District of Nanaimo Planning Services Fees and Charges Bylaw.

MOVED Director Bartram, SECONDED Director Young, that "Regional District of Nanaimo Planning Services Fees and Charges Amendment Bylaw No. 1259.07, 2011" be introduced and read three times.

CARRIED

MOVED Director Bartram, SECONDED Director Burnett, that "Regional District of Nanaimo Planning Services Fees and Charges Amendment Bylaw No. 1259.07, 2011" be adopted.

CARRIED

Policy B1.8 – Subdivision and Non-farm Use Within the ALR.

MOVED Director Bartram, SECONDED Director Burnett, that the policy be referred back to staff for a report.

CARRIED

COMMITTEE OF THE WHOLE STANDING COMMITTEE

MOVED Director Lefebvre, SECONDED Director Holdom, that the minutes of the Committee of the Whole meeting held May 10, 2011 be received for information.

CARRIED

FINANCE AND INFORMATION SERVICES

FINANCE

Bylaw 1498.01 – Extends the Boundaries of the Duke Point Sewer Development Cost Charges Service to Include an Area ‘A’ Property (1965 Walsh Road).

MOVED Director Burnett, SECONDED Director Johnstone, that "Duke Point Sewer Service Area Development Cost Charges Amendment Bylaw No. 1498.01, 2011" be introduced, read three times and forwarded to the Inspector of Municipalities for approval.

CARRIED

Regional District of Nanaimo – 2010 Annual Report & Statement of Financial Information.

MOVED Director Lefebvre, SECONDED Director Sherry, that the 2010 Annual Financial Report Statement of Board and Committee Members Expenses and Remuneration and the Statement of Financial Information be approved and received as presented.

CARRIED

DEVELOPMENT SERVICES

BUILDING & BYLAW

Building Inspection Service - Proposed Expansion to Include Lumber Grading.

MOVED Director Burnett, SECONDED Director Young, that staff be directed to compile a referral list of certified lumber graders for home builders making use of site cut lumber to satisfy the requirements of the British Columbia Building Code.

CARRIED

RECREATION AND PARKS SERVICES

PARKS

Regional Parks & Trails - Island Corridor Foundation License of Occupation.

MOVED Director Holdom, SECONDED Director Holme, that the Licence of Occupation Agreement between the Regional District of Nanaimo, City of Nanaimo, District of Lantzville, City of Parksville, Town of Qualicum Beach and the Island Corridor Foundation be approved for the term of 25 years from 2011 to 2035.

CARRIED

REGIONAL AND COMMUNITY UTILITIES

WASTEWATER

Northern & Southern Community Wastewater Services - 2011 Open House Summary.

MOVED Director Holdom, SECONDED Director Ruttan, that the report on Wastewater Services' French Creek Pollution Control Centre and Greater Nanaimo Pollution Control Centre 2011 Open Houses be received for information.

CARRIED

Greater Nanaimo Pollution Control Centre Digester 3 Project – Construction Award.

MOVED Director Holdom, SECONDED Director Burnett, that the Board award the construction contract for the new Digester 3 at the Greater Nanaimo Pollution Control Centre to Maple Reinders Inc. for a value of \$9,459,600.

CARRIED

MOVED Director Holdom, SECONDED Director Burnett, that the Board award the engineering services during the construction of Digester 3 and the SCADA programming services to AECOM for a total value of \$403,625.

CARRIED

MOVED Director Holdom, SECONDED Director Burnett, that funds from the Southern Community Development Cost Charge Reserve Fund be used for the Greater Nanaimo Pollution Control Centre Digester 3 Project.

CARRIED

WATER

Drinking Water & Watershed Protection Service – Watershed Snapshot Report 2010.

MOVED Director Bartram, SECONDED Director Burnett, that the Board approve the Watershed Snapshot Report 2010.

CARRIED

MOVED Director Bartram, SECONDED Director Burnett, that the Board direct staff to proceed with the recommendations in the report.

CARRIED

MOVED Director Bartram, SECONDED Director Burnett, that the Board direct staff to make the report available to the public and alert participants of its completion.

CARRIED

Bylaws No. 1639 & 1640 – Establishes General Rates & Regulations for RDN Water Services.

MOVED Director Holme, SECONDED Director Johnstone, that "Regional District of Nanaimo Water Use Regulation Bylaw No. 1639, 2011" be introduced and read three times.

CARRIED

MOVED Director Holme, SECONDED Director Johnstone, that "Regional District of Nanaimo Water Use Regulation Bylaw No. 1639, 2011" be adopted.

CARRIED

MOVED Director Holme, SECONDED Director Johnstone, that "Regional District of Nanaimo Water Services Fees & Charges Bylaw No. 1640, 2011" be introduced and read three times.

CARRIED

MOVED Director Holme, SECONDED Director Johnstone, that "Regional District of Nanaimo Water Services Fees & Charges Bylaw No. 1640, 2011" be adopted.

CARRIED

TRANSPORTATION AND SOLID WASTE SERVICES

SOLID WASTE

Solid Waste Disposal Service - Extend Contract to Haul Waste from Church Road Transfer Station.

MOVED Director Holme, SECONDED Director Holdom, that the Board approve an eighteen month extension to the contract with Bobell Express Ltd. for waste hauling services from the Church Road Transfer Station under the current contract conditions.

CARRIED

Solid Waste Disposal Service - Award Tender for Regional Landfill Cell One Closure.

MOVED Director Holme, SECONDED Director Holdom, that the Board award the Regional Landfill Cell One Stage One final closure project to Knappett Industries Ltd. for the tendered amount of \$1,571,830 with a construction contingency of \$500,000.

CARRIED

COMMISSION, ADVISORY & SELECT COMMITTEE

Grants-in-Aid Committee.

MOVED Director Young, SECONDED Director Westbrook, that the minutes of the Grants-in-Aid Committee meeting held May 4, 2011 be received for information.

CARRIED

MOVED Director Young, SECONDED Director Westbrook, that the following District 68 grants be awarded:

<i>Organization</i>	<i>Amount Recommended</i>
BC Competitive Trail Riding Association	\$ 600
Gabriola Arts Council	1,000
Hope Centre	800
Jonanco Hobby Workshop Association	600
Poetry Gabriola Society	<u>1,000</u>
	<u>\$ 4,000</u>

CARRIED

MOVED Director Young, SECONDED Director Westbroek, that the following District 69 grants be awarded:

<i>Organization</i>	<i>Amount Recommended</i>
Arrowsmith Agricultural Association	\$ 1,000
Arrowsmith Community Enhancement Society	250
Coombs 100 Year Celebration (French Creek Community PAC)	500
Errington War Memorial Hall Association	1,500
Forward House Community Society	2,000
Friends of Nanoose Library Society	1,200
Lighthouse Community Centre Society	2,000
Oceanside Volunteer Association	1,000
Parksville & District Association for Community Living	1,200
Parksville-Qualicum Beach & District Branch of the SPCA	600
Vancouver Island Opera	<u>1,000</u>
	<u>\$ 12,250</u>
	CARRIED

NEW BUSINESS

Regional Voting Unit.

MOVED Director Holdom, SECONDED Director Ruttan, that given there will be new census figures completed at the end of 2011 that may result in a larger Board structure and associated increased cost implications, that staff prepare a report on the voting structure with options for consideration by the Board.

CARRIED

ADMINISTRATOR'S REPORTS

Green Building Outreach Program 2011.

The Manager of Energy & Sustainability provided a verbal and visual overview of the Green Building Outreach Program.

Greater Nanaimo Pollution Control Centre Cogeneration Project – BC Hydro Energy Purchase Agreement and Confidentiality & Compliance Agreement.

MOVED Director Holdom, SECONDED Director Ruttan, that the Chair and Senior Manager Corporate Administration be authorized to execute the Electricity Purchase Agreement, and the Confidentiality and Compliance Agreement between the Regional District of Nanaimo and BC Hydro as approved.

CARRIED

NEW BUSINESS

Request for Remembrance Project – Royal Canadian Legion.

MOVED Director Bartram, SECONDED Director Burnett, that the Board purchase a ¼ page advertisement space in the “Military Service Recognition Book” in support of the Royal Canadian Legion’s remembrance project.

CARRIED

ADJOURNMENT

MOVED Director Holme, SECONDED Director Holdom, that pursuant to Section 90(1) (c) and (e) of the Community Charter the Board proceed to an In Camera meeting to consider items related to personnel land matters.

CARRIED

TIME: 7:35 PM

RISE & REPORT

ADMINISTRATION

Board of Variance Appointment.

MOVED Director Bartram, SECONDED Director Westbrook, that Bill Fletcher be appointed to the Board of Variance for a three year term ending December 31, 2013.

CARRIED

RECREATION AND PARKS SERVICES

Huxley Park.

MOVED Director Rudischer, SECONDED Director Bartram, that the Gifting Agreement between the Regional District and Brenda Huxley be approved for the title transfer of Huxley Park, legally described as Section 20, Gabriola Island, Nanaimo District, Plan 50404, for the purpose of community park use in Area 'B'.

CARRIED

ADJOURNMENT

MOVED Director Holme, SECONDED Director Ruttan, that the meeting terminate.

CARRIED

TIME: 7:50 PM

CHAIRPERSON

SR. MGR., CORPORATE ADMINISTRATION

DAWN BURNETT
2520 Pylades Drive,
Ladysmith, British Columbia, B9G 1E5
Telephone: 250-722-2656; email: quaitlanding@shaw.ca

June 14, 2011

Regional District of Nanaimo
6300 Hammond Bay Road
Nanaimo, British Columbia, V9T 6N2

Attention: Regional District of Nanaimo Board Members

Re: Appointed Electoral Area 'A' Representative
for Parks, Recreation & Culture.

I hereby notify you of my decision to resign from the appointed position for Electoral Area 'A' representative to the Nanaimo Parks, Recreation and Culture Services, and all subsequent committees, including Area 'A' Parks, Recreation & Culture Commission, effective June 15th, 2011.

Unfortunately, due to other pressing matters I am unable to continue.

I wish to thank the Regional District of Nanaimo Board for my appointment which I have thoroughly enjoyed and I trust that I have served the Regional District to the best of my ability. It has been an honour and a privilege.

I also wish to commend the City of Nanaimo for the fantastic and superb work that is carried out through their Parks, Recreation & Culture Commission and wonderful staff all of which makes Nanaimo one of the best City run departments in B.C.

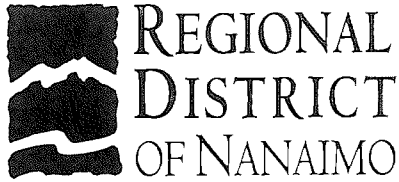
I am also grateful to have served on the inaugural Parks, Recreation & Culture Commission for Electoral Area 'A'. It was a real pleasure working with the Commissioners and Regional District's Recreation & Culture and the Parks department staff developing plans that truly benefit the Area 'A' neighbourhoods.

Yours truly,



Dawn Burnett

cc: Carol Mason
Maureen Pearse
Tom Osborne



RDN REPORT		
CAO APPROVAL		
EAP		
COW		
JUN 21 2011		
RHD		
BOARD	✓	June 28/11

MEMORANDUM

TO: Dale Lindsay
Manager, Current Planning

DATE: June 10, 2011

FROM: Elaine Leung
Planner

FILE: PL2010-123

SUBJECT: Report of the Public Hearing held June 9, 2011 on Bylaw No. 500.370
Landeca Services Inc.
Lot 3, Section 11, Range 4, Mountain District, Plan 31326
2956 & 2962 Ridgeway Road
Electoral Area 'C'

PURPOSE

To receive the report of the Public Hearing containing the summary of the minutes and submissions of the Public Hearing held on June 9, 2011, and to consider Bylaw No. 500.370, 2011 for 3rd reading.

BACKGROUND

Bylaw No. 500.370 was introduced and given 1st and 2nd reading on April 26, 2011. This was followed by a Public Hearing on June 9, 2011. The summary of the minutes and submissions is attached for the Board's consideration (*see Attachment No. 2*).

The purpose of this zoning amendment bylaw is to rezone the subject property from Subdivision District 'D' to Subdivision District 'F' to facilitate a two lot subdivision (*see Attachment No. 1 for location of subject property*).

ALTERNATIVES

1. To receive the report of the Public Hearing and give 3rd reading to "Regional District of Nanaimo Land Use and Subdivision Amendment Bylaw No. 500.370, 2011."
2. To receive the report of the Public Hearing and deny "Regional District of Nanaimo Land Use and Subdivision Amendment Bylaw No. 500.370, 2011."

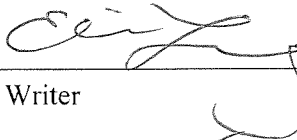
SUMMARY

The purpose of Bylaw No. 500.370, 2011 is to rezone the subject property from Rural 1, Subdivision District 'D' (RU1D) to Rural 1, Subdivision District 'F' (RU1F) to permit a two lot subdivision. "Regional District of Nanaimo Land Use and Subdivision Amendment Bylaw No. 500.370, 2011," was considered by the Board and given first and second reading on April 26, 2011.

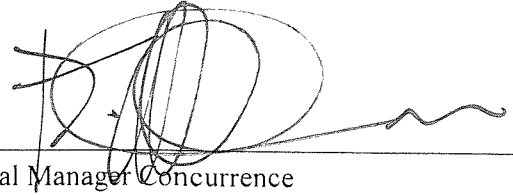
The associated Public Hearing was held on June 9, 2011. The requirements set out in the Conditions of Approval (*see Schedule No. 1*) are to be completed by the applicant prior to the Board's consideration of the bylaw for adoption. Staff recommends that Bylaw No. 500.370, 2011 be considered for 3rd reading.

RECOMMENDATIONS

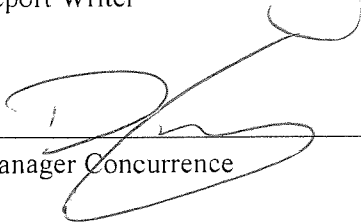
1. That the report of the Public Hearing held on June 9, 2011 on “Regional District of Nanaimo Land Use and Subdivision Amendment Bylaw No. 500.370, 2011” be received.
2. That “Regional District of Nanaimo Land Use and Subdivision Amendment Bylaw No. 500.370, 2011” be read a third time.



Report Writer



General Manager Concurrence



Manager Concurrence



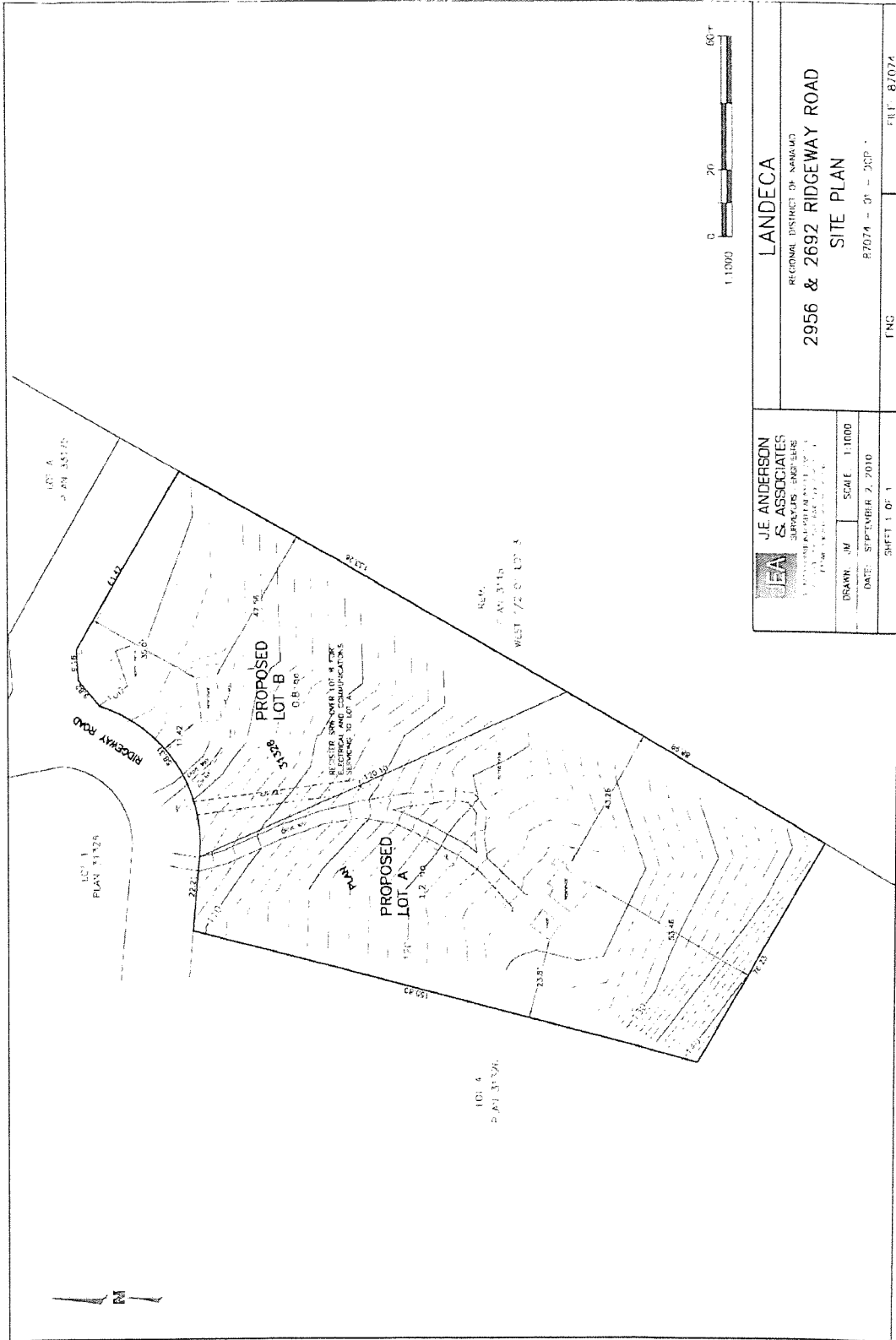
CAO Concurrence

Schedule No. 1
Zoning Amendment Application No. PL2010-123
Conditions of Approval

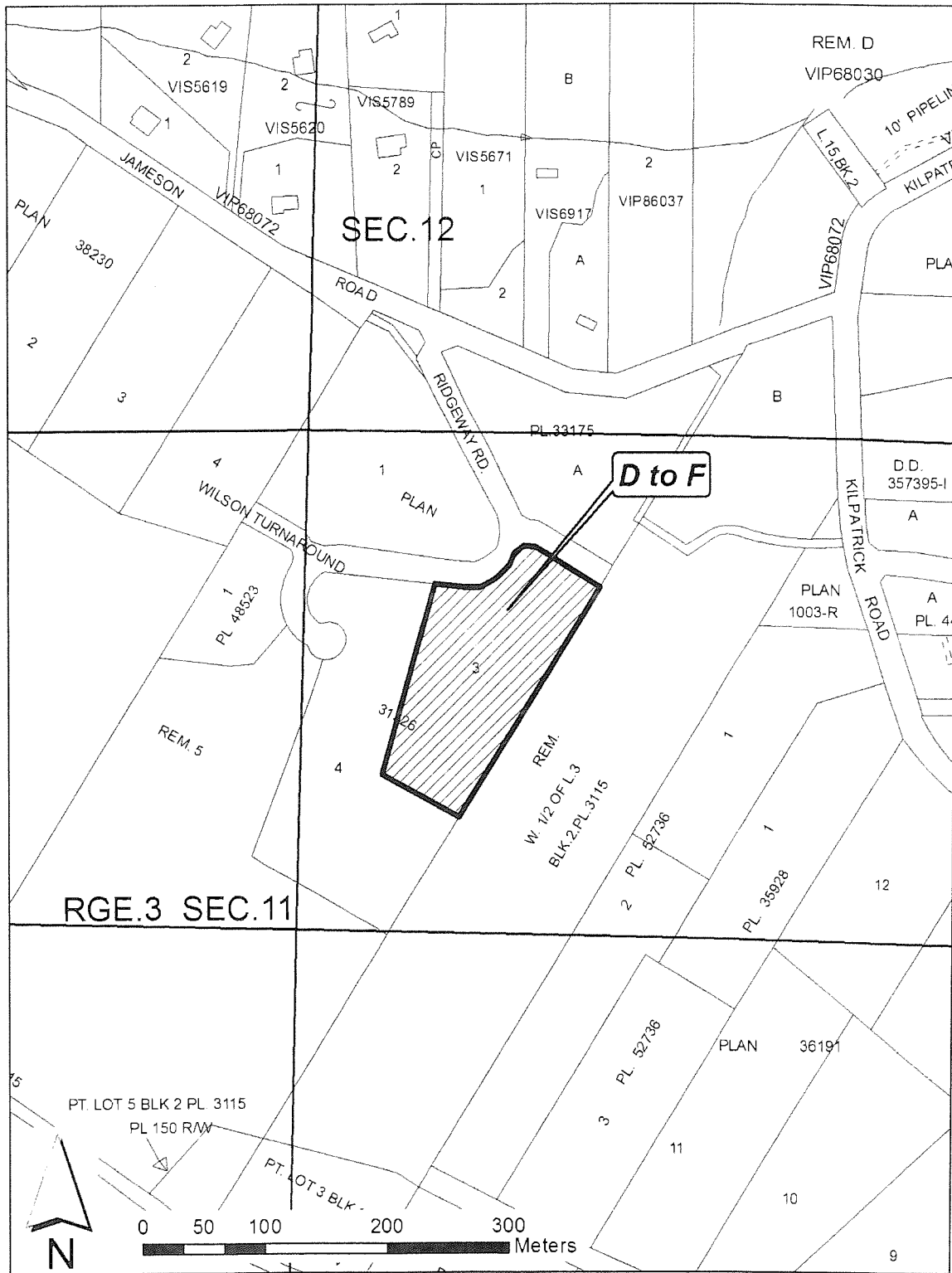
The following sets out the conditions of approval in conjunction with PL2010-123:

1. The applicant, at the applicant's expense, is to prepare and register a covenant stating that no subdivision shall occur until such time that a report from a Professional Engineer (registered in BC) has been completed to the satisfaction of the Regional District of Nanaimo confirming that the well has been pump tested and certified including well head protection, and that the water meets the Canadian Drinking Water Standards.

Schedule No. 2
Zoning Amendment Application No. PL2010-123
Proposed Plan of Subdivision
(as submitted by applicant / reduced for convenience)



Attachment No. 1
Zoning Amendment Application No. PL2010-123
Location of Subject Property



BCGS MAPSHEET: 92F 020.4.2

Attachment No. 2
Summary of the Public Hearing
Mountain View Elementary School - Multi-purpose Room, 2480 East Wellington Road
June 9, 2011 at 6:30 pm
To Consider Regional District of Nanaimo Zoning and Subdivision Amendment
Bylaw No. 500.370, 2011

Summary of Minutes and Submissions

Note that these minutes are not a verbatim recording of the proceedings, but summarize the comments of those in attendance at the Public Hearing.

PRESENT:

Maureen Young
Elaine Leung

Chairperson, Director Electoral Area 'C'
Planner

There were two people in attendance.

The Chairperson called the Hearing to order at 6:30 pm, introduced those present representing the Regional District, and outlined the procedures to be followed during the Hearing.

The Planner provided an outline of the Bylaw including a summary of the proposal.

The Chairperson called for formal submissions with respect to Bylaw 500.370, 2011.

The Chairperson called for further submissions for the second time.

The Chairperson called for further submissions a third and final time.

There being no further submissions, the Chairperson adjourned the Hearing at 6:36 p.m.

Certified true and accurate this 9th day of June, 2011.

Elaine Leung
Recording Secretary



RDN REPORT		
CAO APPROVAL		
EAP		
COW		
JUN 17 2011		
RHD		
BOARD	✓	June 28/11

MEMORANDUM

TO: Paul Thompson
 Manager of Long Range Planning

DATE: June 10, 2011

FROM: Stephen Boogaards
 Planner

FILE: PL2009-778 AA

SUBJECT: Regional Growth Strategy Amendment Bylaw No. 1309.01, 2011 and Official Community Plan Amendment Bylaw No. 1148.07, 2011
 2610 Myles Lake Road - Addison
 Electoral Area 'C'

PURPOSE

To receive the responses for the Bylaw 1309.01 referral to affected local governments, to consider Bylaw 1309.01, 2011 for third reading, and adoption and Bylaw 1148.07, 2011 for adoption.

BACKGROUND

Following a public hearing held on February 24, 2011 the RDN Board granted "Regional District of Nanaimo Arrowsmith Benson – Cranberry Bright Official Community Plan Amendment Bylaw No. 1148.07, 2011" third reading. The OCP bylaw amendment cannot be adopted until after the RGS Bylaw amendment is adopted.

Part of the bylaw approval process for a RGS bylaw includes acceptance by affected local governments which must occur after the public hearing but before third reading. Affected local governments include all of the municipalities within the RDN and adjacent regional districts. "Regional Growth Strategy Amendment Bylaw 1309.01, 2011" was sent to affected local governments for acceptance after the Board received the report of the public hearing at its regular meeting on March 22, 2011.

ALTERNATIVES

1. That the responses to the referral for acceptance of "Regional Growth Strategy Amendment Bylaw No. 1309.01" be received, the bylaw be read a third time and adopted, and "Regional District of Nanaimo Arrowsmith Benson – Cranberry Bright Official Community Plan Amendment Bylaw No. 1148.07, 2011" be adopted.
2. To not proceed with Regional Growth Strategy Amendment Bylaw No. 1309.01, 2011" and "Regional District of Nanaimo Arrowsmith Benson – Cranberry Bright Official Community Plan Amendment Bylaw No. 1148.07, 2011".

INTERGOVERNMENTAL IMPLICATIONS

Bylaw 1309.01, as a regional growth strategy bylaw under Part 25 of the Local Government Act must be accepted by the member municipalities and adjacent regional districts before it can receive third reading and be adopted. The referral was accepted by the City of Nanaimo, Town of Qualicum Beach, District of

Lantzville, Comox Valley Regional District and the Alberni-Clayoquot Regional District. The City of Parksville and the Cowichan Valley Regional District chose not to respond to the referral which constitutes their acceptance of the bylaw. The RDN Board may now consider the adoption of Bylaw 1309.01, 2011 and Bylaw 1148.07, 2011.

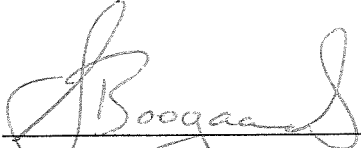
SUMMARY

"Regional Growth Strategy Amendment Bylaw No. 1309.01, 2011" and "Regional District of Nanaimo Arrowsmith Benson – Cranberry Bright Official Community Plan Amendment Bylaw No. 1148.07, 2011" were considered by the Board and given first and second reading on January 25, 2011. Subsequently, a Public Hearing was held on February 24, 2011 and the Board granted third reading to Bylaw 1148.07, 2011 on March 22, 2011. Bylaw 1309.01, 2011 required acceptance by each member municipality and adjacent regional district prior to third reading. Bylaw 1309.01 has either been accepted or was deemed to be accepted by the affected local governments. Therefore, the bylaws may now be considered for adoption.

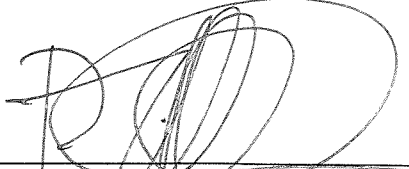
The following recommendation is provided for consideration by the Board.

RECOMMENDATION

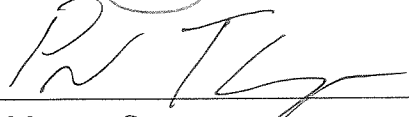
1. That the responses to the referral for acceptance of "Regional Growth Strategy Amendment Bylaw No. 1309.01, 2011" be received.
2. That "Regional Growth Strategy Amendment Bylaw No. 1309.01, 2011" be read a third time.
3. That "Regional Growth Strategy Amendment Bylaw No. 1309.01, 2011" be adopted.
4. That "Regional District of Nanaimo Arrowsmith Benson – Cranberry Bright Official Community Plan Amendment Bylaw No. 1148.07, 2011" be adopted.



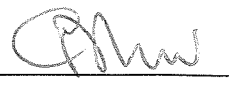
Report Writer



General Manager Concurrence



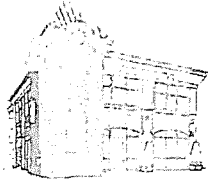
Manager Concurrence



CAO Concurrence

Attachment 1

Affected Local Government Response to Referrals for Bylaw 1309.01, 2011



April 13th, 2011

By Email: mpearse@rdn.bc.ca

Regional District of Nanaimo
Corporate Administration
6300 Hammond Bay Road
Nanaimo, BC V9T 6N2

Attention: Ms. Maureen Pearse, Senior Manager

Dear Ms. Pearse

**Re: Regional Growth Strategy Amendment Application – 2610 Myles Lake Road,
Electoral Area 'C'**

Further to your letter dated March 23rd, 2011, regarding the above-noted Regional Growth Strategy Amendment Application, I am pleased to advise that at its Regular Meeting held Monday, April 11th, 2011, Council of the District of Lantzville endorsed the following motion:

C-50-11 **"MOVED** and **SECONDED** that the Council of the District of Lantzville advise the Regional District of Nanaimo that it accepts "Regional District of Nanaimo Regional Growth Strategy Bylaw No. 1309.01, 2011" as presented and FURTHER that the Regional District be notified accordingly. **CARRIED**"

Yours truly

Donna Smith
Deputy Director of Corporate Administration
District of Lantzville

File: 6530-60
G: corr/11/rdn_pearse_RGSamendapp_2610 Myles Lake Rd
C: T. Graff, CAO



2011-APR-20

Regional District of Nanaimo
6300 Hammond Bay Road
Nanaimo, BC V9T 6N2

File: 0470-30-R01-05

Attention: Joe Stanhope, Chair, RDN Board

Dear Mr. Stanhope:


**Re: Regional Growth Strategy Amendment Bylaw 1309.01, 2011 (Addison)
– City of Nanaimo Comments**

At its meeting of 2011-APR-11, the Council of the City of Nanaimo considered the Regional Growth Strategy Amendment Bylaw 1309.01, 2011 (Addison), and directed the following:

"That Council respond to Regional District of Nanaimo referral of Regional Growth Strategy Amendment Bylaw 1309.01, 2011 (2610 Myles Lake Road – Addison) by resolution indicating that Council accept the proposed Regional Growth Strategy bylaw amendment as an anomaly and without prejudice to the Regional Growth Strategy regarding rural lands."

A copy of the Council resolution is enclosed for your information. Should you have any questions, please contact Bruce Anderson, Manager of Community Planning at (250) 755-4423 or bruce.anderson@nanaimo.ca.

Yours truly,



Ted Swabey,
General Manager,
Community Safety and Development

enclosure

pc C. Mason, CAO, RDN
D. Holmes, Assistant City Manager/General Manager of Corporate Services
A. Tucker, Director of Planning
B. Anderson, Manager of Community Planning

G:\commplan\mgr\rdn\RegGrowthStrategyBylawAddison_CityComments

REGULAR MEETING OF COUNCIL

2011 APR 11

10. STAFF REPORTS:

COMMUNITY SAFETY AND DEVELOPMENT:

(c) Regional Growth Strategy Amendment Bylaw 1309.01, 2011 (ADDISON)

It was moved and seconded that Council respond to the Regional District of Nanaimo (RDN) referral of Regional Growth Strategy (RGS) Amendment Bylaw 1309.01, 2011 (2610 Myles Lake Road – Addison) by resolution indicating that Council accept the proposed Regional Growth Strategy bylaw amendment.

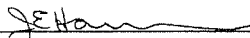
It was moved and seconded to amend the motion to accept the Regional Growth Strategy bylaw amendment as an anomaly and without prejudice to the Regional Growth Strategy regarding rural lands. The motion carried.

Opposed: *Councillors Bestwick, Greves and Sherry*

The vote was taken on the main motion, as amended. The motion carried.

Opposed: *Councillors Greves and Pattje*

CERTIFIED CORRECT:



J. E. Harrison, Manager
LEGISLATIVE SERVICES

600 Carleton Place, Suite 401, PO Box 896
Tel: 250-354-6000 Fax: 250-354-4555
Toll free: 1-800-351-6007
www.carrivalegion.ca



2011-05-04 10:51

May 4, 2011

Sent via email: James.Warren@carri-valley.ca

Maureen Pease
Senior Manager, Corporate Administration
Regional District of Nanaimo
6300 Hammond Bay Road,
Nanaimo, BC V9T 6N2

Dear Ms. Pease:

Re: Regional District of Nanaimo Regional Growth Strategy

At the May 3, 2011 Carrivalegion Regional District board meeting, the board passed the following resolution regarding the Regional District of Nanaimo's regional growth strategy:

That, in accordance with Section 857 of the Local Government Act, the board of the Carrivalegion Regional District has resolved Regional District of Nanaimo Regional Growth Strategy Amendment Bylaw 1369/11, 2011 in the context of the Rural Carrievalegion Official Community Plan Bylaw No. 2042 and Carrievalegion Regional District Regional Council Meeting Bylaw No. 110 and in the context of any other matters that affect its jurisdiction;

AND FURTHER THAT the board of Carrivalegion Regional District has resolved Regional District of Nanaimo Regional Growth Strategy Amendment Bylaw 1369/11, 2011.

The CVRD would like to thank you for the opportunity to review the regional growth strategy. If you have any questions or concerns regarding this matter, please feel free to contact me directly at james.warren@carri-valley.ca or by telephone at 250-354-6007.

Sincerely,

J. Warren

James Warren
Corporate Legislative Officer



May 4, 2011

Regional District of Nanaimo
6300 Hammond Bay Road
Nanaimo, BC V9T 6N2

ATTENTION: JOE STANHOPE, BOARD CHAIR DIRECTOR, ELECTORAL AREA G

Dear Board Chair Director Stanhope:

**SUBJECT: REGIONAL GROWTH STRATEGY AMENDMENT APPLICATION
LOT 1, SECTION 7, RANGE 3, CRANBERRY DISTRICT, PLAN VIP68949
2610 MYLES LAKE ROAD, ELECTROAL AREA "C"
APPLICANTS: LINDA E. ADDISON AND GEORGE C. ADDISON
YOUR FILE PL2009-778, ZA0604**

I refer to your letter dated March 23, 2011 and advise that at the regular meeting of Council held Monday, April 18, 2011 the following resolution was adopted:

"11-086 THAT Council advise Staff not to act on the Regional Growth Strategy Bylaw Amendment referral regarding Lot 1, Section 7, Range 3, Cranberry District, Plan VIP68949 (2610 Myles Lake Road, Electoral Area "C"). CARRIED."

As per Council's resolution above, please be advised that the City of Parksville will not be responding to the referral. A copy of our report is enclosed for your reference. If you have any questions please don't hesitate to contact the writer.

Yours truly,

G.A. JACKSON
Director of Community Planning

GAJ/sh
Attachment

I:\Users\Planning\0400-50\RDN\2011\Myles_Lake_1.doc

cc L. Kitchen, Deputy Corporate Administrator



TOWN OF QUALICUM BEACH
INCORPORATED 1992

301 - 660, Pearse Way
P.O. Box 500
Qualicum Beach, BC
V9K 1S7

Telephone: (250) 752-6997
Fax: (250) 752-1312
E-mail: town@qualicum.bc.ca
Website: www.qualicum.bc.ca

May 26, 2011

Email: mpearse@rdn.bc.ca & lburgoyne@rdn.bc.ca
Maureen Pearse, Senior Manager of Corporate Administration
Regional District of Nanaimo
6300 Hammond Bay Road
Nanaimo, BC
V9T 6N2

Dear Maureen:

RDN Consent Request for Adoption of Growth Strategy Amendment Bylaw

Council, at their May 25, 2011 Special Council meeting reconsidered the Town's position with respect to the adoption of the Growth Strategy Amendment Bylaw No. 1309.01.

Attached is a certified copy of the following resolution passed by Council:

THAT Council rescinds the May 2, 2011 motion regarding the Regional District of Nanaimo consent request for adoption of Growth Strategy Amendment Bylaw No. 1309.01, 2011; AND FURTHER THAT the Town of Qualicum Beach contact the Regional District of Nanaimo to withdraw the letter provided regarding the May 2, 2011 motion; AND FURTHER THAT the Town of Qualicum Beach respond to the Regional District of Nanaimo referral of Regional Growth Strategy Amendment Bylaw No. 1309.01, 2011 (Addison - 2610 Myles Lake Road in Area 'C') indicating that Council accepts the proposed Regional Growth Strategy bylaw amendment as an anomaly and without prejudice to the Regional Growth Strategy regarding rural lands.

If you have any questions, please do not hesitate to contact me directly.

Yours truly,

Trudy Coates
Corporate Administrator

/tc
N:\Letters\2011\rdn bylaw 1309.01 acceptance may 25 Special council meeting.doc
Cc: C. Mason, CAO
P. Thompson, Manager of Long Range Planning, RDN
M. Brown, CAO, Town of Qualicum Beach
P. Butler, Director of Planning, Town of Qualicum Beach L. Sales, Deputy Director of Planning
File: 6530 01

National Communities in Bloom & Floral Award Winner

2011 May 16 11:01AM ALBERNI-CLAYOQUOT REG DIS 2507231327

p. 3



ALBERNI-CLAYOQUOT
REGIONAL DISTRICT

3008 Fifth Avenue, Port Alberni, B.C. CANADA V9Y 2E3

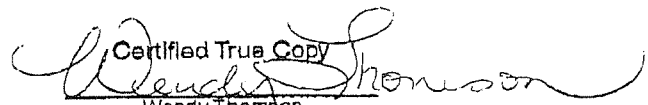
Telephone (250) 720-2700 FAX: (250) 723-1327

May 12, 2011

The following is a certified true copy of a resolution passed by the Alberni-Clayoquot Regional District Board of Directors at their regular meeting held on Wednesday, April 27, 2011 with regards to Regional Growth Strategy Amendment Application – Regional District of Nanaimo, Lot 1, Section 7, Range 3, Cranberry District, Plan VIP68949, 2610 Myles Lake Road, Electoral Area 'C':

Moved by T. Bennett, seconded by P. Edwards, "That the Alberni-Clayoquot Regional District Board of Directors accept the Nanaimo Regional District Growth Strategy Amendment Bylaw No. 1309.01."

"Carried"

Certified True Copy

Wendy Thomson
Deputy Corporate Secretary

Members: Port Alberni, Ucluelet, Tofino, Electoral Areas

"A" (Bamfield), "B" (Beaufort), "C" (Long Beach), "D" (Sproat Lake), "E" (Beaver Creek) and "F" (Cherry Creek)

Attachment 2

REGIONAL DISTRICT OF NANAIMO

BYLAW NO. 1309.01

A BYLAW TO AMEND "REGIONAL DISTRICT OF NANAIMO REGIONAL
GROWTH STRATEGY BYLAW NO. 1309, 2002"

WHEREAS the Board of the Regional District of Nanaimo wishes to amend "Regional District of Nanaimo Regional Growth Strategy Bylaw No. 1309, 2002":

THEREFORE IT BE RESOLVED that the Board of the Regional District of Nanaimo, in open meeting assembled enacts as follows:

1. This Bylaw may be cited as "Regional District of Nanaimo Regional Growth Strategy Amendment Bylaw No. 1309.01, 2011".
2. The "Regional District of Nanaimo Regional Growth Strategy Amendment Bylaw No. 1309, 2002" is hereby amended as follows:
 - (1) **Goal 3: Rural Integrity Policies** is hereby amended by inserting the following text after Policy 3E:

Policy 3F

As an exemption to Policy 3A, the RDN and member municipalities agree that the Official Community Plan for Electoral Area 'C' may be amended to change the land use designation for Lot 1, Section 7, Range 3, Cranberry District, Plan VIP68949 from Resource to Rural to allow for subdivision of the parcel in accordance with the policies for the Rural land use designation.

Introduced and read two times the 25th day of January, 2011.

Public Hearing held this 24th day of February 2011.

The Regional Growth Strategy was accepted by resolution,

- by the City of Nanaimo Council on the 11th day of April, 2011
- by the District of Lantzville Council on 11th day of April, 2011
- by the Alberni-Clayoquot Regional District Board on 27th of April, 2011
- by the Comox Valley Regional District Board on 3rd day of May, 2011
- by the Town of Qualicum Beach Council on 25th day of May, 2011

The Regional Growth Strategy was not accepted or refused by the City of Parksville Council and the Cowichan Valley Regional District Board.

Read a third time this XX day of XX, 2011.

Adopted this XX day of XX, 2011.

Chairperson

Sr. Mgr., Corporate Administration

Attachment 3

REGIONAL DISTRICT OF NANAIMO

BYLAW NO. 1148.07

**A BYLAW TO AMEND "REGIONAL DISTRICT OF NANAIMO
ARROWSMITH BENSON-CRANBERRY BRIGHT OFFICIAL COMMUNITY
PLAN BYLAW NO. 1148, 1999"**

WHEREAS the Board of the Regional District of Nanaimo wishes to amend "Regional District of Nanaimo Arrowsmith Benson-Cranberry Bright Official Community Plan No. 1148, 1999":

THEREFORE IT BE RESOLVED that the Board of the Regional District of Nanaimo, in open meeting assembled enacts as follows:

1. This Bylaw may be cited as "Regional District of Nanaimo Arrowsmith Benson-Cranberry Bright Official Community Plan Amendment Bylaw No. 1148.07, 2010".
2. The "Regional District of Nanaimo Arrowsmith Benson-Cranberry Bright Official Community Plan Bylaw Amendment Bylaw No. 1148, 1999" is hereby amended as follows:
 - (1) **MAP 1 LAND USE DESIGNATIONS**, is hereby amended from Resource to Rural the land legally described as:

Lot 1, Section 7, Range 3, Cranberry District, Plan VIP68949

as shown in heavy outline on Schedule No. '1' which is attached to and forms part of this Bylaw.

Introduced and read two times this 25th day of January, 2011.

Considered in conjunction with the Regional District of Nanaimo Financial Plan and any applicable waste management plans this 25th day of January, 2011.

Public Hearing held pursuant to Section 890 of the *Local Government Act* this 24th day of February, 2011.

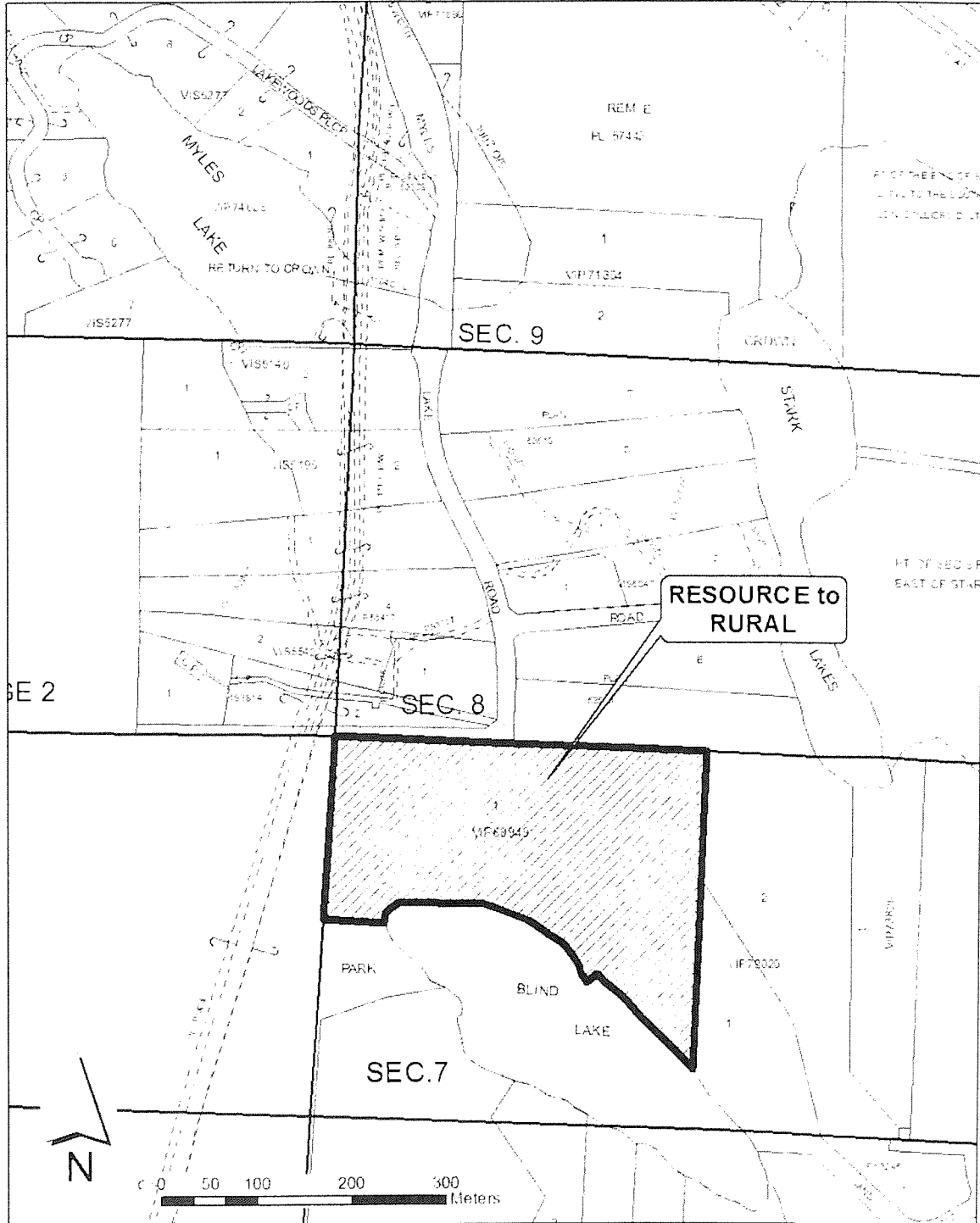
Read a third time this 22nd day of March, 2011.

Adopted this XX day of XX.

Chairperson

Sr. Mgr., Corporate Administration

Bylaw No. 1148.07
Schedule '1'



REGIONAL DISTRICT OF NANAIMO

**MINUTES OF THE ELECTORAL AREA PLANNING COMMITTEE
MEETING HELD ON TUESDAY, JUNE 14, 2011 AT 6:30 PM
IN THE RDN BOARD CHAMBERS**

Present:

Director D. Bartram	Chairperson
Director J. Burnett	Electoral Area A
Director M. Young	Electoral Area C
Director G. Holme	Electoral Area E
Director L. Biggemann	Electoral Area F
Director J. Stanhope	Electoral Area G

Also in Attendance:

C. Mason	Chief Administrative Officer
M. Pearse	Senior Manager, Corporate Administration
P. Thorkelsson	Gen. Mgr., Development Services
D. Lindsay	Manager of Current Planning
N. Hewitt	Recording Secretary

MINUTES

MOVED Director Holme, SECONDED Director Burnett, that the minutes of the regular Electoral Area Planning Committee meeting held May 10, 2011 be adopted.

CARRIED

PLANNING

AMENDMENT APPLICATIONS

Bylaw No. 500.373 to Support Zoning Amendment Application No. PL2011-057 – City of Nanaimo – South Forks Road – Area ‘C’.

MOVED Director Young, SECONDED Director Burnett, that the Summary of the Public Information Meeting held on May 18, 2011, be received.

CARRIED

MOVED Director Young, SECONDED Director Burnett, that "Regional District of Nanaimo Land Use and Subdivision Amendment Bylaw No. 500.373, 2011 ", be introduced and read two times.

CARRIED

MOVED Director Young, SECONDED Director Burnett, that the Public Hearing on "Regional District of Nanaimo Land Use and Subdivision Amendment Bylaw No. 500.373, 2011" be delegated to Director Young or another Area Director.

CARRIED

DEVELOPMENT PERMIT WITH VARIANCE APPLICATIONS

Development Permit with Variance Application No. PL2011-052 – Mike Seargeant – 3441 Trans Canada Highway – Area ‘A’.

MOVED Director Burnett, SECONDED Director Young, that staff be directed to complete the required notification.

CARRIED

MOVED Director Burnett, SECONDED Director Young, that Development Permit with Variance Application No. PL2011-052 be approved subject to the conditions outlined in Schedule No. 1.

CARRIED

Development Permit with Variance Application No. PL2011-058 – Quentin & Melissa Koop – 1401 Greig Road – Area ‘G’.

MOVED Director Stanhope, SECONDED Director Holme, that staff be directed to complete the required notification.

CARRIED

MOVED Director Stanhope, SECONDED Director Holme, that Development Permit with Variance Application No. PL2011-058 be approved subject to the conditions outlined in Schedule No. 1.

CARRIED

DEVELOPMENT VARIANCE PERMIT

Development Variance Permit Application No. PL2011-085 – Regional & Community Utilities, Regional District of Nanaimo - 2471/2473 Nanoose Road - Area ‘E’.

MOVED Director Holme, SECONDED Director Stanhope, that staff be directed to complete the required notification.

CARRIED

MOVED Director Holme, SECONDED Director Stanhope, that Development Variance Permit Application No. PL2011-085 be approved subject to the conditions outlined in Schedule No. 1.

CARRIED

OTHER

Bylaw No. 1432.02 - Proposed Amendments to Regional District of Nanaimo Development Approval Procedures and Notification Bylaw.

MOVED Director Holme, SECONDED Director Burnett, that "Regional District of Nanaimo Development Approval Procedures and Notification Amendment Bylaw No. 1432.02, 2011" be introduced and read three times.

CARRIED

MOVED Director Holme, SECONDED Director Burnett, that "Regional District of Nanaimo Development Approval Procedures and Notification Amendment Bylaw No. 1432.02, 2011" be adopted.

CARRIED

Request for Frontage Relaxation on Subdivision Application No. PL2010-197 – Fern Road Consulting Ltd. – 6120 Island Highway West – Area ‘H’.

MOVED Director Stanhope, SECONDED Director Holme, that the request to relax the minimum 10% perimeter frontage requirement width requirement be approved.

CARRIED

Subdivision and Non-farm Use Within the ALR.

MOVED Director Burnett, SECONDED Director Young, that Policy B1.8, "Review of Provincial Agricultural Land Reserve Applications" be amended to:

- a) Authorize all subdivision and non-farm use applications to be forwarded to the Agricultural Land Commission, and
- b) To include a general policy statement, as amended, that will be forwarded to the ALC with each subdivision application.

CARRIED

ADJOURNMENT

MOVED Director Holme, SECONDED Director Young, that this meeting terminate.

CARRIED

TIME: 6:50 PM

CHAIRPERSON

REGIONAL DISTRICT OF NANAIMO

**MINUTES OF THE COMMITTEE OF THE WHOLE
MEETING HELD ON TUESDAY, JUNE 14, 2011 AT 7:00 PM
IN THE RDN BOARD CHAMBERS**

Present:

Director J. Stanhope	Chairperson
Director J. Burnett	Electoral Area A
Director G. Rudischer	Electoral Area B
Director M. Young	Electoral Area C
Director G. Holme	Electoral Area E
Director L. Biggemann	Electoral Area F
Director D. Bartram	Electoral Area H
Director M. Lefebvre	City of Parksville
Director T. Westbroek	Town of Qualicum Beach
Director C. Haime	District of Lantzville
Alternate	
Director T. Greves	City of Nanaimo
Director J. Ruttan	City of Nanaimo
Director B. Bestwick	City of Nanaimo
Director J. Kipp	City of Nanaimo
Director L. Sherry	City of Nanaimo
Director M. Unger	City of Nanaimo

Also in Attendance:

C. Mason	Chief Administrative Officer
M. Pearse	Senior Manager, Corporate Administration
W. Idema	A/ General Manager, Finance & Information Services
J. Finnie	General Manager, Regional & Community Utilities
D. Trudeau	General Manager, Transportation & Solid Waste
P. Thorkelsson	General Manager, Development Services
T. Osborne	General Manager, Recreation & Parks
N. Hewitt	Recording Secretary

CALL TO ORDER

Chairperson welcomed Alternate Director Ted Greves to the meeting.

DELEGATIONS

Sandy Ferguson and Paul Liddy, re Expansion of the Nanaimo Bioenergy Centre.

Ms. Ferguson and Mr. Liddy provided a verbal and visual overview of the expansion to the Nanaimo Bioenergy Centre.

LATE DELEGATIONS

MOVED Director Bartram, SECONDED Director Burnett, that one late delegation be permitted to address the Committee.

CARRIED

Stephen Adams, re Zoning Land Use Issues on Properties Located in Electoral Area 'F'.

Mr. Adams withdrew his request to speak at this time.

MINUTES

MOVED Director Holme, SECONDED Director Bartram, that the minutes of the regular Committee of the Whole meeting held May 10, 2011 be adopted.

CARRIED

COMMUNICATIONS/CORRESPONDENCE

J. A. Ferrero, re People with Disabilities.

MOVED Director Holme, SECONDED Director Bestwick, that the correspondence from J.A. Ferrero be received.

CARRIED

FINANCE AND INFORMATION SERVICES

FINANCE

Use of Development Cost Charges in 2010.

MOVED Director Burnett, SECONDED Director Ruttan, that the report on Development Cost Charges provided under Section 937.01 be received for information.

CARRIED

Bylaws No. 1078.07 and 1317.03 - Board Remuneration Review and Recommendations.

MOVED Director Burnett, SECONDED Director Holme, that the recommendations of the Board Remuneration Committee be approved.

CARRIED

MOVED Director Burnett, SECONDED Director Holme, that "Regional District of Nanaimo Board and Committee Member Remuneration, Expenses and Benefits Bylaw No. 1078.07, 2011" be introduced and read three times.

CARRIED

MOVED Director Burnett, SECONDED Director Holme, that "Regional District of Nanaimo Board and Committee Member Remuneration, Expenses and Benefits Bylaw No. 1078.07, 2011" be adopted.

CARRIED

MOVED Director Burnett, SECONDED Director Holme, that "Regional District of Nanaimo Board Remuneration and Expenses (Electoral Areas Only) Bylaw No. 1317.03, 2011" be introduced and read three times.

CARRIED

MOVED Director Burnett, SECONDED Director Holme, that "Regional District of Nanaimo Board Remuneration and Expenses (Electoral Areas Only) Bylaw No. 1317.03, 2011" be adopted.

CARRIED

Central Island 911 Service Update.

MOVED Director Sherry, SECONDED Director Unger, that the report be received for information.

CARRIED

Bylaw No. 1611 - Renewal of Central Island 911 Partnership Agreement and 911 Call Answer Levy.

MOVED Director Sherry, SECONDED Director Ruttan, that the Parties support the Guiding Principle to work together to provide 911 Service in each of their respective jurisdictions with the eventual goal of the Parties to fund 911 Service entirely through a call answer - levy (CAL) placed on all telephone subscribers within the service areas.

CARRIED

MOVED Director Sherry, SECONDED Director Ruttan, that until such time as the CAL is sufficient to provide all funding necessary for the 911 Service, that any shortfall will be made up by the Parties on the basis of population in accordance with Schedule 'A' of the "911 Partnership Agreement".

CARRIED

MOVED Director Sherry, SECONDED Director Ruttan, that the "911 Partnership Agreement" between the Regional District of Nanaimo, the Cowichan Valley Regional District and the City of Nanaimo be approved for a period of five years expiring on December 31, 2015.

CARRIED

MOVED Director Sherry, SECONDED Director Ruttan, that "911 Call Answer Levy Bylaw No. 1611, 2011" be introduced and read three times.

CARRIED

MOVED Director Sherry, SECONDED Director Ruttan, that "911 Call Answer Levy Bylaw No. 1611, 2011" be adopted.

CARRIED

Fire Departments Authority to Respond to Emergencies Outside Fire Protection Boundaries.

MOVED Director Holme, SECONDED Director Bartram, that the Extension, Dashwood, Nanoose Bay, Errington and Coombs Hilliers Volunteer Fire Departments be authorized to deploy fire-fighting resources outside their statutory boundaries for the 2011 fire season as outlined in this report.

CARRIED

MOVED Director Holme, SECONDED Director Bartram, that the Errington Volunteer Fire Department be authorized to provide assistance to the BC Ambulance service for cross country and downhill cyclist rescue responses in Blocks 380, 469, 468 and 36 of the Nanoose district, and that the Errington Volunteer Fire Department be authorized to lend their air/lighting pod to the Port Alberni fire department in the case of a tsunami event localized to the Port Alberni area

CARRIED

DEVELOPMENT SERVICES

BUILDING & BYLAW

Building Inspection – Contaminated Building Remediation Policy.

MOVED Director Bartram, SECONDED Director Kipp, that the Board policy entitled "Building Inspection Procedure for the Remediation of Contaminated Buildings" be adopted as outlined in Schedule No. 1.

CARRIED

Building Inspection – Building Bylaw Contravention – 3106 Northwest Bay Road – Area ‘E’.

MOVED Director Holme, SECONDED Director Kipp, that staff be directed to register a Notice of Bylaw Contravention on the title of the subject property legally described as Lot 2, District Lot 30-A, Plan 3074, Nanoose District, pursuant to Section 57 of the Community Charter.

CARRIED

Bylaw Enforcement – Zoning and Building Bylaw Contraventions – 146 Kinkade Road – Area ‘G’.

MOVED Director Bartram, SECONDED Director Sherry, that staff be directed to register a Notice of Bylaw Contravention on title pursuant to Section 57 Community Charter and that legal action be taken if necessary to ensure that Lots 1, 2 & 3, District Lot 9, Plan 21816, Newcastle Land District, are in compliance with "Regional District of Nanaimo Building Regulations Bylaw No. 1250, 2010 and Regional District of Nanaimo Land Use and Subdivision Bylaw 500, 1987."

CARRIED

PLANNING

Bylaw No. 1615 – Regional District of Nanaimo Growth Strategy Bylaw and Summary of Public Input.

MOVED Director Holme, SECONDED Director Bartram, that the report summarizing the results of Phase 3 of the RGS review community consultation process be received.

CARRIED

MOVED Director Holme, SECONDED Director Bartram, that the changes to the Draft Regional Growth Strategy as recommended in this report be included prior to the first two readings of the bylaw.

CARRIED

MOVED Director Holme, SECONDED Director Bartram, that "Regional District of Nanaimo Growth Strategy Bylaw No 1615, 2011" be introduced and read two times.

CARRIED

MOVED Director Holme, SECONDED Director Bartram, that a public hearing on "Regional District of Nanaimo Growth Strategy Bylaw No. 1615, 2011" be scheduled and chaired by Director Stanhope.

CARRIED

REGIONAL AND COMMUNITY UTILITIES

LIQUID WASTE

Greater Nanaimo Pollution Control Centre and Nanaimo Community Gardens Society Agreement.

MOVED Director Westbroek, SECONDED Director Sherry, that the RDN enter into a two year agreement from September 1, 2011 to August 31, 2013 with the Nanaimo Community Gardens Society for the use of the greenhouses at Greater Nanaimo Pollution Control Centre.

CARRIED

WATER

Drinking Water and Watershed Protection – Water Budget Project – Expenditure of Reserve Funds.

MOVED Director Bartram, SECONDED Director Rudischer, that the expenditure of up to \$107,000 from the Drinking Water and Watershed Protection Reserve Fund Expenditure Bylaw No. 1608 be approved to support proceeding with the Water Budget Project.

CARRIED

TRANSPORTATION AND SOLID WASTE SERVICES

SOLID WASTE

Regional Landfill – Cedar Road Bioenergy Facility Expansion Agreement.

MOVED Director Burnett, SECONDED Director Kipp, that the Board approve the Fifth Amending (Facility Expansion) Agreement with Cedar Road Bioenergy Inc.

CARRIED

TRANSPORTATION

Electric Vehicle Use Within Electoral Areas.

MOVED Director Lefebvre, SECONDED Director Westbroek, that staff be directed to send a letter to the Ministry of Transportation and Infrastructure to request a change of the speed limit of the section of Highway 19A that is in Electoral Area 'G' to 50 km/hr.

DEFEATED

COMMISSION, ADVISORY & SELECT COMMITTEE

Arrowsmith Water Services Management Board.

MOVED Director Lefebvre, SECONDED Director Holme, that the minutes from the meeting of the Arrowsmith Water Service Management Board held April 26, 2011 be received for information.

CARRIED

AWS Capital Plan Study.

MOVED Director Lefebvre, SECONDED Director Holme, that the Arrowsmith Water Service Joint Venturers adopt the report 'Englishman River Water Intake, Treatment Facilities and Supply Mains Phase 1 Conceptual Planning, Budgeting and Scheduling Report' dated April 2011, prepared by Associated Engineering.

CARRIED

MOVED Director Lefebvre, SECONDED Director Holme, that the Arrowsmith Water Service Management Board direct the Arrowsmith Water Service Management Committee to proceed with the recommendations in the report.

CARRIED

AWS Communications Strategy.

MOVED Director Lefebvre, SECONDED Director Holme, that the AWS Management Board approve the Arrowsmith Water Service Communications Strategy.

CARRIED

AWS Project Manager.

MOVED Director Lefebvre, SECONDED Director Holme, that the Arrowsmith Water Service Management Board approve the new position of "AWS Program Manager", effective immediately.

CARRIED

MOVED Director Lefebvre, SECONDED Director Holme, that the AWS Management Board authorize the AWS Management Committee to direct the Operator, (City of Parksville), to appoint and employ a qualified AWS Program Manager, such appointment subject to approval of the AWS Management Board.

CARRIED

MOVED Director Lefebvre, SECONDED Director Holme, that the Operator be reimbursed from the AWS Operating Budget for AWS Program Manager compensation and expenses directly attributable to AWS activities.

CARRIED

District 69 Recreation Commission.

MOVED Director Bartram, SECONDED Director Ruttan, that the minutes from the meeting of the District 69 Recreation Commission held May 19, 2011 be received for information.

CARRIED

District 69 Recreation Grants.

MOVED Director Bartram, SECONDED Director Ruttan, that a cross reference process be formalized in RDN Grant-In-Aid procedures to ensure applicants are accurately completing RDN Grant-In-Aid request forms and to verify applying organizations meet the criteria for the Grant-In-Aid programs.

CARRIED

MOVED Director Bartram, SECONDED Director Westbroek, that the following District 69 Recreation Youth Grants be approved:

Arrowsmith Community Enhance. Society - youth sport facility rental	\$ 400
Bard to Broadway Society - youth summer theatre facility rental	800
Bard to Broadway Society - Education Series facility rental	1,500
Erik Goetzinger BMX Society Qualicum Beach - gate controls, gate repairs and PA speaker	1,500
District 69 Family Resource Association - youth week event	600
Milner Gardens and Woodland - Shoots with Roots youth camps at VIU marine field station	1,195
Oceanside Minor Baseball - video training equipment	1,500
Ravensong Aquatic Club - pool rental	2,500

CARRIED

MOVED Director Bartram, SECONDED Director Westbrook, that the following District 69 Recreation Community Grants be approved:

Arrowsmith Community Enhancement Society –	
Coombs Halloween Candy Walk	\$ 1,500
Arrowsmith Agricultural Association - padding for indoor court	2,500
Oceanside Building Learning Together –	
sand; play cars and helmets; play traffic signs	2,500
Nanose Bay Landscaping Project - landscape materials and irrigation	1,500
Parksville and District Association for Community Living -	
program and event expenses	1,500
Parksville and District 69 Team – transportation	1,500
Parksville Lions Club - playground maintenance	1,500
Qualicum Beach Lawn Bowling Club - equipment and signage	1,400
Qualicum Beach Historical and Museum Society –	
children's day event costs	750

CARRIED

Arrowsmith Community (Area 'F') Recreation Services Agreement 2011-2013.

MOVED Director Bartram, SECONDED Director Biggemann, that the Agreement with the Arrowsmith Community Enhancement Society, as provided in Appendix 'A', covering the term from June 1, 2011 to December 31, 2013, be approved as presented.

CARRIED

District 69 Recreation Services Fees and Charges.

MOVED Director Bartram, SECONDED Director Biggemann, that the 2011-2012 Northern Community Recreation Services Program Fees be approved as provided in Appendix 'A'.

CARRIED

MOVED Director Bartram, SECONDED Director Biggemann, that the 2011-2012 program, admission and rental fees for Oceanside Place be approved as provided in Appendix 'B'.

CARRIED

MOVED Director Bartram, SECONDED Director Biggemann, that the 2011-2012 program, admission and rental fees for Ravensong Aquatic Centre be approved as provided in Appendix 'C'.

CARRIED

MOVED Director Bartram, SECONDED Director Biggemann, that the Fees and Charges Policy be approved as amended in Appendix 'E'.

CARRIED

Electoral Area 'A' Parks, Recreation and Culture Commission.

MOVED Director Burnett, SECONDED Director Young, that the minutes from the meeting of the Electoral Area 'A' Parks, Recreation and Culture Commission held May 26, 2011 be received for information.

CARRIED

MOVED Director Burnett, SECONDED Director Young, that a Porta Potty with a concrete privacy surround, a garbage can and dog sign be installed at the Pebble Beach MOTI water access in Electoral Area 'A'.

CARRIED

MOVED Director Burnett, SECONDED Director Young, that the Electoral Area 'A' Recreation and Culture Services Fees and Charges Policy be approved as amended in Appendix A.

CARRIED

MOVED Director Burnett, SECONDED Director Young, that the Electoral Area 'A' Recreation and Culture Services 2011-12 program fees and charges be approved as outlined in Appendix B.

CARRIED

MOVED Director Burnett, SECONDED Director Young, that \$27,000 in 2011 and \$21,000 in 2012 be provided to Cedar Community Hall Association for hall upgrades funded by the Area 'A' Community Parks Budget.

CARRIED

MOVED Director Burnett, SECONDED Director Young, that the request by Cedar School and Community Enhancement Society (CSCES) be approved as presented, with the understanding that the placement of the memorial bench for Mr. Jock Gourlay may be temporary due to being on leased land and should the removal of the bench be required, it will be returned to the family.

CARRIED

MOVED Director Burnett, SECONDED Director Young, that a memorial bench policy in RDN Parks be developed.

CARRIED

MOVED Director Burnett, SECONDED Director Young, that the Regional District enter into an Agreement with the Cedar Community Hall Association that provides for a reduced rental arrangement for a five year period.

CARRIED

MOVED Director Burnett, SECONDED Director Young, that the License to Use Agreement between the Regional District of Nanaimo and the Cedar Community School and Enhancement Society for the operation and use of the Cedar Heritage Centre be approved for a Three Year Term from July 1, 2011 – May 30, 2014.

CARRIED

BUSINESS ARISING FROM DELEGATIONS OR COMMUNICATIONS

People with Disabilities.

MOVED Director Holme, SECONDED Director Sherry, that correspondence be sent to senior levels of government regarding services required to assist people with disabilities.

CARRIED

NEW BUSINESS

Noise Control Regulatory Bylaw No. 1082.

MOVED Director Rudischer, SECONDED Director Bartram, that staff be directed to examine the feasibility of amending Electoral Area 'B' Noise Control Bylaw No. 1082 to include firearms related noise and report back to the Board.

CARRIED

ADJOURNMENT

MOVED Director Holme, SECONDED Director Lefebvre, that pursuant to Section 90(1)(e) and (g) of the Community Charter the Board proceed to an In Camera meeting to consider items related to land matters.

CARRIED

TIME: 8:07 PM

CHAIRPERSON

SR. MGR., CORPORATE ADMINISTRATION

DISTRICT OF NANAIMO

MINUTES OF THE TRANSIT SELECT COMMITTEE MEETING HELD ON WEDNESDAY, JUNE 15, 2011 AT 12:00 NOON IN THE COMMITTEE ROOM

Present:

Director B. Holdom	Chairperson
Director M. Young	Electoral Area 'C'
Director G. Holme	Electoral Area 'E'
Director J. Stanhope	Electoral Area 'G'
Director D. Johnstone	City of Nanaimo
Director M. Unger	City of Nanaimo
Director B. Bestwick	City of Nanaimo
Director T. Westbroek	Town of Qualicum Beach
Director M. Lefebvre	City of Parksville

Also in Attendance:

C. Mason	CAO, RDN
D. Trudeau	Gen. Mgr, Transportation & Solid Waste Services, RDN
D. Pearce	Manager, Transit & Planning, RDN
M. Moore	BC Transit
B. Clemens	City of Nanaimo
Director L Biggemann	Electoral Area 'F'
Director D. Bartram	Electoral Area 'H'
F. McFarlane	Recording Secretary, RDN

CALL TO ORDER

The meeting was called to order at 12:00 pm by the Chair.

DELEGATION

Director D. Bartram, Sharon Waugh, Elizabeth Hieronymi, Jean Deen, Betsy Poel re Electoral Area 'H' Transit Feasibility Study.

Director Bartram introduced the members of the delegation and in his introduction stressed the importance of the Transit Feasibility Study to those living in EA 'H.' A copy of the PowerPoint presentation is attached.

Director Westbroek questioned whether such a service could be shared by both Qualicum Beach and EA 'H.' Director Bartram suggested that transit service be established and the route built each day as per requests from ridership. Since transit feasibility studies have also been done for Electoral Areas 'A' and 'B', Director Holdom asked whether any criteria had been established. Director Bartram noted that it is very important to start looking at EA 'H' transit issues. Cost issues, in particular, must be addressed. Director Stanhope asked whether buses would have to deadhead daily from Nanaimo and D. Trudeau noted that they would unless a handyDART was in the area and available for use. Allocation of costs for the proposed service was discussed and it was noted that the system would be paying for the overall deadhead. A detailed financial analysis would need to be completed in order that costs would be shared equitably among Parksville, EA 'E' and Qualicum Beach. Monday was agreed upon as the weekday that would work best for communities involved.

MINUTES

Director Lefebvre asked whether a further update on Gabriola Island school bus integration with Nanaimo Regional Transit is available. D. Trudeau advised it is not.

MOVED Director Westbroek, SECONDED Director Bestwick that the minutes of the regular Transit Select Committee meeting held March 17, 2011 be adopted. CARRIED

COMMUNICATIONS/CORRESPONDENCE

Miyo Stevens, Nanaimo, BC re Transit Connections.

A copy of correspondence from Miyo Stevens proposing more flexibility in transit planning was received.

Andrea, Nanaimo, BC, re Bus Route Along Jingle Pot Road.

Correspondence was received from Andrea noting the need for bus service along Jingle Pot Road and requesting a response.

Director Bestwick asked whether responses had been sent to these individuals and requested that letters be written.

MOVED Director Holme, SECONDED Director Westbroek, that the above correspondence be received. CARRIED

BC TRANSIT UPDATE

Myrna Moore, Regional Transit Manager.

M. Moore, Regional Transit Manager, Vancouver Island Coastal Municipal Systems, spoke briefly on the handout *Nanaimo: Trends*, a compilation of statistical data. She noted that this type of data is collected for all transit systems within the province and that 400 phone calls are made for each community. These are good indicators for Nanaimo based on the quarters for 2011. The numbers show that ridership is increasing; within the first quarter of 2011 there was increased ridership in comparison to the same period last year. Ratings were done on different attributes and trends, in general, are moving positively for Nanaimo.

MOVED Director Westbroek; SECONDED Director Lefebvre that the report from BC Transit be received. CARRIED

REPORTS

Electoral Area 'A' Transit Service Feasibility Study.

D. Trudeau introduced the EA 'A' study and its associated expansion options. Staff are recommending a financial study be done and that prioritization work begin with BC Transit.

MOVED Director Westbroek, SECONDED Director Unger, that the Board receive the report on the Electoral Area 'A' Transit Service Feasibility Study for information and direct staff to investigate the full financial impacts of the various expansion options and to work with BC Transit to prioritize the proposed service increase and update the RDN Transit Business Plan as required. CARRIED

Director Lefebvre asked about service to the BC Ferries terminal at Duke Point and also whether potential future bus service will be considered. D. Trudeau advised there had been service to Duke Point but it was

not well utilized and was cancelled. He noted that another important service is to the airport. D. Pearce mentioned that we are working toward this but it is a matter of getting resources for it.

Electoral Area 'H' Transit Service Feasibility Study.

D. Trudeau introduced the EA 'H' study and its associated expansion options. He noted there had been paratransit service to this area in the past but it was cancelled due to lack of use. Staff suggested that a detailed financial analysis be done and that prioritizing the various options with BC Transit begin.

Director Westbrook suggested that Qualicum Beach residents could also be included in the service and, after some discussion, it was felt that Monday would work best for the communities involved. A financial analysis will need to be completed.

MOVED Director Westbrook, SECONDED Director Holme, that staff be directed to investigate the financial impact of introductory midday scheduled paratransit service for implementation in the 2011/2012 budget year. CARRIED

MOVED Director Westbrook, SECONDED Director Unger, that the Board receive the report on the Electoral Area 'H' Transit Service Feasibility Study for information and direct staff to investigate the full financial impacts of the various expansion options, to work with BC Transit to prioritize the proposed service increase and to update the RDN Transit Business Plan as required. CARRIED

Bus Stop Realignment Program

D. Marshall noted that the removal/relocation of some 64 bus stops throughout the transit area was being done to maintain efficiency throughout the system. Director Young asked whether they have taken into consideration demographics and how much further clients would have to walk. D. Marshall stated if there are any questions or concerns, transit will relocate the stops to their original sites. Director Lefebvre asked whether this will be done elsewhere throughout the transit area. D. Marshall noted that the changes will be reflected along the #1, #2, #3, #5 and #44 routes this year but transit will be looking at other areas later. No shelters will be moved; they are the responsibility of the City of Nanaimo.

Director Bestwick questioned whether there will be financial implications and if these changes will affect scheduled times. D. Trudeau stated that a computer system helps to do the scheduling and although some of the times will be affected, others will not change, thus allowing for staff breaks, etc. It should make schedules more efficient. D. Pearce advised there will be no time changes in the *Rider's Guide* but changes will be reflected on the drivers' paddles. Director Unger asked if printed schedules will be made available for users. D. Trudeau noted that *Rider's Guides* are reviewed every January. If any changes are needed, they will be included in the January 2012 revision. Director Johnstone noted that not everyone uses social media and asked if notices will be posted regarding the removals/relocations. D. Trudeau said notices will be placed at the affected stops well in advance and will also be posted on Facebook.

MOVED Director Westbrook, SECONDED Director Johnstone that the Board approve the Bus Stop Realignment Program. CARRIED

University Bus (U-PASS) for Vancouver Island University

In response to a request from the Board, RDN staff has worked with BCT staff to provide two options for discussion regarding the implementation of U-PASS at VIU. Staff are recommending a communication plan directly to the students and recommending students contact their Students' Union to pursue implementation. Although the U-PASS would be of significant benefit to the students, D. Trudeau noted the process is at a stalemate now.

MOVED Director Stanhope, SECONDED Director Lefebvre that the Board approve the U-PASS Promotion Campaign and direct staff to work with BC Transit to implement the campaign. CARRIED

2011/2012 Annual Operating Agreement – Regional District of Nanaimo / BC Transit

D. Pearce stated that three new programs created by BC Transit have initiated major increases in costs. NRT has communicated with BC Transit that we are in the process of building a repair workshop so that repairs can be done within the RDN. D. Trudeau noted that Phase 2 is out for tender and work should be completed in six months; in time to have the required work completed. Director Bestwick asked if the RDN has qualified staff in place to perform these repairs; D. Trudeau confirmed staff have the appropriate tickets.

Director Lefebvre stated there comes a time where it is cheaper just to buy new vehicles. D. Trudeau said staff have asked several questions of BC Transit and will continue to have more. We will continue to keep in close contact with BC Transit regarding financing.

Director Johnstone stated that if the increases can be explained by inflation, then perhaps there is a need to revisit the issue of increasing fares. This TSC voted not to increase ridership fares this past year. She asked what the cost differences are between the RDN and other areas.

MOVED Director Stanhope, SECONDED Director Holme, that the Board approve the 2011/2012 Annual Operating Agreement and direct staff to work with BC Transit staff to reduce debt service costs by having interior/exterior retrofit work postponed until the RDN transit body bay is completed and the work can be done by RDN staff. CARRIED

Director Stanhope noted it is essential to reduce the debt load. D. Trudeau assured him he will continue to work with BC Transit to ensure the RDN gets what is required.

Director Holdom left the meeting at 1:10pm; Director Stanhope assumed the Chair.

ADJOURNMENT

MOVED Director Holme, SECONDED Director Johnstone, that pursuant to Section 90(1) (g) of the Community Charter the Transit Select Committee proceed to an In Camera Committee meeting to consider items related to legal matters. CARRIED

TIME: 1:15 PM

NEXT MEETING

The next meeting of the Transit Select Committee is set tentatively for Thursday, September 15, 2011, in the RDN Committee Room.

CHAIRPERSON

BC TRANSIT ELECTORAL AREA H TRANSIT FEASIBILITY STUDY

- CREATE OPTIONS FOR THE PROVISION OF SERVICE
- ELECTORAL AREA H PART OF REGIONAL TRANSIT BUSINESS PLAN BUT NO OPTIONS FOR SERVICE PROPOSED PENDING FEASIBILITY STUDY
- STATS CANADA, RDN TRANSIT PLANNERS, STAKEHOLDER WORKSHOP, RESIDENT SURVEY, INFORMAL CONVERSATIONS WITH RESIDENTS, SITE VISIT BY BC TRANSIT, AND COMPARISON OF SIMILAR SIZE COMMUNITIES AND DENSITY.

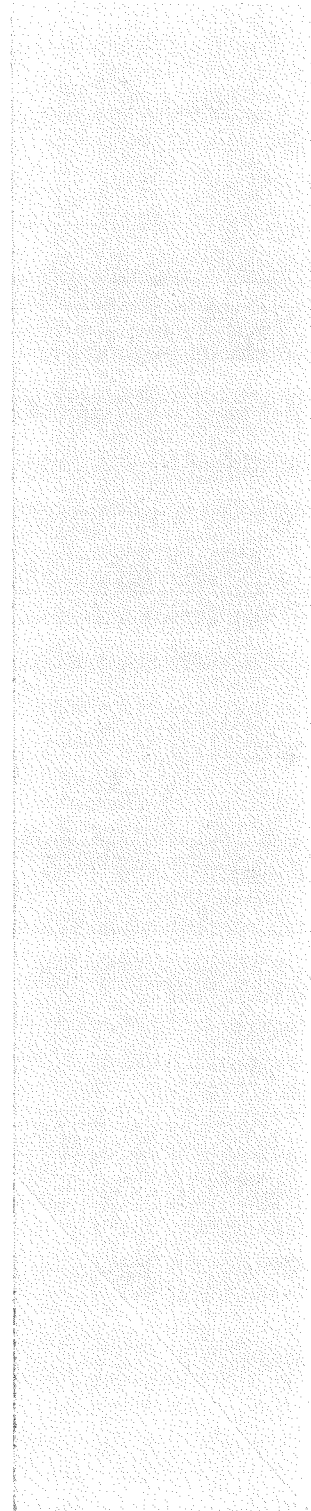
POLICY

OCP

- ENCOURAGE THE DEVELOPMENT OF ALTERNATE TRANSPORTATION OPPORTUNITIES SUCH AS MINI-BUS COMMUTER SERVICES FOR THE HANDICAPPED AND ELDERLY

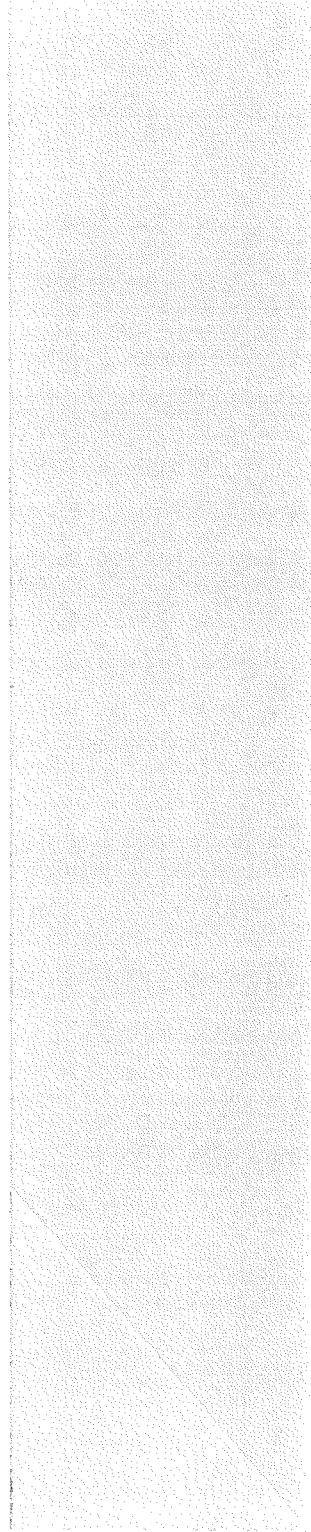
DRAFT RGS POLICY GOAL 3

- PARTNER TO PREPARE MOBILITY STRATEGY THAT WILL CONTRIBUTE TO ACHIEVING THE GOALS AND POLICIES OF RGS.
- REDUCE THE NEED FOR AUTOMOBILE AND INCREASE OPPORTUNITIES TO WALK, CYCLE, OR TAKE TRANSIT BETWEEN GROWTH CENTRES
- REDUCE GHG'S



ASSESSING POTENTIAL MARKET

- 329 RESPONDED TO STUDY (10% POPULATION)
- AREA H PREVIOUS PART OF TRANSIT SERVICE (REFERENDUM NOT REQUIRED)
- 69% STUDY SUPPORT SOME LEVEL OF TAXATION
- PRIORITY IS CONNECTING TO NANAIMO SYSTEM DOOR TO DOOR SERVICE. CONNECTIONS TO COMOX SECONDARY
- SENIORS, YOUTH AND PEOPLE WITH DISABILITY BEST MARKET



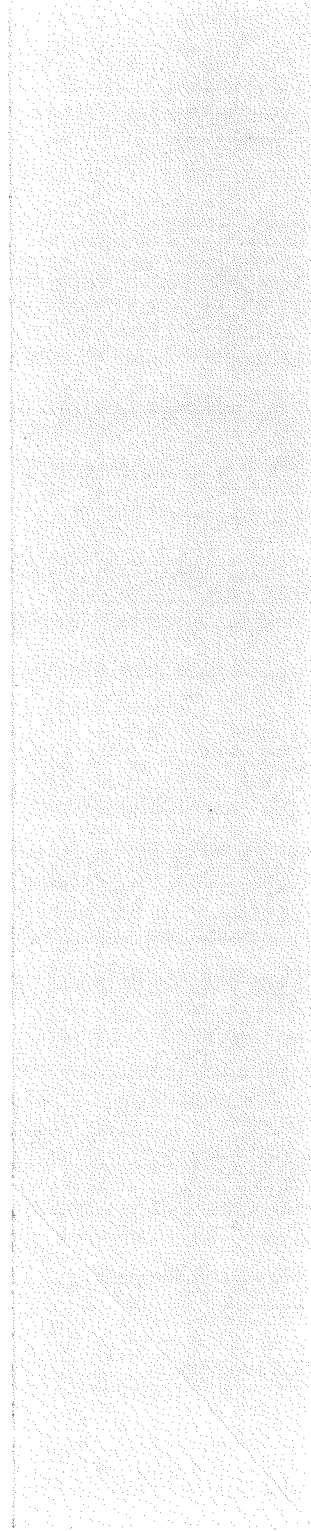
STUDY RECOMMENDATION

INTRODUCTORY MIDDAY PARATRANSIT

- TWO MIDDAY TRIPS ON ONE DAY PER WEEK BETWEEN QB AND DEEP BAY ALONG HWY 19A
- SCHEDULED SERVICE WITH MINIBUS THAT WOULD HAVE TIME FOR DOOR TO DOOR SERVICE (BOWSER, JAMIESON, GAINSBURG LOOP)
- USER FRIENDLY MID MORNING AND LATE AFTERNOON ON MONDAYS (2-3 hours in Qualicum Beach)
- SCHEDULED TO CONNECT WITH INTRACITY TRANSIT. AT RAVENSONG

WAY AHEAD

- CONFIRM RDN BOARD AND AREA H SUPPORT
 - SCHEDULE PIM at LCC IN JUNE 2011
- CONFIRM BUDGET AVAILABILITY AND TIMING
 - TARGET 2011/2012 BUDGET YEAR FOR IMPLEMENTATION
- DETERMINE PROJECT PRIORITY
 - FILL IN AREA H DETAILS OF RDN TRANSIT PLAN
- CREATE DETAILED IMPLEMENTATION PLAN
 - TARGET IMPLEMENTATION IN 2012 BUDGET YEAR
- CONDUCT DISCUSSION WITH COMOX VALLEY RD



PROPOSED MOTIONS

1. BOARD RECEIVE REPORT FOR INFORMATION.
2. DIRECT STAFF TO INVESTIGATE FINANCIAL IMPACT OF INTRODUCTORY MIDDAY SCHEDULED PARATRANSIT SERVICE FOR IMPLEMENTATION IN 2011/2012 BUDGET YEAR.
3. DIRECT STAFF TO PRIORITIZE SERVICE FOR A PROPOSED IMPLEMENTATION IN 2012 FISCAL YEAR AND UPDATE OF REGIONAL TRANSIT BUSINESS PLAN



RDN REPORT	
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MEMORANDUM

TO: Dennis Trudeau
General Manager, Transportation & Solid Waste Services

FROM: Daniel Pearce
Manager, Transit and Planning

SUBJECT: Electoral Area 'A' Transit Service Feasibility Study

DATE: May 18, 2011

FILE: 8620-25-FEST

PURPOSE

To present the Electoral Area 'A' Transit Service Feasibility Study to the Board.

BACKGROUND

RDN staff has a work plan that includes transit service studies in Electoral Areas 'A', 'B', 'E', 'F' and 'H.' BC Transit indicated that they would work with Regional District of Nanaimo (RDN) staff and be responsible for the completion of the studies. The third study has now been completed (*Appendix A*) and addresses Electoral Area 'A.'

The permanent population of EA 'A', which includes Cedar, Cassidy, Cedar-By-The Sea, Yellowpoint and South Wellington, is 6,750. Cedar is the primary service area. Area residents rely heavily on Nanaimo and, to a lesser extent, Ladysmith for access to employment and services.

Population growth in EA 'A' has been slower than the rest of the RDN. It is expected that the 2026 population will be approximately 8,700, an increase of approximately 1.4% per year. Based on the 2006 Census, Electoral Area 'A' has a larger number of youth below the age of 15 than the rest of the RDN. This indicates good opportunity to grow ridership in the future.

EA 'A' has slightly fewer younger seniors (ages 55 – 74) and about half the number of older seniors (age 75+) than the region as whole. Older seniors are much more likely to take transit than their younger counterparts. These numbers would seem to indicate less future demand by seniors; however, within the revised OCP there is the desire to build the community by attracting and retaining young families and seniors. Therefore, both the seniors and youth markets would grow as land use and development within the area evolve.

The Duke Point Ferry terminal, adjacent to EA 'A', and the Nanaimo Airport, located in the southern part of EA 'A', are two major regional transportation hubs.

The Nanaimo Regional Airport (YCD) is located adjacent to Cassidy and provides air travel for the entire mid-Island. Air Canada, Island Express Air and Orca Air operate regular passenger service to Vancouver, Victoria and Abbotsford. In 2006 approximately 140,000 passengers flew through YCD. The airport forecasts 2026 passenger volumes of 334,000 passengers, almost 2.5 times the number of passengers in 2006. A recent runway expansion was undertaken to accommodate larger planes and allow for direct

travel to further destinations. The airport also plans to expand its airside and groundside uses in the future. While these uses have not been confirmed, the expansion of either commercial or industrial uses would potentially change the profile of feasible transit services to the airport site. There is currently no transit service to the Nanaimo Airport, with ground transportation now being provided by:

- Nanaimo Airporter – service to greater Nanaimo area, including as far south as Ladysmith and north to Parksville/Qualicum.
- AC Taxi – a fleet of 44 vehicles providing service to the mid-Island.
- Greyhound Bus – service between Nanaimo and Victoria four times daily.
- car rental service – Budget, Avis, National.

The Duke Point Ferry terminal is located north of EA ‘A’ and provides ferry service to Tsawwassen. No immediate changes are anticipated to this terminal. Transit service was previously provided to the terminal when it opened but was discontinued after several years. The terminal is now served only by the Nanaimo Airporter and AC Taxi. While Duke Point Ferry terminal is not within EA ‘A’ it has been considered as part of this review given its close proximity, regional significance and potential impact on Area ‘A’ transit routing.

The updated transit service options for Electoral ‘A’ are included below. They include the existing transit business plan options where still relevant.

- **Service Option 1: Updated Transit Business Plan Proposal S7: #7 Cinnabar/Cedar Three Additional Trips Per Day.**
As presented in the 2008 Transit Business Plan, this option would add three additional trips per day (Monday to Saturday) on the #7 Cinnabar/Cedar route to increase travel choices and help encourage commuters. The review also looked at the feasibility of implementing an additional evening trip to Cedar at around 8:00 pm. It was found that at this time it is not advisable to add this single evening trip due to its operational impact on other adjoining trip schedules. This negative impact is reduced when the full complement of evening trips is changed as proposed by Option 2.
- **Service Option 2: Updated Transit Business Plan Proposal M8: #7 Cinnabar/Cedar Increased Service Frequency, Plus Service to South Wellington / Cassidy / Nanaimo Airport.**
This option would be contingent on the new rapid transit spine being implemented as outlined in the 2008 Transit Business Plan. It realigns Cinnabar/Cedar service to connect to that spine by transfer at South Parkway Plaza and improves service frequencies to hourly service to Cinnabar and every two hours to Cedar during the day. It also extends three commuter trips in both the morning and afternoon peak weekday periods to route directly to downtown Nanaimo. These commuter trips bring frequencies in the commuter period closer to half-hourly for Cinnabar and hourly for Cedar. Service to the Nanaimo Airport will be considered within this option. The study noted that, depending on passenger capacity requirements and available fleet types at the time of implementation, it would be feasible to operate it with a smaller minibus.
- **Service Option 3: Updated Transit Business Plan Proposal M14: Further Frequency Improvements to the #7 Cinnabar/Cedar/Cassidy/Airport Service.**
This option builds on service implemented in Proposal M8. It would increase peak period service frequencies to at least half-hourly service to Cinnabar and hourly service to Cedar.

Service Option 4 - Rural handyDART Service Model.

The above conventional options would use an accessible vehicle and would therefore offer service to people with disabilities at bus stops within the built-up neighbourhoods of EA 'A.' However, other types of service should be considered since conventional trips will not meet the needs of people who have more extensive mobility or cognitive disabilities. Considering handyDART improvements also provides a way to ensure a basic level of mobility for people with disabilities living in the more rural and remote neighbourhoods of Area 'A.'

Prior to transit service being implemented the steps below would need to be considered:

- **Prioritization** - prior to implementation RDN Transit would work with BC Transit to rank the implementation of the EA 'A' transit services against the requests for other service expansions within the RDN and amend the RDN Transit Business Plan as required. In addition BC Transit would have to rank the expansion against other communities throughout BC. This could considerably delay implementation.
- **Funding** - BC Transit and the RDN would have to secure funding prior to implementation. If one of the parties cannot provide the funding, then service would be too expensive to implement.
- **Detailed Implementation Plan** - once funding was confirmed for any option a detailed implementation plan would be created. This plan would finalize routes, stop locations and schedules and would outline a strategy to market the new service.

ALTERNATIVES

1. That the Board receive the report on the Electoral Area 'A' Transit Service Feasibility Study for information and direct staff to investigate the full financial impacts of the various expansion options and to work with BC Transit to prioritize the proposed service increase and update the RDN Transit Business Plan as required.
2. That the Board provide alternative direction to staff.

FINANCIAL IMPLICATIONS

The report outlines various scenarios and cost implications. Historically staff has found that BC Transit forecasts have tended to project lower cost estimates than the actual cost of implementation. A detailed financial analysis of the proposed service, integrated with the existing transit function, will be required to ensure that the Board has a full understanding of the cost before proceeding further.

SUSTAINABILITY IMPLICATIONS

The Transportation Services Department is working continuously on improving the viability and efficiency of public transit. The Electoral Area 'A' Transit Feasibility Study provides important information for transit in EA 'A'. The use of cleaner running buses, combined with the use of biodiesel fuel, demonstrates the RDN's commitment to reducing its carbon footprint, which is in keeping with the RDN's Corporate Climate Change Plan.

CONCLUSIONS

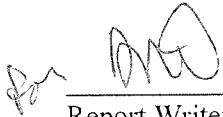
As requested, RDN staff in conjunction with BC Transit planning staff has developed a transit service feasibility study for Electoral Area 'A.'

The study outlines four transit options, including three that are updates to the 2008 Transit Business Plan. The fourth option is a Rural handyDART Service Model.


Based upon recent budget experiences staff needs to carefully investigate the financial impacts of these and other transit expansion options that develop from studies being prepared by BC Transit. In addition the RDN Transit Business Plan will have to be updated so options resulting from BC Transit studies can be prioritized.

RECOMMENDATION

That the Board receive the report on the Electoral Area 'A' Transit Service Feasibility Study for information and direct staff to investigate the full financial impacts of the various expansion options and to work with BC Transit to prioritize the proposed service increase and update the RDN Transit Business Plan as required.



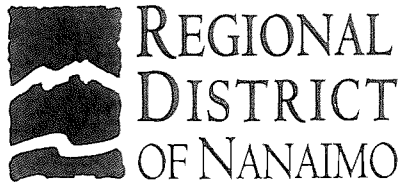
Report Writer



General Manager



CAO Concurrence



RDN REPORT	
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TSC - June 15/11	

MEMORANDUM

TO: Dennis Trudeau
General Manager, Transportation & Solid Waste Services

FROM: Daniel Pearce
Manager, Transit and Planning

SUBJECT: Electoral Area 'H' Transit Service Feasibility Study

DATE: May 10, 2011

FILE: 8620-25-FEST

PURPOSE

To present the Electoral Area 'H' Transit Service Feasibility Study to the Board.

BACKGROUND

The Regional District of Nanaimo (RDN) staff has a work plan that includes transit service studies in Electoral Areas 'A', 'B', 'E', 'F' and 'H.' BC Transit indicated that they would work with RDN staff and be responsible for the completion of the studies. The second study has now been completed (*Appendix A*) and addresses Electoral Area 'H' - Bowser and area.

The permanent population of Electoral Area 'H' that includes Bowser, Deep Bay and Qualicum Bay was 3,474 in 2006 and is generally older than that of both the RDN and BC average. The population is most dense in the northern end of Area 'H'; an area that consists of predominantly single family dwellings.

The main services in Area 'H' are located along the old Island Highway in Bowser. These services include shopping, library, post office, museum, dental services and banking. Electoral Area 'H' has an elementary school and a shellfish research centre that is associated with Vancouver Island University. Most Area 'H' residents travel to either Nanaimo or the Comox Valley to access secondary schools, formal post-secondary education or medical services.

The existing transportation options serving Area 'H' residents include:

- walking and cycling - there are some existing regional trails; however cyclists and walkers often use rural roads.
- Nanaimo Regional Transit - does not currently serve Area 'H' but residents may access this service from stops in Qualicum Beach or Parksville.
- School District No. 69 (Qualicum) school busing - provides transportation for most students in Area 'H' to elementary school in Bowser and middle and secondary schools in Qualicum Beach, outside Area 'H'.
- taxis – services in Area 'H' are based in Qualicum Beach, Parksville and the Comox Valley and operate as normal taxi services. Other door-to-door services operate on a pre-booked basis for medical appointments and other needs.
- other transportation providers, including VIA Rail and Greyhound, that provide scheduled service, both north and southbound, throughout Area 'H'.

The feasibility study assesses the number of people, general service expectations and ridership potential for each district passenger market for transit. This includes people with disabilities, seniors, school students/youth, young adults/college students and adults. The key conclusions are as follows:

- The priority for transit in Area 'H' should be connecting to the Nanaimo Regional Transit (NRT) and providing door-to-door service. Connections to the Comox Valley system should be a secondary priority.
- Seniors, youth and people with disabilities represent the best potential markets for transit in Area 'H'. Midday services and later afternoon services should be priorities. The potential market for adults and young adults is low.
- An evening trip would better serve seniors, youth, and some adults. Evening service can be very expensive for relatively few riders. Trips integrating with the Friday night "movie bus" service provided by NRT may be a good place to start.
- Overall the potential market for service in Area 'H' is low based on potential usage and compared with other NRT services. However, a basic service is in keeping with the transit system's objective. Long term market potential for transit may increase as a result of density.
- 69% of area respondents to a residential transportation survey for this study stated they would support some level of taxation increase to implement transit.

The study outlines a number of transit service concepts that are used when forming the service options. The transit service concepts include:

- Taxi supplement - uses a private carrier and private vehicles (usually those of a taxi company) to deliver scheduled service on routes or door-to-door services on an as-needed basis;
- Taxi Saver - provides people with a disability, who are registered with RDN Transit System, a 50% subsidy towards the cost of taxi rides; and,
- Paratransit - uses a transit vehicle or vehicles, normally a smaller minibus in smaller towns or more rural setting, to provide service. Paratransit services can include everything from door-to-door, demand responsive services for people with disabilities, to buses serving stops on fixed routes and schedules.
- Conventional Transit - uses standard sized buses in more urban settings to service fixed routes and schedules.

The study outlines a number of transit options addressing the potential markets and destinations, special considerations and existing transportation providers. The options include:

- **Service Option 1: Introductory Midday Paratransit.** This option would implement two midday paratransit trips (one in the late morning and one in the early afternoon) on one day per week between Qualicum Beach and Gainsberg Road in Deep Bay. Service would be scheduled but would use a minibus that would have time built into the schedule in order to provide door-to-door service for people with disabilities (including seniors with mobility difficulties) registered with handyDART.

Exact routing would need to be confirmed through additional community consultation but it is proposed to include service through Area 'H' along the West Island Highway (Hwy 19A), plus specific stops at the Lighthouse Community Centre and its adjacent seniors' housing, Magnolia Court, and loops in the Jamieson Road and Gainsberg Road areas. This option could be fairly easily implemented on a trial or ongoing basis using an available vehicle and time adjacent to an existing handyDART driver's shift on Mondays.

- **Service Option 2: Weekday Midday Paratransit.** This option is identical to Option 1 but provides two midday trips every weekday. The daily nature of this service would require a vehicle and so it would make sense to implement this option in conjunction with any improvements to transit service within Qualicum Beach. (Augmented Qualicum Beach service will be explored as part of the Nanaimo Regional Transit Future Plan proposed for 2012). Costs shown assume sharing the vehicle lease costs and time required to move the vehicle between Qualicum Beach and the RDN Transit facility near Woodgrove Centre.
- **Service Option 3: Weekday Commuter Trips Plus Saturday Service.** This option would build on the schedules and routing of Option 2 to provide an additional two round trips per weekday during the commuter periods (one trip in the early morning and one in the late afternoon). These trips would connect with NRT's route 90 Intercity Connector, which offers direct service to key destinations in Parksville and Nanaimo. This option would also provide three trips on Saturdays (mid-morning, early afternoon and late afternoon). Since it would use the same minibus vehicle as Option 2, no additional vehicle is required.

Further long-term transit planning work is scheduled to begin in the Nanaimo, Comox Valley and Campbell River regions in early 2012. The Area 'H' options may further evolve based on the outcomes of those plans.

The RDN has experienced solid and sustained ridership increases, which have resulted in many requests for service improvements. To address these requests a Transit Business Plan was completed and approved by the Board in 2008. The Transit Business Plan outlines short and medium range service options (*Appendix B*) that are intended to improve service and double ridership by 2018. Any new service option proposals will have to be prioritized within the existing list of service options in the Transit Business Plan.

Prior to transit service being implemented in Area 'H' the following steps would need to be considered:

- **Prioritization** - prior to implementation, RDN staff would work with BC Transit to rank the implementation of the EA 'H' transit services against the requests for other service expansions within the RDN and amend the RDN Transit Business Plan as required. In addition BC Transit would have to rank the expansion against other communities throughout BC. This could considerably delay implementation.
- **Funding** - BC Transit and the RDN would have to secure funding prior to implementation. If one of the parties cannot provide the funding, then service would be too expensive to implement.
- **Detailed Implementation Plan** - once funding was confirmed, a detailed implementation plan would be created. This plan would provide detailed operational planning to confirm routes and schedules. The implementation plan would also include a detailed financial report on the impact to the participants of the transit function and legislative requirements to add Electoral Area 'H' to the regional transit funding service area.

ALTERNATIVES

1. That the Board receive the report on the Electoral Area 'H' Transit Service Feasibility Study for information and direct staff to investigate the full financial impacts of the various expansion options, to work with BC Transit to prioritize the proposed service increase and to update the RDN Transit Business Plan as required.
2. That the Board receive the report on the Electoral Area 'H' Transit Service Feasibility Study and provide alternative direction to staff.

FINANCIAL IMPLICATIONS

The report outlines various scenarios and cost implications. Historically staff has found that BC Transit forecasts have tended to project lower cost estimates than the actual cost of implementation. A detailed financial analysis of the proposed service integrated with the existing transit function will be required to ensure that the Board has a full understanding of the cost before proceeding further.

SUSTAINABILITY IMPLICATIONS

The Transportation Services Department is working continuously on improving the viability and efficiency of public transit. The EA 'H' Feasibility Study provides important information for the future link between transit in Nanaimo and transit within EA 'H.' The use of cleaner running buses, combined with the use of biodiesel fuel, demonstrates NRT's commitment to reducing its carbon footprint, which is in keeping with the RDN's Corporate Climate Change Plan.

CONCLUSIONS

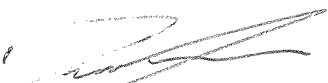
As requested, RDN staff in conjunction with BC Transit planning staff has developed a transit service feasibility study for Area 'H'.


The study outlines a number of transit options including Introductory Midday Paratransit, Weekday Midday Paratransit and Weekday Commuter Trips Plus Saturday Service.

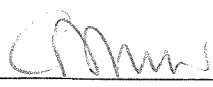
Based upon recent budget experiences staff needs to carefully investigate the financial impacts of these and other transit expansion options that develop from studies being prepared by BC Transit. In addition the RDN Transit Business Plan will have to be updated so options resulting from BC Transit studies can be prioritized. Prior to proceeding with the implementation of any service in Area 'H', BC Transit funding will need to be secured.

RECOMMENDATION

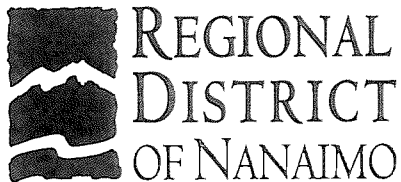
That the Board receive the report on the Electoral Area 'H' Transit Service Feasibility Study for information and direct staff to investigate the full financial impacts of the various expansion options, to work with BC Transit to prioritize the proposed service increase and to update the RDN Transit Business Plan as required.



Report Writer

General Manager

CAO Concurrence



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MEMORANDUM

TO: Daniel Pearce
Manager, Transit and Planning

FROM: Darren Marshall
Superintendent Transit Operations

SUBJECT: Bus Stop Realignment Program

DATE: May 17, 2011

FILE: 8500-10-DISC

PURPOSE

To present the Regional District of Nanaimo (RDN) Bus Stop Realignment Program.

BACKGROUND

The Bus Stop Realignment Program is intended to increase efficiencies in the Regional Transit System through the relocation and/or removal of existing bus stops within the boundaries of the City of Nanaimo.

The industry has a standard that encourages the placement of bus stops at intervals of 400m. To maintain consistency throughout the system, staff has identified 47 bus stops for removal and 17 bus stops for relocation (see Appendix 1), all located within the City of Nanaimo. Staff has met with representatives from the City to confirm the individual sites and outline the implementation plan.

If approved the program is expected to begin after June 28, 2011 with notices posted at each of the individual bus stops one month in advance of the proposed work. A notification will be posted on the RDN website, Twitter and Facebook, as well as on the BC Transit's website and a media release will be issued.

Identified bus stops will begin to be removed/relocated, and any ancillary upgrades made, beginning July 22, 2011. The project is expected to be completed by the end of August 2011.

ALTERNATIVES

1. That the Board approve the Bus Stop Realignment Program.
2. That the Board not approve the Bus Stop Realignment Program and provide further direction to staff.

FINANCIAL IMPLICATIONS

Total cost of the program is \$10,000 and will be funded through the Conventional Transit 2011 operating budget.

SUSTAINABILITY IMPLICATION

The Transportation Services Department is working continuously on improving the viability and efficiency of public transit. The Bus Stop Realignment Program will assist in encouraging transit use. The options provided by public transit enable residents to leave their cars at home while they take the bus to work, to school, to medical appointments or for other equally important reasons. The use of cleaner running buses, combined with the use of biodiesel fuel, demonstrates the commitment by Nanaimo Regional Transit to reducing its carbon footprint, which is in keeping with the RDN's Corporate Climate Change Plan.

CONCLUSION

The Bus Stop Realignment Program in the City of Nanaimo will create efficiencies in the system and lower the overall carbon foot print. Approval will allow staff to move forward in creating a more user friendly system in keeping with the industry standard for bus stops. Although the net effect will be a reduction of 47 bus stops, it will provide transit benefits by increasing system efficiency, helping to attract new ridership.

Staff recommends that the Board approve the Bus Stop Realignment Program.

RECOMMENDATION

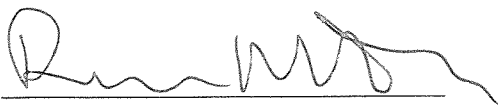
That the Board approve the Bus Stop Realignment Program.



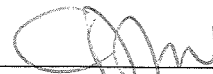
Superintendent Transit Operations



For Manager Concurrence



General Manager Concurrence



CAO Concurrence

Appendix 1

Location	Description of work
Wallace_eb FS Frankly (City Hall)	REMOVE
Townsite_wb NS Churchill Ave	REMOVE
Millstone_nb FS Eberts	REMOVE
Estevan_nb NS Poplar	REMOVE
Estevan_nb NS Drake	Move stop south to be between Chestnut and Maple
Marlborough_nb NS Holyrood	REMOVE
Neyland_nb NS Departure Bay Rd	Move closer to 3088 Neyland, closer to Departure Bay Rd
Departure Bay_wb FS Uplands	REMOVE
Knight_wb NS Ross Rd	REMOVE
Metral_nb NS Bergen-Op-Zoom	move 25 metres north of Bergen-Op-Zoom
Metral_nb NS Tulip Place	REMOVE
Metral_nb FS Enterprise St	REMOVE
Metral_sb NS Fernandez	REMOVE
Metral_sb FS Somerset (north end)	move north of Godfrey Road approx 30 metres
Jordan Ave_eb NS Ledgerwood	REMOVE
Uplands_eb FS Clubhouse (west end)	REMOVE, use bus stop east of Clubhouse
Millstone_sb FS Hunter	REMOVE
Stewart_nb FS Mt Benson	REMOVE
Stewart_nb ACR St George	REMOVE
Departure Bay_nb ACR Doctors Rd	REMOVE
Hammond Bay_eb ACR Prince John Way	REMOVE
Hammond Bay_nb NS Berkely Place	Move this bus stop north to Nottingham (north)
Hammond Bay_nb ACR Linley Rd	REMOVE
Hammond Bay_nb FS Lagoon Rd	REMOVE
Hammond Bay_eb FS Williamson Rd	move stop 20 metres south of current stop
Hammond Bay_sb NS Overlook Dr (north end)	REMOVE
Hammond Bay_sb FS Linley Rd	REMOVE
Hammond Bay_sb ACR Berkeley Plc	Move this bus stop north to Nottingham (north)
Hammond Bay_wb FS Prince John Way	REMOVE
Departure Bay_sb ACTDoctors Rd	REMOVE
Stewart_sb NS Drake	REMOVE
Bowen_wb ACR Doric Ave	REMOVE
Nelson_eb FS Boundary	REMOVE
Meredith_nb ACR Thunderbird (west end)	REMOVE
Meredith_wb ACR Beverley Dr	REMOVE
Bowen_nb ACR Leam Rd (playground Beban Park)	REMOVE
Norwell_eb FS 107th	REMOVE
Bowen_sb FS Leam Rd	REMOVE
Meredith_eb FS Beverley	REMOVE
Meredith_eb NS Thunderbird Dr (West end)	REMOVE
Nelson_wb NS Boundary	REMOVE
Bowen_eb FS Doric Ave	REMOVE
Wakesiah_nb FS Third St	move stop 15 metres north of Beaconsfield
Wakesiah_nb NS Montague	REMOVE
Rosstown_wb FS Bowen Rd	REMOVE
Rosstown_wb AT 2458	REMOVE
Pheasant Terr_nb ACR Starlight	move stop to north side of Stampede Trail (at mailboxes)
Pheasant Terr_nb NS Labieux	REMOVE
Pheasant Terr_sb NS Rosstown	REMOVE
Rosstown_eb AT 2453	REMOVE
Rosstown_eb NS Bowen	REMOVE
Wakesiah_sb ACR Montague	REMOVE
Wakesiah_sb ACR 230	move stop 15 metres north of Taylor
Second_wb FS Craig St	REMOVE
Jingle Pot_wb FS Nanaimo Parkway	REMOVE
Jingle Pot_wb NS Westwood Lake Rd	move onto Westwood Lake Rd to sidewalk
Ashlee_eb FS Dawkins Lane	REMOVE
Ashlee_eb NS Jinglepot Rd	Move onto Jinglepot at pullover
Jingle Pot_eb NS Nanaimo Parkway	REMOVE
Jinglepot_eb FS Venuti	REMOVE
Jingle Pot_eb NS Black Diamond	Move back to end of merge lane
Second_eb NS Craig	REMOVE

47 REMOVE

14 MOVE TO NEW LOCATION



RDN REPORT	
CAO APPROVAL <i>DTW</i>	
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MEMORANDUM

TO: Dennis Trudeau
General Manager, Transportation & Solid Waste Services

DATE: May 17, 2011

FROM: Daniel Pearce
Manager, Transit & Planning

FILE: 1470-20-VIU

SUBJECT: Universal Bus Pass (U-Pass) for Vancouver Island University

PURPOSE

To report on options to advance the U-Pass for Vancouver Island University (VIU) in conjunction with BC Transit (BCT).

BACKGROUND

At the April 26, 2011 Board meeting the following motion was approved:

That staff prepare a report on communication issues regarding the implementation of the U-Pass at VIU and bring this back for further discussion at the Transit Select Committee.

The motion was a result of recent staff efforts to promote the U-Pass to the VIU Students' Union and their response dated January 17, 2011, refusing to meeting with RDN staff to discuss the benefits of this program.

The U-Pass Program has been implemented at many Canadian universities and colleges and has resulted in significant benefits for students, academic institutions, transit systems and communities as a whole.

The Regional District of Nanaimo (RDN) and BCT have worked many years with the VIU Students' Union and the administration of VIU in an attempt to find ways to improve transit for the students. The RDN and BCT recently expanded service to VIU and completed construction of a new transit exchange to better serve the students.

RDN staff has worked with BCT staff to provide two options (listed below) for advancing the U-Pass at VIU.

Option 1- U-Pass Promotion Campaign:

Under the first option the RDN staff will send a letter to the VIU Students' Union outlining the past efforts of the RDN and BCT to improve transit for VIU students and inform them that the RDN and BC Transit will be launching a U-Pass Promotion Campaign.

RDN staff and BCT staff will place a series of ads in the VIU newspaper, *The Navigator*, promoting the economical, environmental and health benefits of transit. In conjunction with the ads, a “Did you Know Campaign” educating students and the public on the benefits of U-Pass with social media using Twitter and Facebook ads would be used. From the feedback received on Twitter and Facebook, staff would continue to tweet on the benefits of using transit, engaging in discussions on U-Pass and its benefits.

Option 2- Open Letter to VIU Students’ Union:

Under the second option RDN staff will write an open letter to the VIU Students’ Union, VIU students and VIU administration informing them that because of the lack of support from the VIU Students’ Union to move forward with a referendum for U-Pass, the RDN and BC Transit staff will not be expending any further resources pursuing the implementation of a U-Pass.

ALTERNATIVES

1. That the Board endorse Option One – U-Pass Promotion Campaign.
2. That the Board endorse Option Two – Open Letter to VIU Students’ Union.
3. That the Board provide alternate direction to staff.

FINANCIAL IMPLICATIONS

If the Board supports alternative one, the funds to advance the promotion of the U-Pass at VIU would be cost shared with BC Transit. The U-Pass Promotion Campaign would cost the RDN approximately \$1600. The costs would be mainly associated with advertising and printing expenses.

SUSTAINABILITY IMPLICATIONS

The Transportation Services Department is working continuously on improving the viability and efficiency of public transit. The U-Pass would help improve transit for the students. Residents within the RDN rely on public transit, whether it is for conventional or custom transit. The options provided by public transit enable residents to leave their cars at home while they take the bus to work, to school, to medical appointments or for other equally important reasons. The use of cleaner running buses, combined with the use of biodiesel fuel, demonstrates the commitment by Nanaimo Regional Transit to reducing its carbon footprint, which is in keeping with the RDN’s Corporate Climate Change Plan.

CONCLUSION

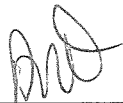
The implementation of a U-Pass for VIU will be a collaborative effort by many stakeholders. It is considered that the U-Pass will accrue tremendous benefits for the community as a whole; however it is recognized that it cannot happen without the efforts and agreement of the VIU Students’ Union.

RDN staff and BC Transit staff have provided an option to engage students at VIU and help promote transit and the U-Pass, as well as an option to send an open letter to the VIU Students’ Union.

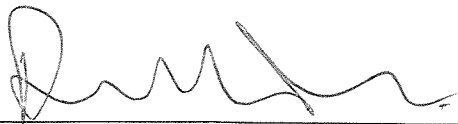
Since RDN staff and BC Transit staff feel that there are significant benefits to U-Pass it is recommended that efforts continue to inform the student body and therefore recommend that the Board approve the U-Pass Promotion Campaign as presented under alternative one.

RECOMMENDATION


That the Board approve the U-Pass Promotion Campaign and direct staff to work with BC Transit to implement the campaign.

For 

Report Writer



General Manager Concurrence



CAO Concurrence



RDN REPORT	
CAO APPROVAL <i>[Signature]</i>	
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TSC - 15 June 2011	

MEMORANDUM

TO: Dennis Trudeau
General Manager, Transportation & Solid Waste Services

DATE: June 3, 2011

FROM: Daniel Pearce
Manager, Transit and Planning

FILE: 2240-20-TROA

SUBJECT: 2011/2012 Annual Operating Agreement –
Regional District of Nanaimo / BC Transit

PURPOSE

To bring forward the 2011/2012 Annual Operating Agreement for the Nanaimo Regional Conventional and Custom Transit System with BC Transit for consideration and approval.

BACKGROUND

The Annual Operating Agreement (AOA) (see *Appendix 1*) between the Regional District of Nanaimo (RDN) and BC Transit is renewed on an annual basis and provides the cost sharing service arrangements for Conventional and Custom Transit services in Districts 68 and 69 for the period of April 1, 2011 to March 31, 2012.

The AOA is an agreement governing items such as service specifications, payment schedules, fares and days/hours of service that will be provided for cost sharing purposes.

FINANCIAL ANALYSIS

Conventional Transit:

The total costs included for Conventional Transit in the AOA for 2011/2012 are \$10,710,561. This represents a \$676,509 (8.2%) increase from the 2010/11 final AOA budget. The RDN portion of this increase is \$360,647. The main changes in the AOA that should be noted include:

Conventional	2010/2011 Amendment #1 AOA	2011/2012 AOA	\$ Change	% Change
Fixed Costs (total cost, overhead, admin wages)	\$852,521	\$878,096	\$25,575	3%
Variable Hourly (total cost, drivers' wages & benefits)	\$4,787,142	\$4,872,281	\$85,139	2%
Variable Distance (total cost, fuel and tires)	\$1,401,044	\$1,582,641	\$181,597	12%
Maintenance (total cost, running, major & accident repairs)	\$945,923	\$1,137,594	\$191,671	17%
Debt Service (local share, mainly buses)	\$963,209	\$1,171,268	\$208,059	18%
BC Transit Management Services (local share)	\$601,805	\$613,920	\$12,115	2%

The changes noted above are the line items that make up the majority of the overall costs outlined in the AOA. Conventional Transit costs are cost shared with BC Transit at a current rate of 46.67%.

Custom Transit:

The total costs included for Custom Transit in the AOA for 2010/2011 are \$1,652,956. This represents a \$13,452 (1%) increase from the 2010/2011 AOA budget. The RDN portion of this increase is \$4,479. The main changes in the AOA that should be noted include:

Custom	2010/2011 Base AOA	2011/2012 Base AOA	\$ Change	% Change
Fixed Costs (total cost, overhead, admin wages)	\$189,714	\$195,406	\$5,692	3%
Variable Hourly (total cost, drivers' wages & benefits)	\$834,596	\$837,720	\$3,124	0%
Variable Distance (total cost, fuel and tires)	\$126,789	\$133,831	\$7,042	5%
Maintenance (total cost, running, major & accident repairs)	\$90,075	\$108,500	\$18,425	17%
Debt Service (local share, mainly buses)	\$143,566	\$141,896	\$-1,670	-1%
BC Transit Management Services (local share)	\$106,341	\$106,810	\$469	0%

The changes noted above are the line items that make up the majority of the overall costs outlined in the AOA. The Custom Transit costs are cost shared with BC Transit at a current rate of 66.7%.

Staff have reviewed the costs for both Conventional and Custom Transit and note maintenance increases of 17%, which are due to an aging fleet. Debt service for Conventional has increased by 18%, while debt service for Custom has decreased by 1% due to the retirement of one vehicle.

Conventional Debt Service:

Debt service includes the following items:

- Debt Service Vehicles (Local Share) \$1,109,804
 - Including Major Capital Repairs (Local Share)..... \$213,339
 - Including Provincial Contingency Fleet Program (Local Share)... \$52,776
- Debt Service Equipment (Local Share)..... \$61,464

The debt service costs include the lease fees for the vehicles that make up our Conventional and Custom Transit fleets. The debt service costs have increased due to BC Transit's componentization program, which reduces the potential for large fluctuations of maintenance costs for large emergency repairs such as engines, transmissions and differentials. It has also increased due to BC Transit's exterior/interior retrofit program and *New Flyer* sidewall repair program. The costs for these replacements are now calculated in the debt service costs on an annual basis and are amortized over the life of the part (approximately 7 years) or the remaining life of the vehicle (5 to 20 years, depending on the age of the vehicle).

As part of the exterior/interior retrofit program, staff received communication from BC Transit that two RDN buses are scheduled to get interior/exterior retrofit programs, in Alberta, for approximately \$100,000 each. These costs would be componentized, which would add \$57,272 annually to the two buses. In addition, plans are underway to have sidewalls repaired on 22 *New Flyer* buses at an annual cost

of \$5,971 per bus. Unless there are reasons that compromise safety, staff believe that all interior/exterior retrofit work should be postponed until the RDN transit body bay is completed. Staff believe this will substantially reduce cost and keep work within the Regional District of Nanaimo.

ALTERNATIVES

1. That the Board approve the 2011/2012 Annual Operating Agreement and direct staff to work with BC Transit Staff to reduce debt service costs by having interior/exterior retrofit work postponed until the RDN transit body bay is completed and the work can be done by RDN staff.
2. That the Board not approve the 2011/2012 Annual Operating Agreement and provide further direction to staff.

FINANCIAL IMPLICATIONS

Under Alternative 1 the 2011/2012 Conventional and Custom Transit AOA budget is \$12,363,517, which is an increase of \$689,961 from the 2010/11 AOA. The RDN portion of this increase is \$365,126. Transportation Services staff and Financial Services staff have reviewed these costs in conjunction with the approved RDN 2011 budget for transit services.

Under Alternative 2, if the Board does not approve the AOA, it will remove BC Transit's obligation to cost share in the service.

SUSTAINABILITY IMPLICATIONS

The Transportation Services Department is working continuously on improving the viability and efficiency of public transit. The Annual Operating Agreement is a fundamental agreement that allows the Regional District of Nanaimo to enter into a cost sharing arrangement with BC Transit. Residents within the RDN rely on public transit, whether it is conventional or custom transit. The options provided by public transit enable residents to leave their cars at home while they take the bus to work, to school, to medical appointments or for other equally important reasons. The use of cleaner running buses, combined with the use of biodiesel fuel, demonstrates the commitment by Nanaimo Regional Transit to reducing its carbon footprint, which is in keeping with the RDN's Corporate Climate Change Plan.

CONCLUSION

BC Transit has forwarded the Annual Operating Agreement covering the period April 1, 2011 to March 31, 2012 for the RDN Custom (handyDART) and Conventional Transit Systems. Transportation Services staff and Financial Services staff have reviewed this AOA in conjunction with the approved RDN 2011 budget for transit services.

The 2011/2012 Custom and Conventional Transit AOA indicates a budget of \$12,363,517, which is cost shared between the RDN and BC Transit. Staff have reviewed the AOA costs for both Conventional and Custom Transit and, except for the debt service fees and maintenance fees, the increases can be explained by inflation.


The debt service costs include the lease fees for the vehicles that make up our Conventional and Custom Transit fleet. The debt service costs have increased due to BC Transit's componentization program, which reduces the potential for large fluctuations of maintenance costs for large emergency repairs such as engines, transmissions and differentials. It has also increased due to BC Transit's exterior/interior retrofit program and *New Flyer* sidewall repair program. The costs for these replacements are now calculated in the debt service costs on an annual basis.

Staff have communicated with BC Transit staff that to offset the increase in the debt service costs and maintenance costs, mechanical/body work will be postponed until the completion of the RDN transit body shop.


Staff recommend that the Board approve the 2011/2012 Annual Operating Agreement with BC Transit.

RECOMMENDATION

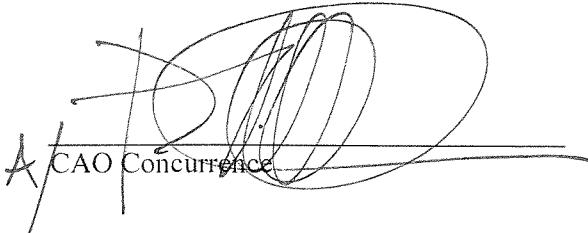
That the Board approve the 2011/2012 Annual Operating Agreement and direct staff to work with BC Transit staff to reduce debt service costs by having interior/exterior retrofit work postponed until the RDN transit body bay is completed and the work can be done by RDN staff.



Report Writer



General Manager Concurrence



A/ CAO Concurrence

REGIONAL DISTRICT OF NANAIMO

**MINUTES OF THE SUSTAINABILITY SELECT COMMITTEE
MEETING HELD ON WEDNESDAY, JUNE 15, 2011
IN THE RDN COMMITTEE ROOM**

Present:

Director J. Stanhope	Chairperson
Director J. Burnett	Electoral Area A
Director M. Young	Electoral Area C
Director D. Bartram	Electoral Area H
Director J. Kipp	City of Nanaimo
Director B. Holdom	City of Nanaimo
Director M. Lefebvre	City of Parksville
Director T. Westbrook	Town of Qualicum Beach

Also in Attendance:

Carol Mason	Chief Administrative Officer
Paul ThorkeIsson	General Manager, Development Services
Paul Thompson	Manager, Long Range Planning
Dennis Trudeau	General Manager, Transportation & Solid Waste Serv.
Chris Midgley	Manager, Energy & Sustainability
Ting Pan	Sustainability Coordinator
Lisa Bholpalsingh	Senior Planner
Karen Hamilton	Recording Secretary

CALL TO ORDER

The meeting was called to order at 2:07 pm by the Chair.

DELEGATION

MINUTES

MOVED Director Westbrook, SECONDED Director Bartram, that the minutes of the Sustainability Select Committee meeting held on March 16, 2011, be adopted.

CARRIED

REPORTS

Draft Regional Growth Strategy (RGS) and Recommended Changes

MOVED Director Westbrook, SECONDED Director Burnett, to receive the report, include the recommended changes to the Draft RGS, and introduce the RGS Bylaw No. 1615 for 1st and 2nd reading.

CARRIED

Carbon Management in the Regional District of Nanaimo

MOVED Director Westbroek, SECONDED Director Holdom, that the staff report on Carbon Management in the RDN be received for information purposes.

CARRIED

Subsequent to the motion, staff was directed to circulate the entire research report to member municipality staff.

Community Emissions Model

MOVED Director Westbroek, SECONDED Director Holdom, that the Community Emissions Model report be received for information purposes.

CARRIED

Green Building Incentive Program and Outreach

MOVED Director Holdom, SECONDED Director Lefebvre, that the verbal update on the RDN Green Building Incentive Program and Outreach be received.

CARRIED

BUSINESS ARISING FROM DELEGATIONS OR COMMUNICATIONS

NEW BUSINESS

Raven Coal Project: Draft Application, Information Requirements and Environmental Impact Statement Guidelines.

Director Westbroek – indicated extremely high levels of concerns over the potential environmental impact of the Raven Coal Project within several communities on Vancouver Island, as well as overwhelming support for a review by an independent panel of experts.

Dennis Trudeau - informed the Committee of RDN participation in the Raven Coal Project Stakeholder Working Group. RDN requests for information in the Environmental Impact Statement document have been included. Three additional opportunities for RDN comments will be available in the future.

Cedar Cell Phone Tower, Director Burnett

Paul Thorkelsson explained to the Committee that jurisdiction over telecommunication infrastructure lies with the federal government and that telecommunications infrastructure is exempt from local bylaw and land use regulations.

CARRIED

ADJOURNMENT

MOVED Director Bartram, SECONDED Holdom, that this meeting be adjourned.

CARRIED

Time: 4:05 pm.

CHAIRPERSON



RDN REPORT	
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BOARD	
SSC - June 15/11	

MEMORANDUM

TO: Paul Thorkelsson
General Manager, Development Services

DATE: June 9, 2011

FROM: Chris Midgley
Manager, Energy and Sustainability

FILE: 6780-50

SUBJECT: Carbon Management in the Regional District of Nanaimo

PURPOSE

The purpose of this report is to summarize the recommendations of the recently completed research project entitled "Carbon Management in the Regional District of Nanaimo: Rural Removals, Reservoirs and Sinks".

BACKGROUND

In late 2010, the RDN initiated the above-noted research project as the final major component in the efforts to complete a Community Energy and Emissions Plan.

The purpose of the project was to examine long-term, ecosystem based approaches to carbon management in the rural areas of the region. The objective of the research was to find opportunities to complement community-wide emissions reduction initiatives with measurable, credible and realistic ideas for action in public parks and on private lands that result in enhanced uptake of atmospheric CO2 and long-term carbon sequestration.

The rationale for this work lies in the view that efforts to enhance the uptake and sequestration of atmospheric CO2 represents an essential component in a comprehensive approach to carbon management, particularly in regional parks and rural communities where forest and agricultural lands are available for targeted management practices, and where more conventional measures tailored to urban settings may be less viable.

In addition, staff was seeking a better understanding of how specific management practices that enhance the uptake and sequestration of CO2 in forested ecosystems, whether in parks or on privately held land, can help fulfill the commitment to achieve carbon neutral operations.

Among the many findings in the report, two key revelations are:

- 1) That the opportunities to generate legitimate offset projects on the 2,600 hectares of regionally owned parklands are insufficient to neutralize the 2,000 tonnes of CO2 equivalent emitted annually by the RDN; and
- 2) That the 2,000 tonnes of CO2 equivalent that the RDN emits annually is an insufficient quantity to overcome the high fixed costs associated with offset project development and verification.

Appendix 1 provides the Park Assessment Spreadsheets completed by the project team for RDN Regional and Community Parks. Taken together, there are less than 25 hectares on which legitimate offset projects

could be undertaken. According to the project team, as a general rule 50 hectares is the practical minimum area needed for a financially viable offset project.

Furthermore, 10,000 tonnes is often cited as the threshold at which moving forward with an offset project becomes worthwhile. Below that threshold, the fixed costs of project development and verification represent too large a proportion of total project costs.

The list below summarizes the recommendations in the final report. Appendix 2 provides the recommendations as they appear in the report.

1) Existing RDN Lands

a. Bundle ecosystem restoration opportunities together

Although presently there is not enough degraded land in RDN parks to justify restoration based offset projects, as more parks are acquired the 50 hectare threshold may eventually be met. In addition to future acquisitions, collaborating with member municipalities may yield the necessary land base for offset projects.

b. Upgrade Official Community Plans (OCP) and bylaws

Include language about carbon management in OCPs, and consider similar language in Urban Forest Management Plans and Tree Protection Bylaws.

2) Future Acquisitions

a. Incorporate carbon offset strategy into parks policy, park plans and standard operating procedures.

Failure to initiate the necessary steps before acquisition will negate any chances of success once the land is secured.

b. Ensure conservation covenants are both carbon and biodiversity friendly

The content of the covenants whose purpose is to protect forests from conversion to non-forest use must articulate an intent to manage the land for the purposes of emissions reductions and carbon sequestration. Because covenanted forest also protects biodiversity and water values, new acquisitions can be sources of not only carbon offsets but also biodiversity offsets.

c. Target potential old growth douglas fir candidates

Old growth forest sites are prime carbon storehouses and have the potential to generate substantial quantities of carbon offsets.

d. Prioritize aquifer and watershed protection

Protection of our water resources can be achieved through avoided conversion of forest and wetlands to other uses. Avoided conversion is best achieved through land acquisition and protection by covenants. Because these lands invariably support sizable carbon storage capacity either existing or in potential through afforestation, carbon revenues can be realized if recognized and planned for up front.

3) Strengthening Partnerships

a. Get the word out – carbon offset awareness and community outreach

By inspiring and encouraging all the sectors under its influence through example, education and financial incentives, the RDN can multiply times over the carbon management benefits that it can

achieve on its own. Raising the awareness of the general population to the needs for mitigation and adaptation as well as to the opportunities represented by carbon credits is the only way that truly meaningful results can be accomplished.

- b. Collaborate with other local governments and stakeholders to gain economies of scale

In isolation, in the RDN and each member municipality, opportunities to generate ex-ante and ex-post carbon offsets are not substantial enough to cover the fixed costs associated with project development. By aggregating the ensemble of project sites into one larger project there is good reason to believe that an economy of scale can be achieved. The pooling of resources and sharing of expertise will also facilitate project development as well as implementation of carbon management activities.

- c. Encourage Private Forest Landowners

Collaborate as possible with Island Timberlands and Timberwest Forest on improved forest management practices to generate offsets.

- d. Promote agricultural carbon management practices

Explore opportunities for offsets in the agricultural sector, including no-till cultivation, manure management and biomass energy production.

4) Build in house Expertise for Project Development

- a. Learn the ropes

Continue efforts like this to develop the knowledge necessary to develop offset projects, and gain comfort in the complex world of carbon finance and offset project development.

Based on these recommendations and the wide ranging findings in the report, the RDN will continue to explore options for ecosystem-based carbon sequestration projects within the region with the goal of engaging local residents in action to mitigate climate change, and to ensure that obligations to invest in offsets happens within the region and in a manner that benefits local residents, and advances the Board's vision for a sustainable future.

ALTERNATIVES

There are no alternatives. This report is for information purposes only.

FINANCIAL IMPLICATIONS

This project is one of a series of projects funded through the Community Works Fund. A follow-up project based on the recommendations above, also funded by the Community Works Fund, is planned for the second half of 2011.

Presently, the estimated cost of offsets for the Regional District of Nanaimo is \$50,000. This is based on a \$25/tonne cost for offsets, with a corporate inventory of approximately 2,000 tonnes of CO₂ equivalent. Taken together, the member municipalities and the RDN emit over 9,000 tonnes of CO₂ equivalent, at an estimated offset cost exceeding \$230,000. This research represents an initial effort to find legitimate local projects that could receive that financial investment.

SUSTAINABILITY IMPLICATIONS

As it stands, completing this project represents a significant step forward in understanding how the RDN and member municipalities could invest corporate offset dollars within the region. If an ecosystem based forest carbon project can be developed here, this will represent strong action on mitigating climate change, while at the same time protecting our watersheds from conversion to other uses. From an economic perspective, this represents a new approach to the traditional forestry sector that built the Island economy, and offers the prospect for much needed diversification within that industry.

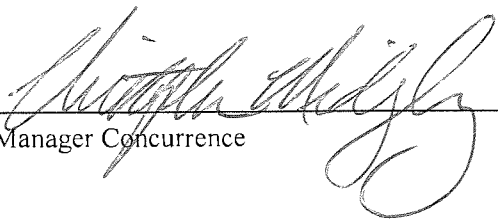
SUMMARY

The RDN recently completed a research project entitled “*Carbon Management in the Regional District of Nanaimo: Rural Removals, Reservoirs and Sinks*”. This project was intended to find ways to ensure that the financial investment in corporate carbon neutrality occurred locally, while also engaging regional residents in effective action to mitigate climate change. While opportunities for legitimate offset projects within the 2,600 hectares of regional parks are limited, there are significant opportunities to consider when lands owned by the RDN and member municipalities are taken together. In addition, future attention should be given to possibilities to incent conservation for the purpose of carbon sequestration on private land.

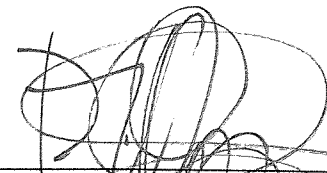
This research represents the initial steps into better understanding ecosystem-based forest carbon offset project potential in the RDN. Additional work, based on the recommendations from this research will proceed in the second half of 2011.

RECOMMENDATION


There are no recommendations. This report is for information purposes only.



Manager Concurrence



General Manager Concurrence



CAO Concurrence

APPENDIX No. 1

2.0 Park Assessment Spread-sheets:

2.1 Regional Parks

RDN Regional Parks							
Electoral Area & Park Code	Park Name	Year Acquired	Area		Restoration Potential	Approx. Area	Comments on AR Ex-Ante Restoration Potential
			Leased	Owned	Ex-Ante	Ex-Ante	
			(ha)	(ha)	Yes/No	(ha)	
A	Cassidy, Cedar, Yellowpoint, South Wellington						
A-RP_1	Nanaimo River Reg. Park	2000		56.0	Yes	1.0	Has some restoration potential – water pipeline, access road & power line occupy considerable land area and limit restoration potential.
<i>Additional Commentary:</i> If these were to be decommissioned or rerouted elsewhere then the restoration potential would triple.							
B	Gabriola Island, Decourcy Island & Mudge Island						
B-RP_1	Descanso Bay RP	2002		16.2	No	0.0	Fully stocked mature 2nd Growth Fd(Cw)
B-RP_2	Coats Marsh RP	2008		45.7	No	0.0	Marsh wetland key feature – North and south edges mostly mature 2nd growth FdCw(MbDr)
C	Extension, Arrowsmith-Benson, East Wellington, Pleasant Valley						
C-RP_1	Benson Creek Falls RP	1991	31.3		No	0.0	Mature 2nd growth Fd mix/ Overview assessment indicates little restoration needs at present.
C-RP_2	Mount Benson RP	2006		211.6	?	?	Snow cover prevented on-site assessment. – further review needed to provide more accurate determination.
C-RP_3	Mt Arrowsmith Massif RP	2008	1300.0		?	?	Snow cover prevented on-site assessment. – further review needed to provide more accurate determination.
<i>Additional Commentary:</i> Given altitude and extent of alpine area on Mt. Arrowsmith along with marginal soil capabilities, shorter growing season and other biodiversity values the restoration potential is thought to be limited. A growing season assessment could reveal otherwise.							
E	Nanoose Bay Area						
E-RP_1	Beachcomber Regional Park	1955		1.0	No	0.0	Size, current recreational use and location seriously restrain potential. Restoration requirements are limited at best.
E-RP_2	Camp Moorecroft Regional Park	2011		34.0	Yes	2.0	Latest RDN acquisition. Overview assessment indicates that there are pockets where restoration potential exists. Further site reconnaissance and clarification of future use needed. Area is ~85% mature second growth Fd CDF.
F	Coombs /Little Qualicum,						
F-RP_1	Little Qualicum River Regional Park	1999		44.0	Yes	3.0	Overview assessment indicates that some restoration potential exists along the river but an active flood plain would put restoration efforts at high risk of reversal. .
<i>Additional Commentary:</i> Further site reconnaissance and clarification of future use needed. Area is ~90% mature mixed second growth Fd(CwHwDrMb). Former gravel pit area needs reclamation requiring the importing of a substantial volume of suitable topsoil.							
G	Parkville / Qualicum Area						
G-RP_1	Little Qualicum River Estuary Regional Conservation Area	2003	4.6		No	0.0	Estuary is at high risk of flooding and erosion as well as possessing high biodiversity values. Forested fringes of the area have well stocked coniferous forest.
G-RP_2	Englishman River Regional Park	2005	207.0		Yes	4.0	Restorable areas are at high risk of flooding and erosion. 80-90% of park has fully stocked coniferous forest. A former gravel pit needs reclamation but topsoil would be needed to support tree growth.
H	Horne Lake / Spider Lake						
H-RP_1	Horne Lake Regional Park	2002		109.0	No	0.0	Fully stocked juvenile & mature 2nd Growth Fd(Cw) over 95% of area. Overview assessment revealed that areas logged prior to acquisition are regenerating well hence restoration needs are virtually non-existent at present.
All	Total Regional Park Area		Leased	Owned	Total Reg. Park Area	Restoration Area	This is a preliminary approximation of potential restoration to be found within existing regional parks.
		(ha)	1542.9	517.5	2060.4	10.0	

2.2 Community Parks

Select Community Parks							
Electoral Area	Park Name (or proximate road)	Year Acquired	Park Area		Potential	Estimated Area	Comments on Afforestation/Reforestation Ex-Ante Restoration Potential
			Owned	Leased	X-Ante	X-Ante	
			(ha)	(ha)	Yes/No	(ha)	
A	Cassidy, Cedar, Yellowpoint, South Wellington						
A-CP_1	Fawcett Rd	1961	0.2		N	0.0	Fully stocked mature 2 nd Growth Fd(Cw) – area too small to meet 1 ha forest land definition
A-CP_2	Ivor Rd	1981	0.4		N	0.0	Fully stocked mature 2 nd Growth Fd(Cw) – area too small to meet 1 ha forest land definition
A-CP_3	Glyneath Rd	1984	0.1		N	0.0	Fully stocked mature 2 nd Growth Fd(Cw) – area too small to meet 1 ha forest land definition
A-CP_4	Addison Way	1985	0.4		N	0.0	Fully stocked mature 2 nd Growth Fd(Cw) – area too small to meet 1 ha forest land definition
A-CP_5	Morden Colliery Trail – 3 bits	1994	0.6		~	0.0	Fully stocked mature 2 nd Growth Fd(Cw) – area too small to meet 1 ha forest land definition
A-CP_6	Morden Colliery Trail east	1998	2.1		~N	0.0	Appears fully stocked Fd(Cw) with small Mb component
A-CP_7	Kipp Rd	2004	18.6		N	0.0	Fully stocked mature 2 nd Growth Fd(Cw) – could be some limited opportunities in wetland fringe areas
A-CP_8	Woodridge Rd	2005	2.0		?	0.0	location to verify
A-CP_9	Thelma Griffiths	2005	2.1		N	0.0	Mapping in question – playground too small for 2.1 ha – if escarpment then fully stocked with mostly Fd (Mb Cw Act)
A-CP_11	Whiting Way	2007	4.1		?	0.0	predominantly wetland – protection of wetland a priority
A-CP_12	MacMillan Rd	2008	1.1		N	0.0	marsh wetland – edges mostly mature 2 nd growth FdCw(MbDr) but very limited in width/area
Area A Community Parks total area (ha)		31.7				0.0	
B	Gabriola, DeCourcy, Mudge Islands						
B-CP_14	Rollo McClay	1990	7.8		Yes	1.0	partially developed with 2 ball fields, pond, parking, buildings & roads, 50% mature 2 nd growth Fd
B-CP_21	Cox	2002	45.7		No	0.0	prime mature 2 nd growth Fd – good shape, undeveloped, limited deciduous in creek riparian
B-CP_22	Link Bay n	1983	1.3		No	0.0	DeCourcy Island, undeveloped, 25% open – rock outcrops, balance mature Fd 2 nd growth forest, these two parcels are contiguous forming one park.
B-CP_23	Link Bay s	1988	0.3				
B-CP_24	Coats Dr w	2003	1.9		Yes?	0.5	contiguous with 707 Acre Community Park, recently logged, some residual deciduous and patchy conifer regen – may be areas unstocked
B-CP_26	Hyham	2004	1.6		No	0.0	mature 2 nd growth Fd, small deciduous component, few snags, undeveloped area
B-CP_27	707 Acres	2007	286.5		Y	2.0	open mature Fd with variable density juv Fd – some opps where Dr dominates but limited in area <2ha - further detail required
Area B Community Parks total area (ha)		345.1				3.5	

C <i>Extension, Arrowsmith-Benson, East Wellington, Pleasant Valley</i>							
C-CP_1	Riverbend 1	1982	1.2		N	0.0	mature 2nd growth F d mix
C-CP_2	Riverbend 2	1982	0.1		N	0.0	as above & BCH Transmission Right of Way
C-CP_3	Pleacas	1990	0.4		Y	0.0	some area could benefit from restoration – park undeveloped
C-CP_4	Twilight Way	1994	2.5		N	0.0	Fully stocked mature 2nd Growth Fd(Cw)
C-CP_5	Virostko	1999	0.7		Y		some limited areas could benefit from restoration – mostly very narrow trail corridor – recently logged areas
C-CP_6	Southforks 1	2002	6.6		Y	1.0	Mainly stocked mature 2nd Growth Fd(Cw) but some Dr dominated riparian that has potential
C-CP_7	Meadow	2005	2.0		Y	0.5	recent landscaping-play area, grass, trees & parking
C-CP_8	Creekside	2005	4.7		N	0.0	Fully stocked mature 2nd Growth Fd(Cw)
C-CP_9	Heather Way	2008	1.1		N	0.0	Fully stocked mature 2nd Growth Fd(Cw)
C-CP_10	Southforks 2	2008	3.2		Y	0.2	Mainly stocked mature 2nd Growth Fd(Cw) but some Dr dominated riparian that has potential
C-CP_11	Extension	2008	1.3		N	0.0	Fully stocked juvenile & mature 2nd Growth Fd(CwDrMb)
Area C Community Parks total area (ha)		23.8				1.7	
E <i>Nanoose Bay Area</i>							
E-CP_1	Jack Bagley	1959	1.6		N	0.0	site dominated by playing field
E-CP_6	Nanoose Rd	1974		1.9	N	0.0	tenure issue – lease expires in 2020. Young mature Doug-fir forest - no restoration potential noted.
E-CP_7	Enos Crk	1976	1.1		N	0.0	creek ravine - mature conifer/broadleaf mix - restoration potential limited
E-CP_11	Crab Rd	1986	1.2		N	0.0	Mature conifer dominated - smaller broad-leaf/deciduous component - limited restoration need
E-CP_13	Brickyard	1988	1.5		N	0.0	Mature Douglas-fir dominated conifer forest - trail access to ocean front at tip of Nanoose peninsula
E-CP_19	Dolphin Lake	1994	2.6		N	0.0	Mature second growth Douglas-fir dominated conifer forest - includes foreshore riparian area along Dolphin Lake
E-CP_20	Schooner Ridge	1994	1.7		N	0.0	Mature second growth Douglas-fir dominated conifer forest - largely fringe area and trail corridor along edge of golf course
E-CP_21	Dolphin Marsh	1995	1.6		~	0.1	Majority of site is wetland with narrow forested fringe around perimeter which has deciduous tree cover. Protection of wetland biodiversity a priority. Minor restoration potential.
E-CP_22	Claudet Rd	1999	4.0		Y	1.0	some limited open areas may benefit from restoration. Conifer stocking variable and would require further study.
E-CP_24	Rowland	2003	1.0		N	0.0	Foreshore area next to Nanoose Bay.
E-CP_26	Carmichael 2	2004	1.1		Y	0.2	Next to Fairwinds Golf course. Young conifer deciduous mix with minor restoration potential in small openings
E-CP_27	Northwest Bay	2006	1.2		Y	0.2	Under development - has ponds & trails, infrastructure. Park plans may prevent restoration - further study needed
E-CP_28	Claudet Rd 2	2006	2.2		N	0.0	well stocked conifer maturing forest - some deciduous cover but restoration potential limited
Area E Community Parks total area (ha)		22.7				1.5	

F <i>Coombs, Hilliers, Errington</i>							
F-CP_11	Malcolm	2000		16.2	N	0.0	tenure issue – lease expired in 2010!?! Well stocked conifer dominated 2nd growth forest
F-CP_12	Meadowood	1999	8.9		?	2.0	Bare gravel pit area would need reclamation involving replacement of mineral soil & organic matter – some on BCH RoW not eligible.
F-CP_13	Veterans	2006		1.8	N	0.0	tenure issue - lease expires in 2036. Large open playing field occupies 1/3 of park. Mature conifer forest on balance with limited openings, deciduous content.
F-CP_14	Romain	2006	4.3		N	0.0	Mature 2nd growth conifer forest. Appears well stocked
Area F Community Parks total area (ha)		31.2				2.0	
G <i>French Creek, Dashwood, Englishman River</i>							
G-CP_1	Barclay	1973	1.0		N	0.0	Young maturing conifer with narrow fringe of deciduous (Dr) along edge of Barclay Cres.
G-CP_10	Lee 2 - Morningstar	1987	2.0		Y	0.2	Mixed mature forest - limited restoration potential
G-CP_11	Top Bridge	1987	4.6		N	0.0	Mature 2nd growth Fd mix
G-CP_13	Lee 3	1994	3.3		Y	0.5	Next to French Creek, Deciduous/conifer mix with some restoration potential
G-CP_14	Womens Institute Hall	1979	1.5		N	0.0	Large open playing field reserved for recreational use.
G-CP_15	Riley	1990	1.0		N	0.0	Fringe area along Hwy - mixed forest - limited area
G-CP_17	Miller north	1997	1.4		?	0.0	Riparian area. Mixed conifer-deciduous forest (CwFdMb) Property lines difficult to locate. May have some limited restoration potential - needs further study.
G-CP_23	Rivers Edge	2005	36.2		Y	1.0	Appears to be an agglomeration of parcels and trail sections in rural subdivision. Some restoration potential surrounding edges of catchment ponds - old gravel extraction area?
Area G Community Parks total area (ha)		51.0				1.7	

H	Shaw Hill, Qualicum Bay, Deep Bay, Bowser						
H-CP_1	Deep Bay Creek 1	1968	0.5		N	0.0	Mature 2nd growth Fd mix/ minor Mb deciduous component - parcel less than 1 ha
H-CP_2	Rose	1977	0.6		N	0.0	Mature 2nd growth Fd mix - parcel less than 1 ha
H-CP_3	Blue Heron	1977	1.0		N	0.0	Narrow strip – mature Fd(DrMb) mixed wood stand
H-CP_4	Ocean Trail	1978	1.2		Y	0.5	Wedge of mature Mb(Dr)
H-CP_7	Centennial	1982	2.0		Y	1.0	Significant mature Dr stand in decline with Salmon-berry & H. Blackberry shrub complex. Has an area with some older recreational installations.
H-CP_13	Palm Pacific	1986	0.4		Y	0.2	Parcel less than 1 ha - depends on park development plan
H-CP_14	Lions Park	1987	5.8		?	0.2	Largely developed recreation infrastructure with some edge areas with minor restoration potential depending on Park plans
H-CP_15	Illusion Lake (Spider Lk)	1982	9.4		N	0.0	Mature 2 nd Growth Fd
H-CP_17	Oakdowne main	1994		13.0	N	0.0	Tenure issue - lease expires in 2014. Well stocked conifer 2nd growth forest
H-CP_22	Widwood	1976		7.6		0.0	tenure issue - lease expires in 2030. Mature second growth conifer forest.
H-CP_23	Deep Bay Creek 2	2000	3.1		Y	2.0	Dr dominated stand /Deep Bay
H-CP_24	Leon	1997	1.0		N	0.0	Narrow strip - intended as trail?
H-CP_25	McCull	2006	1.0		?	0.0	Narrow strip-riparian?
H-CP_26	Creekside Nile Crk	2008	3.0		N		Mature 2nd growth Fd mix/ minor deciduous component
Area H Community Parks total area (ha)						3.9	Total Area with restoration (x-ante) potential
Total All Electoral Areas			514.6	40.5	555.1	14.3	
5	Number of properties with tenure held either partially or entirely by other entities than RDN						Lease agreements are problematic for permanence issues

4. Making it Work: Charting a Path Beyond Carbon Neutral

4.1 RECOMMENDATIONS

Taking the Next Steps

The assessment of the Regional District of Nanaimo's carbon management opportunities has brought to light an extensive list of options that the RDN can look at in greater depth and consider putting into action. The following section provides the recommendations that ERA's team has formulated. While we were unable to find enough area to justify launching an ex-ante afforestation/reforestation project of a scale that would generate sufficient carbon revenue to offset the project development costs, there are many actions that can be undertaken which will nevertheless reduce the RDN's carbon footprint as well as those of its residents in substantial ways. As the carbon management field is still very young and undergoing rapid development, activities that are difficult or impossible to qualify for offsets today may become easily doable in the months and years immediately ahead.

One important area, where the recommendations found in this study will prove to be of considerable benefit to the RDN, is the on-going and increasingly urgent need for acquiring additional park and protected status land. Because existing parks and protected lands cannot qualify as 'additional' avoided deforestation the carbon they contain is not eligible for offsets. However, new acquisitions can qualify if they are under threat of conversion to other uses. In order for this to happen certain steps must be followed early in the acquisition process otherwise the opportunity can be lost.

Although these recommendations are listed in a sequence this is not hierarchical and therefore the order should not be taken as assigning any particular priority based on position in the list. Existing RDN lands are considered first as they represent what is already at hand and ready to be worked and entailing the least amount of complication because staff already have a certain level of familiarity with them.

1. Existing RDN Lands

- *Bundle ecosystem restoration opportunities together*

The RDN has a large number of park properties well distributed across the district but the large majority are small in area. The study revealed that there are a number of sites within some of both regional and community parks where forest ecosystem restoration would be of benefit not just in terms of carbon sequestration but also because of the biodiversity and environmental enhancement that would be gained. None of these sites provides a large enough restoration area that would generate sufficient carbon offsets to cover the fixed costs of project development and implementation. There is an economy of scale needed that can be achieved only by aggregating or “bundling” of a several sites into one project. With the small number of hectares of potential restoration sites revealed by this study that level has not yet been reached. Future acquisitions and collaboration with RDN municipalities on their own restoration needs could be expected to boost the area beyond the threshold and make a carbon offset project feasible.

- *Adopt best management practices that will qualify as improved forest management*

Section 3.1 provides a long list of management practices, policies and activities that can be put in place, many of them with little or no additional cost and in many instances their use may actually reduce expenses related to both infrastructure development as well as long term maintenance.

- *Upgrade OCPs and bylaws*

It goes without saying that official community plans as well as bylaws play a very significant role in shaping the mindset and guiding the course of community development. Because of the importance of

climate change and carbon management to the future of every community and the district, there is a huge opportunity and pressing need to incorporate provisions that not only educate but also enable effective measures for both mitigation against and adaptation to climate change. Many jurisdictions are in the process of updating OCPs to SOCPs i.e., Sustainable Official Community Plans. This is an opportune time to add carbon management content. As part of this process Urban Forest Management Plans and Tree Bylaws can be strengthened by giving voice to Best Management Practices that reduce emissions and increase carbon storage.

2. Future Acquisitions

- *Incorporate carbon offset strategy into parks policy, park plans and standard operating procedures*

If carbon revenues are to be captured it is imperative that the procedures for enabling that to happen are made a part of Parks Policy, incorporated into Park Plan documents and introduced into Standard Operating Procedures. The process of qualifying and quantifying carbon credits begins at the very earliest planning stages. Failure to initiate the necessary steps before acquisition actually takes place will negate any chances of success once the land has been secured. This begins with the content, formulation and approval stages of conservation covenants and the demonstration of intent to manage for carbon benefits.

- *Ensure conservation covenants are both carbon and biodiversity offset friendly*

As mentioned previously, the content of the covenants whose purpose is to protect forests from conversion to non-forest use must articulate an intent to manage the land for the purposes of emissions reductions and carbon sequestration. Because covenanted forest also protects biodiversity and water values, new acquisitions can be sources of not only carbon offsets but also biodiversity offsets.

- *Target potential old growth coastal Douglas fir candidates*

It has become very close to being common knowledge that all native plant communities within the imperilled CDF BEC Zone are red-listed. Old Growth forest sites are extremely rare and fragmented on both Crown and private land. This makes them prized acquisitions for new protected land. They are also prime carbon storehouses and have the potential to generate substantial quantities of carbon offsets as this study has pointed out. These offsets can be the needed financial assistance that allows land purchases to occur. Again, it cannot be overemphasized that the intent to manage for carbon must be made clear in the documentation at the very outset.

Of particular interest in regards to carbon pools associated with older forests; contrary to earlier beliefs that old-growth forests cease to accumulate C (Kira and Sihedie, 1967; Odum, 1969), a recent meta-analysis of 519 stands of up to 800 years old from around the globe has shown that old-growth forests continue to accumulate significant amounts of carbon (Luysaert et al., 2008).

- *Prioritize watershed and aquifer protection*

Climate change is forecast to create greater variation in our local weather patterns. The trend toward extended soil moisture deficits from reduced summer precipitation is likely to increase. A reduced snow pack from warmer winters will result in quicker runoff and less recharge of already strained aquifers. Increased pressure to augment local agricultural production will place more demand on both ground water and surface water supplies. Given these conditions there is no question that priority should be placed on protecting existing sources of domestic, industrial and agricultural water supply. This can be achieved through avoided conversion of forest and wetlands to other uses. Avoided conversion is best achieved through land acquisition and protection by covenants. Because these lands invariably support sizable carbon storage capacity either existing or in potential through afforestation, carbon revenues can be realized if recognized and planned for up front.

3. Strengthening Partnerships

- *Get the word out – Carbon offset awareness and community outreach*

One of the areas, perhaps the greatest, where RDN can have an impact on climate change, is that of education and leadership. This has already been demonstrated through innovative initiatives that the RDN has instituted such as the Organics Diversion Strategy as well as the landfill gas collection and power generation program. Clearly the importance of this approach is fully recognized and extra effort is being applied to its implementation. The quantity, quality, and presentation of climate change information presented on its website is proof of a commitment to providing leadership and promoting awareness and spearheading change. RDN's Corporate Climate Change Plan published in 2007 outlines in great detail their energy and emissions management plan. However, despite having direct control over a 2,600+ hectare parks and protected area land-base, there is no mention of measures to address emissions or sequestration of GHG in relation to those lands.

Admittedly not every hectare supports forest or carbon storage. But consider for a moment the following: a reasonable yet conservative hypothetical assumption could be made that only 50% of the park land-base of 2600 ha has productive native forest growing on it; the balance consisting of non-forested area in the form of roads, parking lots, buildings, etc. If that forested portion (1300 ha) has average volumes of 900 Mg (tonnes) CO₂eq of forest biomass carbon (750 to 1130 Mg CO₂eq per ha is the approximate range for eastern Vancouver Island) then there would be a pool or reservoir of 1,117,000 Mg CO₂eq carbon sequestered there. Coastal BC forests on average grow an equivalent of 4 Mg CO₂eq per ha per year. So in the business-as-usual scenario this 1300 ha of forest adds another 5200 Mg CO₂eq annually. Although not generally practised on park land, research shows that improved forest management measures such as light thinning or fertilization can double the forest growth rate. Place that 5200 Mg figure next to the RDN's 2012 forecast emissions footprint of 5,389 Mg (to be achieved after a reduction of 1326 Mg through all its other GHG reduction activities) and one quickly realizes how significant it is.

In practical terms, it is not realistic to consider that the RDN could practice thinning or fertilization on its park lands. But that 2600 ha of protected park land represents less than 1.3% of the district's entire land mass. Although carbon management performance can be improved on RDN's own lands it is clear that to become carbon-neutral offsets must be generated elsewhere, on other lands. More startling than the last example is the realization that the acquisition of a 35-hectare parcel of second-growth Douglas-fir forest could provide enough avoided deforestation ex-post carbon credits to cover RDN's entire emissions footprint for the next six to nine years. Hence, there are far greater potential benefits to be developed on lands within the district not currently owned by the RDN. This is where the implementation of incentive programs to encourage protection (avoided conversion) of existing forest as well as promote afforestation and improved forest management can yield substantial dividends both for the RDN and for private landowners.

This study has shown that while programs and practices that can be applied on RDN's own lands will undoubtedly have a significant impact on its corporate carbon footprint, the achievement of carbon-neutral status from offsets derived from its own current land-base will be difficult and likely impossible without drastic and untenable changes in management practices. The route to neutrality instead lies with new land acquisitions that incorporate carbon management up-front where generating significant offsets will be far easier. The example scenarios provided bear ample witness to this potential.

Beyond covering its own footprint, it can be seen that the RDN has a far greater role to play. By inspiring and encouraging all the sectors under its influence through example, education and financial incentives, the RDN can multiply manifold times over the carbon management benefits that it can achieve of its own accord. Raising the awareness of the general population to the needs for mitigation and adaptation as well as to the opportunities represented by carbon credits is the only way that truly meaningful results can be accomplished.

- Collaborate with other local governments and stakeholders to gain economies of scale

All levels of government are grappling with the complexities of climate change mitigation and adaptation within the context of a challenging economic situation. Nanaimo, Parksville and Qualicum Beach have all signed the Climate Action Charter with the shared goal of becoming carbon-neutral by 2012. Within each of these municipalities there are opportunities for ex-ante and ex-post carbon offsets to be generated but by themselves they are not substantial enough to cover the fixed costs associated with project development. By aggregating the ensemble of project sites into one larger project there is good reason to believe that an economy of scale can be achieved. The pooling of resources and sharing of expertise will also facilitate project development as well as implementation of carbon management activities.

First Nations within the district seek constantly for economic opportunity for their members and share strong interests and concerns regarding climate change. The RDN has a history of working with first nations communities within its jurisdiction and the transition towards a green low carbon economy offers new opportunities to strengthen collaborative initiatives. Aboriginal culture embodies a strong land ethic that supports protection of ecosystem services provided by forests. As such, first nations governments seek greater control over their traditional territories and have proven to be effective partners in co-management of parks and other forest lands. The RDN and carbon management could benefit from encouraging that role.

- *Encourage private forest landowners*

Timberwest Forest and Island Timberlands are two forest companies that possess the majority of land within the district, land that is for all intents entirely forested. Both companies are actively managing their lands for industrial timber production largely if not exclusively under a clearcut short rotation (40-60 years) silviculture regime. This presents huge opportunities to improve carbon sequestration through IFM practices such as longer rotations, continuous cover forestry, commercial thinning and fertilization. These same companies also have land development or real estate divisions that are actively subdividing and selling off portions of their forest land holdings for rural residential small acreages. While this creates some opportunities for RDN to acquire new park land it also tends to run counter to Smart Growth principles and Climate Action Charter provisions that discourage urban sprawl. In many cases these rural acreages, formerly productive forest land have been converted to pasture, hayfields or simply acres of lawn and have, as a result, suffered both higher emissions and significant loss of carbon storage capacity. Providing water and other services to these developments also creates financial burdens that may not be covered by tax revenues. Hence there are good reasons for RDN to limit this trend to the extent possible.

- *Promote agricultural carbon management practices*

The district has an extensive agricultural land-base much of it protected by the Agricultural Land Reserve (ALR). With the growing pressure to produce more of our food locally, this land-base will be put to more intensive use in years to come. This could and likely will result in greater local emissions of GHG from cultivation and subsequent loss of soil-based carbon. This could be largely countered with improved farm practices such as no-till and manure management methods. Other options that could improve carbon storage as well as reduce emissions include afforestation of marginal lands, restoration of degraded riparian areas along creeks and other water features, placement of conservation covenants on existing forest and wetland ecosystems. Biomass energy plantations will become increasingly viable as fossil fuel prices rise. There is already a considerable body of knowledge available to guide this type of production. Some further insights are provided in Appendix A5.

4. Build In-House Expertise for Project Development

- *Learn the ropes*

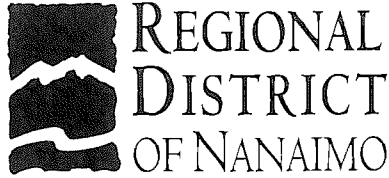
As mentioned elsewhere in this report the growing mountain of information available on carbon management, offset programs and climate change is epic in proportions and, as such, rather intimidating.

Finding one's way through it all can be a daunting task. But there is help out there and this report aspires to be a beginning and a conduit leading to the most appropriate resources and assistance in preparing for and making the journey to project realization. This landscape will continue to evolve and transform in subtle but important ways as new legislation comes into effect, additional methodologies are developed and markets expand. As we find with virtually all domains in this information age, staying updated becomes a necessary and regular task. Despite the constant evolution, the foundation, the key elements and concepts at the core, are expected to remain essentially as they are today.



Second growth forest canopy

Photo credit: I. Penner



RDN REPORT	
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SSC - June 15/11	

MEMORANDUM

TO: Paul Thorkelsson
General Manager, Development Services

FROM: Chris Midgley
Manager, Energy and Sustainability

SUBJECT: RDN Partnership in Community Energy Modeling Toolkit

DATE: June 9, 2011

FILE: 6780-50

PURPOSE

The purpose of this report is to inform the Board of RDN participation in the development of a community energy and emissions model funded by the Pacific Institute for Climate Solutions (PICS), and led by the consultant team Michael Jaccard and Associates, Inc.

BACKGROUND

In October 2010, the RDN was approached by Michael Jaccard and Associates, Inc. to participate as a local government partner in their response to a Request for Proposals issued by the Pacific Institute for Climate Solutions.

The project proposed was to develop a user-friendly spreadsheet modelling tool to help communities in British Columbia forecast their energy consumption and greenhouse gas (GHG) emissions, and explore the impact of policies on these variables. The proposal was successful, and Michael Jaccard and Associates, Inc. was awarded a contract to undertake the work.

Presently, the project is in its very preliminary stages. The RDN, along with the Sunshine Coast Regional District (the other local government partner) have completed a scoping document outlining the ideal contents of a model, the types of information readily available, and the level of detail necessary to achieve what could be considered an acceptable level of detail.

To summarize, staff at both local governments see the greatest value in developing a tool that quantifies emissions reductions associated with different development scenarios. This would provide a valuable tool for modeling potential impacts of proposed land uses changes and policies as Official Community Plans are updated. Such a tool would add significantly to the current information provided by the Province through their Community Energy and Emission Inventory (CEEI) Reports.

This project is in its very preliminary stages, and no formal date of completion has been set. The project timeline has been set by the consultant team, and the RDN responds as requested for information and input. A press release had recently been issued by PICS, with follow up by the local media. This report ensures that the Board is aware of the project, and its basic purpose.

ALTERNATIVES

There are no alternatives. This report is for information purposes only.

FINANCIAL IMPLICATIONS

The only financial implication associated with partnering in this project relates to the allocation of staff time. Staff have dedicated approximately 10 hours to this project to date, and will continue to work with the project team as necessary. It is estimated that up to 40 hours of staff time will ultimately be invested in this project. Dedicating time to developing a Community Emissions Modeling Tool fits within the scope of work of the Manager of Energy and Sustainability.

SUSTAINABILITY IMPLICATIONS

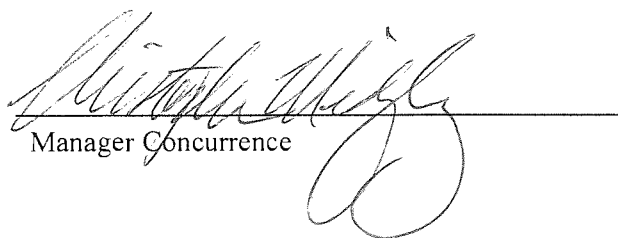
Participation in the development of a Community Energy Modelling Toolkit supports the Board Strategic Priorities of Climate and Energy, as well as Monitoring and Adaptation. It is increasingly important for the RDN, along with other local governments in the Province to be able to quantify the impacts of land use decision making and development scenarios on emissions. With the dramatic reductions necessary to take effective action on climate change, access to tools that will assist in determining lower emission development patterns and the policies to make them happen will be essential. Such tools will also enable local governments to monitor progress toward their emission reduction targets.

SUMMARY

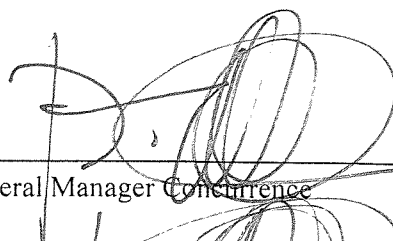
The RDN was approached by Michael Jaccard and Associates, Inc. to act as a local government partner in a project to develop a Community Energy Modelling Toolkit. The project is in its very preliminary stages, but is envisioned as a valuable tool that will enable the RDN and eventually other local governments across the Province to quantify energy use and emissions under different future development scenarios. The project demands are limited to minimal allocation of staff time, and will benefit ongoing climate action, as well as assist with monitoring and adaptation in the region.

RECOMMENDATION

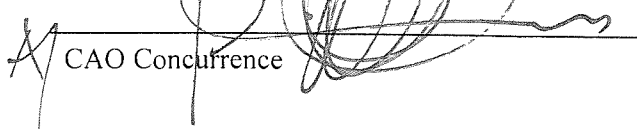
There are no recommendations. This report is for information purposes only.



Manager Concurrence



General Manager Concurrence



CAO Concurrence

REGIONAL DISTRICT OF NANAIMO

MINUTES OF THE REGIONAL PARKS AND TRAILS ADVISORY COMMITTEE MEETING HELD ON TUESDAY, JUNE 21, 2011, 12:00PM IN THE RDN COMMITTEE ROOM

Attendance: Director Joe Stanhope, Deputy Chair
Director Maureen Young
Director Dave Bartram
Director Teunis Westbroek
Frank Van Eynde
Craig Young

Staff: Carol Mason, Chief Administrative Officer
Tom Osborne, General Manager of Recreation and Parks
Lesya Fesiak, Parks Planner
Marilynn Newsted, Recording Secretary

Regrets: Director Bill Holdom, Chair
Peter Rothermel

CALL TO ORDER

Chair Stanhope called the meeting to order at 12:01pm.

MINUTES

MOVED F. Van Eynde, SECONDED D. Bartram, that the Minutes of the Regional Parks and Trails Advisory Committee meeting held April 5, 2011, be approved.

CARRIED

COMMUNICATIONS/CORRESPONDENCE

MOVED D. Bartram, SECONDED C. Young, that the following Correspondence be received:

- J. Nelson, Ducks Unlimited Canada, Re: Support Appreciation
- M. Graces, The Nature Trust of BC, Re: Save Moorecroft Camp Campaign
- T. Osborne, RDN, to Nanaimo and Area Land Trust Society, Re: Funding Agreement
- T. Osborne, RDN, to Guy Mireau and Cheryl Bailey, Re: Coats Marsh Regional Park Management Plan and 1040 Coats Dive, Gabriola Island
- T. Osborne, RDN, to Nanaimo and Area Land Trust Society, Re: Funding
- G. Mireau and C. Bailey, Re: Coats Marsh Regional Park Management Plan and 1040 Coats Drive, Gabriola Island
- T. Osborne, RDN, to Island Trust Northern Office, re: Proposed Bylaw No. 262
- D. Walker, The Nature Trust of British Columbia, Re: Proposed Bylaw No. 262

CARRIED

REPORTS

Monthly Update of Community Parks and Regional Parks and Trails Projects

Mr. Osborne briefly summarized the Community Parks and Regional Parks and Trails Projects for March through to April 2011.

Moorecroft Regional Park Management Plan Terms of Reference

Mr. Osborne stated the Moorecroft Regional Park Management Plan Terms of Reference have been developed with the approval of the partners. He noted there are two agreements in place which require the Management Plan to be in place by the year 2012. One is the agreement with the Nature Trust of BC, as part of the purchase agreement with them and the second is per covenant registered with The Nature Conservancy of Canada.

He stated the development of the plan will be a very intense process, due to the location of the property, as well as, the various stakeholder groups, past and present, that will be involved. He noted site meetings will begin on June 28, and any delay in the process would jeopardize meeting the timeline.

Chair Stanhope stated the Community, and the larger Community of the City of Nanaimo, the City of Parksville, the Town of Qualicum Beach, the District of Lantzville and the Electoral Areas have been very well served by the Regional District staff who have done exemplarily work in concluding this agreement in a very short period time. If the staff had not been so expeditious, the Regional District may not have been successful in obtaining the park.

Chair Stanhope addressed Ms. Mason, Mr. Osborne and RDN Park staff and thanked them very much for their efforts.

MOVED T. Westbroek, SECONDED F. Van Eynde, that the Terms of Reference for the Moorecroft Regional Park Management Plan be approved.

CARRIED

MOVED T. Westbroek, SECONDED F. Van Eynde, that staff be directed to issue a Request for Proposals for a Project Consultant for the development of the Moorecroft Regional Park Management Plan.

CARRIED

MOVED T. Westbroek, SECONDED F. Van Eynde, that two members of the Regional Parks and Trails Advisory Committee be appointed to participate as members of the Moorecroft Regional Park Management Plan Sub Committee.

CARRIED

MOVED T. Westbroek, SECONDED D. Bartram, that Mr. Van Eynde and Mr. Young be appointed as the Regional Parks and Trails Advisory Committee representatives on the Moorecroft Regional Park Management Plan Sub Committee.

CARRIED

Mount Arrowsmith Massif Regional Park Management Plan

Mr. Osborne noted work began on the Mount Arrowsmith Massif Regional Park Management Plan in March 2010 and commented on key sections of the Plan.

MOVED T. Westbroek, SECONDED M. Young, that the Mt. Arrowsmith Massif Regional Park Management Plan be approved.

CARRIED

Horne Lake Regional Park Concept Plan

Mr. Osborne reported the work began in March 2010, to develop a plan on how to best plan for a regional and provincial park and to ensure Horne Lake would be a world class destination. He noted the financial implications in the plan are very high, and further work is required to review the plan and the scope of the project to reduce the costs. Some issues do need to be resolved such as the number of encumbrances on the property, before moving forward.

MOVED D. Bartram, SECONDED F. Van Eynde, that the Concept Plan for facility and infrastructure improvements at Horne Lake Regional Park be received as information.

CARRIED

MOVED D. Bartram, SECONDED F. Van Eynde, that staff undertake the Northpark water system upgrade and assemble an in-house integrated design team.

CARRIED

MOVED D. Bartram, SECONDED F. Van Eynde, that as part of the 2012 work plan, staff be directed to review the concept plan and related costs and provide development alternatives that prioritize essential infrastructure requirements to be undertaken in the short and long term.

CARRIED

Coats Marsh Regional Park Management Plan Update

Mr. Osborne stated the Coats Marsh Regional Park Management Plan Open House was held April 19, 2011. At that time, staff did meet with the property owner whose property has been flooded due to the beaver activity in the marsh to discuss their concerns.

Staff will continue to work though the water level problem, encroachment issues and the commitments made, through correspondence, by The Natures Trust and the Regional District with the property owner, prior to presenting the management plan for approval at the fall Committee meeting.

Biosphere Update

Mr. Osborne stated the Regional District had been approached by the staff of the Biosphere Reserve, Holly Clermont and Karen Hamilton, to request the inclusion of regional parks and riparian areas to enhance the Biosphere's Core Area.

Staff then met with BC Parks, The Natures Trust of BC and MoE to discuss the request. The consensus at the meeting was to delay a decision until after the Biosphere AGM, which is to be

held on June 21 and until the group is able to provide a better understanding of what it would mean if regional parks and riparian areas were included in the Core Area. Mr. Osborne stated they informed Ms. Clermont and Ms. Hamilton, that should the Biosphere Reserve decide to move forward to include regional parks and riparian areas in the Core Area they would need to appear as a delegation before the Regional Board to clarify the intentions of the organization.

MOVED D. Bartram, SECONDED F. Van Eynde, that the Reports be received.

CARRIED

NEW BUSINESS

Mr. Osborne updated the Committee on the following staff changes in the Parks Department:

- Ms. Fesiak, Parks Planner, will be leaving the Department at the end of August.
- Ms. Marshall will be on parental leave for nine months around the middle of September.
- Mr. Dobbs, Regional Parks Operations, has left the Department to return to Building Inspections. His position was filled by Mr. van Ossenbruggen, leaving the Parks Technician's position vacant.

Mr. Osborne stated the Parks Planner position and the Parks Technician position, which was not filled internally, will be posted. Ms. Marshall's position will be filled temporarily by an Acting Parks Manager who will be brought in to assist the department.

ADJOURNMENT

MOVED T. Westbroek, SECONDED D. Bartram, that the meeting be adjourned at 1:02pm.

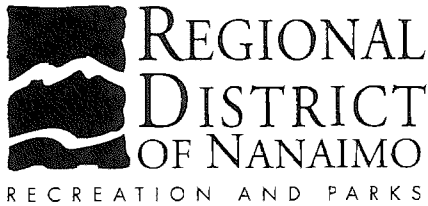
CARRIED

IN CAMERA

MOVED T. Westbroek, SECONDED D. Bartram, that pursuant to Section 90(1) (e) of the Community Charter the Committee proceed to an In Camera Committee meeting to consider items related to land issues.

CARRIED

Chair



RDN REPORT	
CAO APPROVAL <i>(Signature)</i>	
EAP	
COW	
MAY 26 2011	
RHD	
BOARD	
RPTAC - June 2011	

MEMORANDUM

TO: Tom Osborne
General Manager, Recreation and Parks Services

DATE: May 26, 2011

FROM: Wendy Marshall
Manager of Parks Services

FILE:

SUBJECT: Moorecroft Regional Park Management Plan Terms of Reference

PURPOSE

To obtain approval of the Terms of Reference for undertaking a Management Plan for Moorecroft Regional Park.

BACKGROUND

The RDN, in partnership with The Nature Trust of British Columbia (TNT), acquired the Moorecroft property on March 2, 2011 from the BC Conference of United Church of Canada. As part of the Land Acquisition and Co-owners Agreement with the RDN, TNT is currently running a fund raising campaign in order to contribute up to \$500,000 towards the purchase and capital costs for Moorecroft Regional Park.

As a condition of sale by the BC Conference of the United Church, a conservation covenant was registered on title at the time of acquisition that is maintained by the Nature Conservancy of Canada (NCC). The covenant protects over 90 per cent of the land base, helping to conserve the ecological values of Moorecroft Regional Park in perpetuity.

As part of the purchase agreement with TNT, the RDN must complete a Management Plan by December 31, 2012. The covenant also stipulates the completion of a park management plan within two years of covenant registration with approval from the NCC. The Management Plan will address in more detail the natural area conservation and wildlife protection values of the property as well as determining and providing for the public passive recreation opportunities on the lands. In addition, the Management Plan will address other land use issues associated with the park lands that are identified as part of the planning process.

PROPOSED TERMS OF REFERENCE

The Terms of Reference calls for a development of the park's first management plan capable of guiding the operations, development, and management of the park over a 10-year period (2013-2022). It is proposed that the Regional District retain a consultant to undertake the development of the first Management Plan for Moorecroft Regional Park. The Terms of Reference outline a number of objectives to be addressed during the process, and requires the consultant to undertake a significant consultation program. The Terms of Reference also calls for the analysis of opportunities for use of the buildings for a variety of recreational opportunities.

TIMEFRAME FOR PLAN COMPLETION

Staff anticipate the project work can be completed by December 2012 with the following timeframe:

2011	28 June	Registration for mandatory site visit by 3:00pm.
	29 June	Mandatory site visit with proponents at 1:00pm.
	13 July	Proposals due by 4:00pm.
	20 July	Proponents contacted by 4:00pm.
	27 July	RDN staff interviews with select proponent.
	29 July	Successful proponents contacted by 4:00pm.
	3 Aug.	First meeting between successful contractor, RDN and TNT staff.
	Aug - Sept.	Data review, stakeholder consultation, confirmation of project strategy.
	Oct. - Dec.	Public consultation, Open House #1 and design charrette.
2012	Jan. - March.	Develop draft management plan
	April	Draft management plan review by staff and advisory committee.
	May-July	Public consultation, circulate draft plan and hold Open House #2.
	August	Submit revised draft plan for staff and advisory committee review.
	September	Undertake final changes.
	October	Submit final plan to RDN and TNT.

ALTERNATIVES

1. That the Terms of Reference for Moorecroft Regional Park Management Plan be approved.
2. That the Terms of Reference for Moorecroft Regional Park Management Plan not be approved and provide alternative direction to staff.

FINANCIAL IMPLICATIONS

The management planning process will take approximately 1.5 years and will span the 2011 and 2012 budgets. The total budget is \$50,000. There is \$20,000 allocated in 2011 Regional Parks Capital Budget and \$30,000 allocated in 2012 of the Five Year Financial Plan.

SUSTAINABILTY IMPLICATIONS

As part of placing the covenant on the property a synopsis of the park's ecological profile produced by the NCC shows that the majority of the park is forested lands and wetlands which are listed as endangered or vulnerable. The development of a management plan will help guide the RDN in managing the sensitive lands so they are preserved for future generations.

CONCLUSIONS

In March 2011, the RDN and The Natures Trust of BC purchased the Moorecroft Property. A Terms of Reference has been prepared to guide the preparation of the first Management Plan for the park. The Terms of Reference proposes a consultation process that will allow for residents, organizations and government agencies to be involved in the Plan's preparation. The Management Plan will be steered by a committee with representatives from the Regional District, The Nature Trust of BC, and the Nature Conservancy of Canada to insure an agreeable and successful outcome. The total project budget is \$50,000 spread over 2011 and 2012. There is \$20,000 in the 2011 Regional Parks Capital Budget and \$30,000 in 2012 to undertake this project.

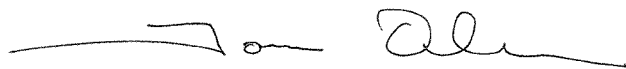
As part of the purchase agreement with TNT, the RDN must complete a Management Plan by December 31, 2012 in addition the conservation covenant with also stipulates the completion of a park management plan within 2 years of covenant registration with approval from the nature Conservancy of Canada. As these requirements are in place and it is the practice of the Regional District to undertake the development of a management plan for regional parks that have been acquired, staff recommend approval of the Terms of Reference attached as Appendix 1.

RECOMMENDATIONS

1. That the Terms of Reference for the Moorecroft Regional Park Management Plan be approved.
2. That staff be directed to issue a Request for Proposals for a Project Consultant for the development of the Moorecroft Regional Park Management Plan.
3. The two members of the Regional Parks and Trails Advisory Committee be appointed to participate as members of the Moorecroft Regional Park Management Plan Sub Committee.



Report Writer



General Manager Concurrence



CAO Concurrence



CAO'S OFFICE			
CAO		GMR&PS	
GMDS		GMT&SWS	
GMF&IS		GMR&CS	
MAY 27 2011			
SMCA		BOARD	
CHAIR			
RPTAC - June 7			

MEMORANDUM

TO: Wendy Marshall
Manager of Parks Services

DATE: May 26, 2011

FROM: Lesya Fesiak
Parks Planner

FILE: MAMRP

SUBJECT: Mount Arrowsmith Massif Regional Park Management Plan

PURPOSE

To review and approve the Mount Arrowsmith Massif Regional Park (MAMRP) Management Plan.

BACKGROUND

In January 2010, the Regional Board approved the Terms of Reference for the first Management Plan for MAMRP. The ten year plan has now been completed.

In 2007, after years of efforts by the Regional District, local alpine groups and the larger community to secure the Mount Arrowsmith Massif area as a protected park, the Province supported a nominal rent tenure for the MAMRP property which would allow the RDN to manage the land for thirty years as a regional park. On November 25, 2008, after signing a Memorandum of Understanding with the Hupacasath First Nation, the RDN Board of Directors voted unanimously to declare Mount Arrowsmith Massif a regional park. The park was officially opened on September 18, 2009 with a ceremony involving all alpine interest groups, first nations, government officials and public supporters.

In March 2010, HB Lanarc was contracted to coordinate the planning process, undertake research, consult with the community, and write the management plan for the MAMRP. The creation of the Management Plan was overseen by RDN park staff and an Advisory Sub-Committee comprised of one member of the Alpine Club of Canada and the Federation of Mountain Clubs of BC, two members of the RDN Regional Parks and Trails Advisory Committee and one member of the Hupacasath First Nation.

The Management Plan outlines the long-term vision, management principles and goals for the MAMRP and provides specific policies and actions for the management and stewardship of the natural, cultural and recreational features of the park. The vision reflects the underlying goal to strike a balance between ecological restoration and protection and safe, sustainable human use. The park forms part of a larger conservation effort within the RDN and management decisions in the MAMRP will work in concert with these initiatives.

The Plan sets out a series of Management Policies and accompanying Capital and Operational Actions to move towards achieving the plan goals over the next 10 years. Notable actions to take include: completion of a feasibility study for a possible north access vehicular route into MAMRP from Cameron Lake; amendment of Regional Park Bylaw No. 1399 to allow for wilderness camping, including designation of appropriate camping areas within MAMRP and development of a camper registration system; installation of trail markers that are linked to GPS coordinates on main trails to aid in location of trail maintenance issues and emergencies; and development of a comprehensive system of collaborated management efforts and activities involving all partnering agencies such as the Hupacasath First Nation, Island Timberlands, the Alpine Club of Canada, the Federation of Mountain Clubs of BC, the Canadian Important Bird Area Program, the Vancouver Island Marmot Recovery Project, the Mount Arrowsmith Biosphere Reserve Foundation, and GLORIA.

ALTERNATIVES

1. That the Mount Arrowsmith Massif Regional Park Management Plan be approved.
2. That the Mount Arrowsmith Massif Regional Park Management Plan not be approved and provide alternative direction to staff.

FINANCIAL IMPLICATIONS

Several projects outlined in Section 6 of the Management Plan impact the Regional Parks Budget for the next 5 years and are estimated at \$122,700. Short term projects include a feasibility study of a north vehicular access route to MAMRP estimated to cost \$50,000 and the installation of property line markers and signage at park boundaries at an estimated cost of \$2,000. Other costs will be determined on a year by year basis. However, it is possible that funding may be augmented by project partnerships and grant funding.

PUBLIC AND STAKEHOLDER CONSULTATION IMPLICATIONS

Public consultation included surveys, open houses and presentations with stakeholders. A public survey was available on line and in hard copy at RDN offices from May to June 2010 and a total of 142 responses were received. The results were used to form the draft vision, goals, policies and actions. Most survey respondents were regular visitors to MAMRP and were generally satisfied with the level of trail accessibility or climbing difficulty but were concerned with trail erosion, environmental protection, lack of regulatory signage and trail markers, limited public access to popular trailheads and parking.

The first public sessions for the Management Plan were held on Tuesday, June 22, 2010 in Parksville and on Thursday, June 24, 2010 in Port Alberni. Approximately 50 people attended the sessions. The following issues were identified by participants as precedents for management policies and actions: Balanced Management, Connection with ACRD Mount Arrowsmith Regional Park, Park Access, Recreational Use, Habitat and Environmental Protection, Education and Research, Interpretation and Tourism, Safety and Emergency Planning and Park Expansion.

From October 10 – November 15, 2010, a draft version of the Management Plan and Appendices were posted on the RDN's website, along with a link to an online survey regarding the vision, goals and management policies of the plan. All stakeholders were contacted by email to inform them of the availability of the draft plan and requesting their input via the online survey or direct contact by November 10th. Public sessions for draft plan review were held on October 26, 2010 in Port Alberni and on October 28 in Parksville with approximately 30 attendees. Participants generally agreed with all goals and policies addressed in the draft plan under the categories of Ecosystem Conservation, Wilderness Recreation, Partners in Stewardship, Access, Education, and Celebration of Heritage.

Throughout the Management Planning Process several meetings were held with Island Timberlands (IT). Access to the park was the major point of discussion. Currently the only vehicle access to the park is on IT logging roads. IT expressed concerns with formalizing any general public use of these roads due to safety and environmental issues. Currently any public use of the logging roads is unauthorized. IT suggested that the RDN examine old logging roads that run north to Cameron Lakes as a potential vehicle access for the park. This route was first identified in 1972 and formed part of the Master Agreement between Island Timberland's predecessor, MacMillan Bloedel, and ACRD when their regional park was being dedicated. A feasibility study needs to be undertaken to see if vehicle access along these logging roads would be physically and financially viable, and if so, formal discussions and separate access agreements would have to be secured with the landowners, IT and TimberWest. IT has indicated they will continue cooperate in discussions on future trail access agreements for authorized public use of routes on their property.

SUSTAINABILTY IMPLICATIONS


The vision, principles and goals of this management plan support the conservation and restoration of the environmental features of the park while providing public recreational and educational opportunities. Actions outlined in the plan include initiatives to protect the alpine environment of MAMRP by providing designated routes and areas for recreational access, information to park users on the sensitive nature of the parks ecosystem and their role in its protection, and working with partnering organization on continued environmental research and future opportunities for expansion of protected areas within the larger Mount Arrowsmith Biosphere Reserve.

CONCLUSION

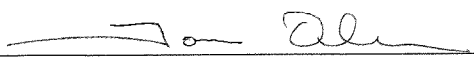
In January 2010, the Regional Board approved the Terms of Reference to develop the Mount Arrowsmith Massif Regional Park Management Plan that would guide the day-to-day and longer-term operations and administration of the Regional Park for ten years. The Management Plan has now been completed and staff are recommending approval of the Plan as it outlines the long-term vision, management principles and goals for the MAMRP and provides specific policies and actions for the management and stewardship of the natural, cultural and recreational features of the Park.

RECOMMENDATION


That the Mt Arrowsmith Massif Regional Park Management Plan be approved.



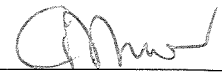
Report Writer



General Manager Concurrence



Manager Concurrence



C.A.O. Concurrence

Appendix 1

Mount Arrowsmith Massif Regional Park Management Plan



RDN REPORT	
CAO APPROVAL <i>(TW)</i>	
EAP	
COW	
JUN 17 2011	
RHD	
BOARD	
RPTAC - June 21/11	

MEMORANDUM

TO: Wendy Marshall
Manager of Parks

DATE: June 17, 2011

FROM: Joan Michel
Parks and Trails Coordinator

FILE:

SUBJECT: Horne Lake Parks Concept Plan

PURPOSE

To present the results of the Horne Lake Parks Concept Plan project.

BACKGROUND

In March 2010, the Regional Board approved the terms of reference for a concept plan addressing needed sustainable facility and infrastructure improvements at Horne Lake Regional Park and the entrance area to adjacent Horne Lake Caves Provincial Park. The concept plan would provide for phased-in development over a 20 year period and include rough development costs. The underlying vision for the concept plan is a world-class outdoor recreation destination based on two parks that are seamless to the user.

The regional park would feature a wilderness campground focused on outdoor education about the many natural and cultural values at Horne Lake, meaningful outdoor experiences particularly for youth, sound environmental operations and conservation practices, and a rougher camping set-up than would be found at a campground on the hydro grid. The provincial park would provide a window on BC's famous Karst resources through a network of secure and managed caves and forest trails. Operations and facilities for the two parks, including a destination interpretive centre, would be located on the Regional property with a view to consolidating the overall park infrastructure footprint in the protected Horne Lake parks area.

CONCEPT PLAN PROJECT

The concept plan project was contracted to Nanaimo landscape architect firm JPH Consultants and their associates SLR Consulting (energy and water systems) and ECODynamics Solutions (environmental review). Studies of the regional park site, environmental and development considerations, and past visitor activity were undertaken during the spring. In June 2010, the RDN convened a full-day stakeholder workshop in order to examine basic concept elements (e.g., circulation, infrastructure, operational structures, campgrounds and day use areas, the waterfront; and specialized recreation amenities), and to discuss the concept of a major regional and provincial destination at Horne Lake. Representatives from BC Parks, Island Timberlands, Ministry of Transportation and Infrastructure, Horne Lake Strata,

Canadian Cave Conservancy, Oceanside Tourism, VIU BC Regional Innovation Chair in Tourism and Sustainable Rural Development, and Island Pacific Adventures (operator at both Horne Lake parks) participated in the workshop and offered good insight and advice.

In September, the workshop participants reconvened to examine the consultant's draft concept plan. The summary concept plan layout, attached as *Appendix I*, shows Horne Lake Regional Park and the entrance area to Horne Lake Caves Provincial Park after 20 or so years of development. The plan was well received by the stakeholder group and considered worth pursuing.

The concept plan assumes conclusion of formal agreements with key stakeholders BC Parks, FortisBC, Island Timberlands, Mr. L. Lemmon (an adjacent private landowner), and the Ministry of Transportation and Infrastructure in regard to use of their lands or rights-of-way at Horne Lake Regional Park. The concept plan presumes no change in use for the Fisheries and Oceans Canada parcel at the park's current entrance. The plan accounts for the regional park's flooding covenant, and is in line with the Horne Lake Regional Park Comprehensive Development Zone stipulations and 2005 Horne Lake Regional Park Management Plan. Bylaw 500 campground regulations would require amendment in order to reflect proposed off-grid campsite standards. The concept plan relies on BC Parks Facility Design Standards and Guidelines, and reflects the RDN's Green Building Policy insofar as site development is concerned. Specific building detail was not part of the concept plan project.

Some key design principles underlying the attached concept plan:

- The natural landscape that creates the sense of place at Horne Lake is to be respected.
- Operations and servicing at this off-grid property crisscrossed by large natural features and a number of legal encumbrances are to be clustered in the north half of the park which is a regenerating clear-cut. In this way, the overall required infrastructure footprint at the park can be reduced.
- Vehicular and non-vehicular circulation is to be kept simple. Multiple road fragments and crossings of the gas pipeline will prove costly and should be avoided. Passage within the sensitive Qualicum River and lakefront riparian areas is to be controlled and appropriate set-backs respected.
- Facilities with the potential to generate revenue, e.g., campgrounds, visitor centre, and cabin or yurt style accommodations, are to be located where there is room for further expansion.

The chart below summarizes the main components of the concept plan, and provides an estimated cost to complete each one. The first component, potable water for Northpark, is required now for the park to continue operating. The other components address moving forward with the relocation, modernization and centralization of operations on the west side of the gas line; increasing campground capacity to permitted build-out; and upgrading day use and waterfront facilities at Horne Lake Regional Park.

Estimated Cost	Concept Plan Components
\$25,000	Upgrade the house water system in order to provide park users with potable water in Northpark – VIHA requires this to be completed in 2011. The upgraded system will involve a new pump, water treatment, distribution line, standpipe delivery and a vehicle lay-by. The old gravity fed system will be removed from neighbouring properties. RDN Water Services will assume responsibility for the new drinking water system. In time, the small water treatment system will become available for use elsewhere in the park.
\$1,100,000	Develop the new park operational centre on the west side of gas line in

	Northpark. This component involves a new park entrance off BC Park's road with simple park office-store and parking area; internal roads; one gas line crossing; trails, signage and landscaping; new deep well, water storage and distribution (treated and non-treated); main park power supply (wind, biofuel, solar with generator back-up as required), storage and transmission; fenced operational compound, operator's residence (existing house moved over) and seasonal staff tenting area with facilities.
\$1,700,000	Expand and upgrade camping facilities: achieve 125 regular sites in Southpark, capacity for about 300 group campers in Northpark, and 9 yurts or cabins in Northpark. Currently, there are 72 regular sites spread out over north and south parks, and capacity for about 200 group campers. This component includes a single large park comfort station (toilets, hot water, showers, cold-water laundry) in Northpark that is intended to service all park campers; a new well, treatment and distribution system, a number of service centres (toilets, garbage/recycling, wood, gray water drain), gas line crossing and roads in Southpark; and a cooking shelter in the Northpark group camping area.
\$600,000	Upgrade and develop park day use areas including along the waterfront. This component includes the redevelopment of the existing park entrance area for small boat launch, rental and storage; conversion of the old Twin Pines campground in Southpark to a day use area with boat docks; closure of the old forested campsites in Northpark; redevelopment and expansion of the old boat launch area to provide for trailer parking, maneuvering and docking; and development of a Northpark trail network with waterfront view spots, wildlife viewing platform at Gazebo Point, and a small parking area.
\$3,425,000	Total Estimated Long Term Development Cost; net of tax.
	*The concept plan summary set out in the chart above does not include a \$1.2 M visitor centre, development of the programmed recreation area (e.g., climbing structures, training rooms), or the road and parking lot intended to serve Provincial Park visitors.

CARRYING ON AT HORNE LAKE REGIONAL PARK

The concept plan project allowed RDN and BC Parks staff to examine the resolution of fundamental infrastructure issues at the two Horne Lake parks and the creation of an outdoor destination attraction of provincial scope. The cost to undertake such a project would be significant as can be seen from the chart above and the plan as presented will be difficult to be achieved. Using the concept plan as a guide, the partners will need to explore further methods of reducing the plan's scope and costing in order to realistically advance the development of the park.

In the short term, staff are proposing to review the concept plan and related costs and provide development alternatives to be considered. As there are some physical and legal encumbrances on the land as it currently stands, it will be necessary to prioritize and undertake essential infrastructure works to ensure the park can be operated in a viable manner.

The concept plan project has a number of partners, and they have expressed interest in seeing the plan achieved in the long term. In the face of intense competition for provincial park capital funds, BC Parks is not in a position to invest in the project in the near term. It has though committed to begin moving towards the long term concept and will over the next five years:

- Spend on securing and protecting the caves themselves;
- Upgrade trail infrastructure serving the caves;
- Install an ATCO trailer by the existing Caves parking lot to house a mini visitor centre and start addressing much needed interpretive, safety and security services at the park. The trailer will be powered by a mini hydro generator running off the river upstream (not a power source option at the regional park);
- Improve the kilometre of park road leading to the existing Caves parking lot, a road used daily by industry, provincial and regional park users, and all who travel the west Horne Lake area; and
- Examine how BC Parks can partner with the RDN on joint operational ventures ranging from simple creation of a parking lot in the regional park to serve Cave users to a broad convergence of the two Horne Lake parks operations at the regional park.

The 2011 Regional Parks budget includes \$100,000 in capital dollars for upgrades to Horne Lake Regional Park. This year, staff propose to make use of \$25,000 to \$50,000 of that budget in order to:

- a) upgrade the existing Northpark water system in order to meet immediate VIHA requirements and prepare for the installation of a permanent deep well and storage system for Northpark;
- b) initiate a staff integrated design team to oversee long term park development. The team would include personnel from RDN Parks, Utilities, Sustainable Development and Planning. Initial work would focus on confirming sustainable concept plan options regarding water and power, and identifying and undertaking necessary changes to Bylaw 500 in order to create off-grid campground site regulations; and
- c) negotiate the relocation of the Northpark easement road, which may require re-installation of a road base.

The concept plan provides a useful guide for the upgrade of Horne Lake Regional Park, in terms of layout and development phasing. The plan is functional from the perspective of a wide range of property stakeholders. Over the next five years, staff and partners will turn to working out ways and means to secure development funding to upgrade the regional park. It is important to note that the fundamental infrastructure issues at the regional park do require fixing, cannot be resolved given the current operational layout, and cannot be left unattended indefinitely.

ALTERNATIVES

1. That the Concept Plan for facility and infrastructure improvements at Horne Lake Regional Park be received for information and the proposed 2011 work plan be approved.
2. That staff be provided with alternative direction.

FINANCIAL IMPLICATIONS

The 2011 Five Year Financial Plan includes \$100,000 for initiation of facility and infrastructure improvements at Horne Lake Regional Park of which up to \$50,000 will be utilized to deal with water and power infrastructure matters at the park. A similar allocation has been included for each year 2012

through 2015. Staff will be reviewing this allocation as part of the 2011 budget process with consideration to other regional park initiatives also underway.

CONCLUSIONS

In 2010, the Regional Board authorized the undertaking of a concept plan for sustainable facility and infrastructure improvements at Horne Lake Regional Park. With the input of BC Parks and a broad range of key stakeholders including Island Timberlands and the Horne Lake Strata, a concept plan has been developed that provides a useful guide to long term development at the regional park. The estimated cost of completing the development over a 20-year period is approximately \$3.5M.

In 2011, staff propose to focus on undertaking the VIHA-required upgrade to the Northpark water system, initiating an in-house integrated design team to oversee long term upgrades at Horne Lake Regional Park, addressing amendments to Bylaw 500 campground standards in order to permit a more relaxed development approach suitable to an off-grid property, and negotiating the relocation of a large easement transecting the regional park. Funds to support this work (\$25,000 to \$50,000) are included in the 2011 Five Year Financial Plan for Horne Lake.

The concept plan project allowed RDN and BC Parks staff to examine the resolution of fundamental infrastructure issues at the two Horne Lake parks and the creation of an outdoor destination attraction of provincial scope. Using the concept plan as a guide, the partners will need to explore methods of reducing the plan's scope and costing in order to realistically advance the development of the park.

Due to the significant costs the Concept Plan has detailed, it is recommended that the plan be received as information and a further review of the plan be undertaken in order to provide development alternatives that prioritize essential infrastructure requirements that need to be undertaken that ensure the park can be operated in viable manner and within the financial resources available.

RECOMMENDATIONS

1. That the Concept Plan for facility and infrastructure improvements at Horne Lake Regional Park be received as information.
2. That staff undertake the Northpark water system upgrade and assemble an in-house integrated design team.
3. That as part of the 2012 work plan, staff be directed to review the concept plan and related costs and provide development alternatives that prioritize essential infrastructure requirements to be undertaken in the short and long term.



Report Writer



General Manager Concurrence



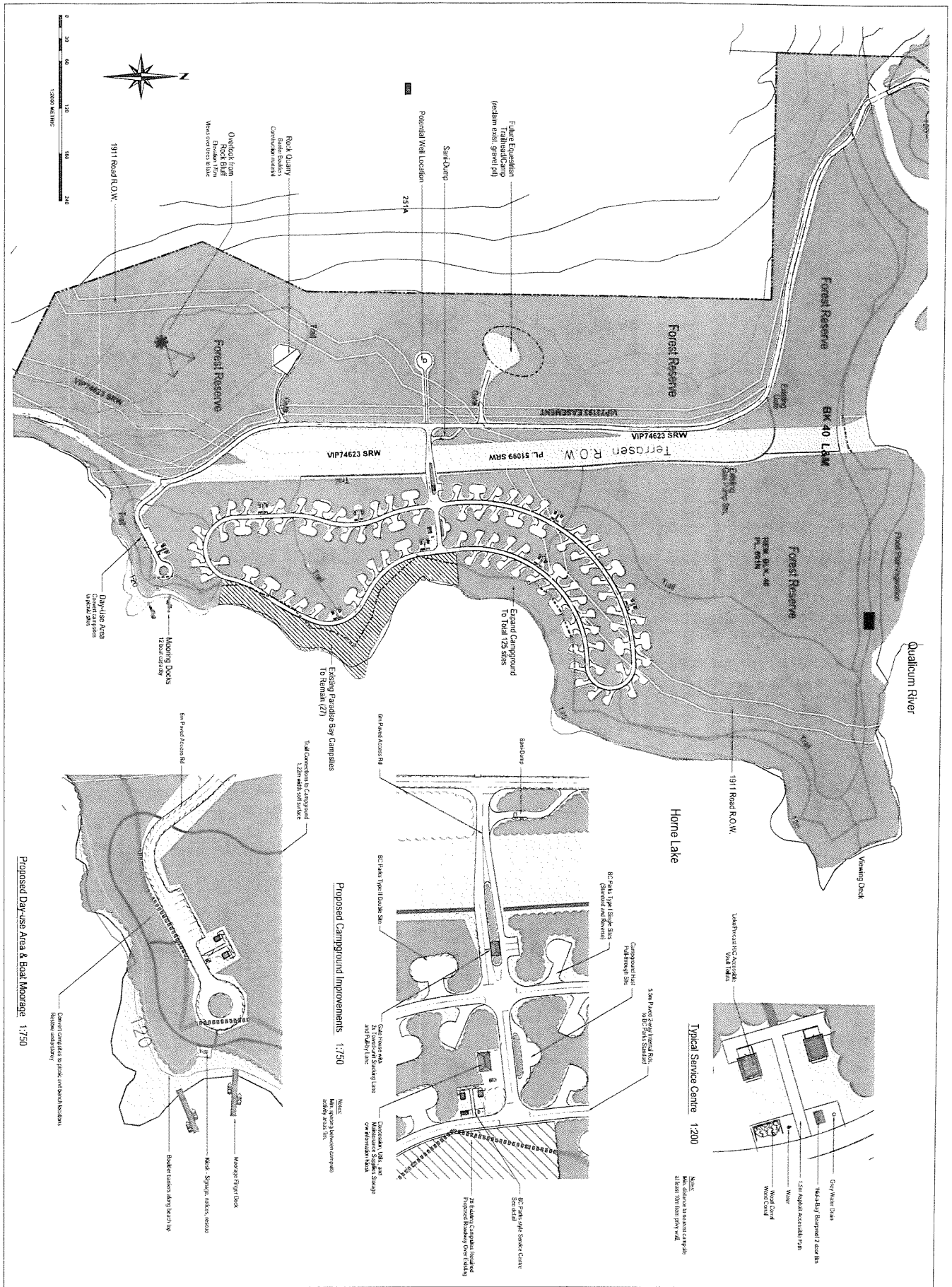
Manager Concurrence



CAO Concurrence

Appendix I

Horne Lake Parks Concept Plan



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Home Lake Parks Concept Plan

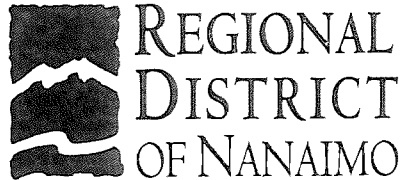
'SOUTH PARK' - PROPOSED IMPROVEMENTS

for RDN PARKS in association with BC PARKS

Revision	Date	By	Checked
01	2018/07/11	JPH	JPH
02	2018/07/11	JPH	JPH
03	2018/07/11	JPH	JPH
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Project: 10-Home Lake
Date: 22/06/18
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RDN REPORT		
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RHD		
BOARD	✓	June 28/11

MEMORANDUM

TO: Carol Mason
Chief Administrative Officer

DATE: June 17, 2011

FROM: Dennis Trudeau
General Manager of Transportation and Solid Waste

FILE: 5365-22

SUBJECT: Tri-Regional District Solid Waste Study

PURPOSE

To present the Tri-Regional District Solid Waste Study to the Board for information.

BACKGROUND

In 2004 the Board approved the RDN Solid Waste Management Plan (SWMP). The SWMP addresses both waste diversion and residual management and serves to guide solid waste management related activities and policy development in the RDN. The Ministry of Environment approved the SWMP in 2005.

While recycling and diversion remain the priority for the RDN, one of the projects identified in the SWMP is a review of new and emerging residual waste management technologies that could further reduce the RDN's reliance on landfilling. In 2004 staff from the RDN and the Cowichan Valley Regional District (CVRD) engaged Gartner Lee Limited to undertake a preliminary review of new and emerging technologies that may be applicable to Vancouver Island regional districts. The study, received by the Board in May 2004, recommended that the RDN continue to monitor the development of technologies that have shown technical merit as well as municipal activities in Canada related to residual waste management.

In 2008, staff engaged Gartner Lee (now AECOM) to undertake a second, more detailed review to determine if additional waste treatment in the form of thermal processing would be feasible for recovering energy from the residual waste stream (waste-to-energy). This would only occur after recycling and composting have been fully implemented and would serve to further reduce the amount of waste going to landfill, moving the RDN and CVRD towards the goal of zero waste. Conventional and advanced treatment technologies were reviewed, as well as refuse derived fuel.

The study, received by the Board in April 2009, found that the economics at the time favoured the conventional approach to disposal by landfilling or out-of-district hauling (and disposal). For the RDN, the best case thermal scenario (\$90/tonne) resulted in costs that would be 80% above current landfill disposal costs (\$50/tonne). For the CVRD, which has very high disposal costs and no landfill, the costs of thermal treatment were competitive with long haul disposal (waste export). However, the residual waste quantities of the CVRD by themselves were not sufficient for a thermal process without bringing in waste from other regions. The study indicated that at least a doubling of the volume of feedstock available from the CVRD and RDN would be required to achieve an economies of scale in which thermal treatment would be cost-competitive with current practices.

Consequently the report recommended that the RDN should consider continued use of the Regional Landfill while monitoring developments in waste-to-energy from a cost and technology perspective. A waste-to-energy (WTE) facility could extend the lifespan of the landfill from 2027 to 2046 which is important as siting a new landfill on Vancouver Island has significant challenges. The amount of

extended life of the landfill will be totally dependent upon when an alternate method of disposal is implemented.

In 2009 the Capital Regional District (CRD) expressed interest in partnering in a study to determine if the solid waste from the CRD, CVRD and RDN would be sufficient to make the economics viable for a WTE facility located on southern Vancouver Island. Consequently in July 2009 the Board directed staff to make an application for an infrastructure planning grant to complete a joint regional waste-to-energy viability study. The Ministry of Community and Rural Development approved the planning grant and in May 2010 staff engaged AECOM to undertake the study.

This study, entitled Tri-Regional District Solid Waste Study, is complete and the Executive Summary is attached to this report. This study builds on the previous two studies with the inclusion of solid waste from the CRD. In this expanded study, technologies were again reviewed in light of the double volume of feedstock (200,000 versus 100,000 tonnes per year) including the potential to accept dried biosolids as additional fuel.

Four sites were reviewed, one in each of the participating regional districts and one in Gold River. The site in Gold River was included as there is a company actively involved with setting up a WTE facility at that location to handle Metro Vancouver's waste. If Metro Vancouver makes a decision to send waste to this facility, it would be the least expensive option for the three regions to consider, assuming the projections for transportation costs are accurate.

The technologies considered for further review and analysis were: mass burn; gasification; and, plasma gasification. Facility capital, operating and transportation costs were assessed as well as greenhouse gas implications. These costs were prepared under the assumption that the three regional districts would operate as a tri-regional utility, consequently total costs are the same for each regional district regardless of the location of the WTE facility. The following Table 1 presents the different technology, operational and transportation costs for the various technologies.

Table 1: Technology and Transportation Costs

Option	Description	Capital Costs \$ Million	Facility Cap and Operations \$/T	Transportation Costs \$/T	Total Costs \$/T
1	WTE in the CRD				
1a	Mass Burn	\$209M	\$98	\$21	\$119
1b	Gasification	\$323M	\$136	\$21	\$158
1c	Plasma Gasification	\$292M	\$155	\$21	\$176
2	WTE in the CVRD				
2a	Mass Burn	\$209M	\$84	\$31	\$116
2b	Gasification	\$323M	\$136	\$31	\$167
2c	Plasma Gasification	\$292M	\$152	\$31	\$183
3	WTE in the RDN				
3a	Mass Burn	\$209M	\$84	\$30	\$115
3b	Gasification	\$323M	\$136	\$30	\$168
3c	Plasma Gasification	\$292M	\$152	\$30	\$182
4	WTE at Gold River				
	Mass Burn	N/A	\$42	\$68	\$111

There is a fairly large variation in unit costs for the different technologies. A single WTE facility would have a sufficient volume of feedstock to employ mass burn technology; however, it is still not at an optimum size. At least three times more waste would be required to make a mass burn WTE facility cost-effective when compared to current disposal methods. The costs would be much closer if a new landfill had to be sited or if waste had to be sent out of the region for disposal.

The out-of-region WTE facility being considered in Gold River is cost competitive with current practices due to its large capacity however there is an additional cost (\$68 per tonne) involved in getting the waste to Gold River as well as significant transport related emissions.

Gasification and plasma gasification offer process and environmental advantages over mass burn technology, such as being able to make alternative fuels for combustion elsewhere or for use in vehicles, or by achieving higher electrical efficiencies. However there is greater technical and financial risk with these technologies compared to mass burn and capital costs are still comparatively high at \$136 per tonne for gasification and \$152-\$155 per tonne for plasma gasification.

When transportation costs are added, the total unit costs are similar for all sites using the same technology. For example; mass burn costs range from \$111 (Gold River) to \$119 (CRD site), with the CVRD site at \$116 and the RDN site at \$115 per tonne. However, small changes in capital costs, transportation costs, and energy recovery efficiency and markets can easily change the order of preference. Greater refinement of costs will require either a detailed study with actual technology selection, preliminary design and site selection, or a public proposal/tender process or a combination of both. Grant funding would reduce capital costs for both a WTE facility and new transfer stations. Once capital costs are removed the net disposal costs for the WTE options will be lower than current disposal methods.

It is important to note that if new technologies are not implemented in the RDN that there will be no disposal options in the region for our waste after 2027. If that is the case, the RDN will have to site another landfill or ship waste out of region at significantly increased costs. Neither of these options are considered desirable. If a WTE facility was implemented early enough it could extend the life of the current landfill an additional 20 years.

The proposed Gold River facility would be a significant project that could offer attractive options to Vancouver Island for solid waste management. Once the decision is made on whether this project is going to go ahead staff recommend bringing an analysis of this option forward to the Board. The Metro Vancouver decision is expected within the next 12 months.

ALTERNATIVES

This report is presented for Board information only.

FINANCIAL IMPLICATIONS

There are no financial implications to receiving the report.

SUSTAINABILITY IMPLICATIONS

While diversion is the most important and effective tool in managing municipal solid waste in the RDN, residual waste that cannot be recycled or otherwise diverted will always remain. To move closer to the ultimate goal of zero-waste, and to further prolong the life of the existing landfill, thermal treatment technologies that convert waste to energy present an attractive option for further exploration. Although conventional mass burn technology, where waste is incinerated and electricity is produced, currently enjoys the lowest per-unit management cost, emerging technologies such as gasification are potentially more efficient and are capable of producing alternative fuels for transportation. Generating electricity on Southern Vancouver Island and replacing imported fossil fuels with alternatives manufactured from a local waste product represents a strong step toward energy self-sufficiency for Vancouver Island and demonstrates clear action on climate change. While these emerging technologies are comparatively expensive today, their evolution should be monitored closely and the commitment to inter-regional collaboration maintained. This will ensure that the RDN and neighbouring regions assess the full range of options for solid waste management in the future, emphasizing social and environmental considerations as heavily as economics.

SUMMARY/CONCLUSIONS

The Solid Waste Management Plan provides for a review of new and emerging residual waste management technologies that could further reduce the RDN's reliance on landfilling. Previous studies, which included only solid waste from the CVRD and RDN, found that the economics were not in an acceptable range at the time.

In 2010, after obtaining infrastructure planning grants, the CRD, CVRD and RDN engaged AECOM to undertake a Tri-Regional Solid Waste Study to assess the advantages and disadvantages of thermal treatment technologies to convert residual, undiverted municipal solid waste for the CRD, CVRD and the RDN into energy at a WTE facility in Southern Vancouver Island. This study is complete and the Executive Summary is attached to this report.

Four sites were reviewed, one in each of the participating regional districts and one in Gold River. The technologies considered for further review and analysis were: mass burn; gasification; and, plasma gasification. Facility capital, operating and transportation costs were assessed as well as greenhouse gas implications. These costs were prepared under the assumption that the three regional districts would operate as a tri-regional utility consequently total costs are the same for each regional district regardless of the location of the WTE facility.

When transportation costs are added, the total unit costs are similar for all sites using the same technology. For example; mass burn costs range from \$111 (Gold River) to \$119 (CRD site), with the CVRD site at \$116 and the RDN site at \$115 per tonne. However, small changes in capital costs, transportation costs, and energy recovery efficiency and markets can easily change the order of preference. Greater refinement of costs will require either a detailed study with actual technology selection, preliminary design and site selection, or a public proposal/tender process or a combination of both. Grant funding will also reduce capital costs for both a WTE facility and new transfer stations. Once capital costs are removed the net disposal costs for the WTE options will be lower than current disposal methods.


It is important to note that if new technologies are not implemented in the RDN that there will be no disposal options in the region for our waste after 2027. If that is the case, the RDN will have to site another landfill or ship waste out of region at significantly increased costs. Neither of these options are considered desirable. If a WTE facility was implemented early enough it could extend the life of the current landfill an additional 20 years.

The Comox Valley Regional District has become aware of the work the RDN, CRD and CVRD are doing in the WTE area and have expressed an interest to be involved. Staff supports the expansion of the working group as it could provide opportunities to increase waste volumes which would improve the feasibility of a waste to energy facility.

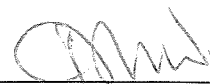
The proposed Gold River facility would be a significant project that could offer attractive options to Vancouver Island for solid waste management. Once the decision is made on whether this project is going to go ahead staff recommend bringing an analysis of this option forward to the Board. The Metro Vancouver decision is expected within the next 12 months.

RECOMMENDATION

That the Board receive the Tri-Regional District Solid Waste Study for information and direct staff to continue to explore the feasibility of WTE as new information becomes available.



Report Writer



CAO Concurrence

Executive Summary

AECOM has assessed thermal treatment technologies for municipal solid waste (MSW) on behalf of three regional districts located in the southern portion of Vancouver Island (Tri-Regional District Solid Waste Study). This is an extension of two previous studies on the same subject conducted in 2006 for the Regional District of Nanaimo (RDN) and in 2008 for the RDN combined with the Cowichan Valley Regional District (CVRD).

This Tri-Regional District Study builds on the previous studies and now includes the Capital Regional District (CRD). In the expanded study, technologies are again reviewed in light of the larger volume of feedstock available and for the potential to accept dried biosolids as additional fuel. Four sites are reviewed, one in each of the participating regions and one in Gold River, BC. Costs are assessed as well as greenhouse gas implications.

Combining the solid waste that is expected to be generated in the CRD, CVRD and RDN after organics management and recycling have been maximized, still leaves about 225,000 tonnes per year that need to be treated and/or disposed. Waste-to-energy (WTE) technologies could conceivably treat about 200,000 tonnes per year and extract the remaining energy from this waste.

Technologies were assessed for 200,000 tonnes per year of feedstock, including biosolids. The technologies considered for further review and analysis were:

- mass burn;
- gasification; and
- plasma gasification.

Mass burn was confirmed as the most proven, reliable and lowest cost technology and the de-facto world standard for energy recovery from waste. A single WTE facility would have adequate economies of scale to employ mass-burn technology; however, it is still not at an optimum size from a pricing perspective, which would be about 3 times larger. The out of region WTE facility being offered in Gold River does fall into a desirable economy of scale range because it plans to accept waste from other regions. However, there is additional cost involved in getting the waste to Gold River.

Gasification and plasma gasification offer some process and environmental advantages, such as being able to make alternate fuels for combustion elsewhere or for use in vehicles, or by achieving higher overall electrical efficiencies. There is a greater technical and financial risk with gasification and plasma gasification than with mass burn, but select reference facilities are available in Japan, although none in Europe or North America. Gasification and plasma gasification could be included as options in a future selection processes.

Four siting options were reviewed as set in the scope of work:

- CRD – A site in the CRD;
- CVRD –Centroid of CVRD;
- RDN – A site in the RDN; and
- Out of region – private facility in Gold River.

These were used for demonstration and comparison only; this study was not conducted for the purpose of choosing a site. For each of the example sites, transportation options were analysed for costs, fuel usage and GHG emissions.

The site that is closest to where most of the waste is generated (i.e. in the CRD) offers the lowest transportation costs. Direct haul, transfer haul, rail haul and barging (for Gold River only) were considered. Transfer haul is the lowest cost option for all locations. It also offers the lowest fuel usage, lowest GHG emissions and most flexibility for backhauling.

New transfer stations would be needed in all scenarios. If a WTE facility were built in the CRD, a new transfer station would be required in the Nanaimo area. If the WTE facility is located in RDN, then the CRD would require a new transfer station. If the waste goes to an out of region facility at Gold River, then both Nanaimo and CRD require new transfer stations. Existing transfer stations would continue to operate, except if the WTE facility were to be located in CVRD, in which case the local transfer station would be needed only for recycling and stewardship programs. If barging to Gold River is preferred, a special transfer station at the water front in the CRD would be required.

There is a fairly large variation in unit costs for the different technologies:

- mass burn would cost \$84 to \$98 per tonne (the latter without district heat);
- gasification to ethanol would be \$136 per tonne;
- plasma gasification to electricity and district heat would be about \$152 to \$155 per tonne; and
- private facility mass burn in Gold River is estimated at \$42 per tonne.

When transportation costs are incorporated, total unit costs are similar for all sites using the same technology. For example; mass burn costs range from \$111 (Gold River) to \$119 (CRD), with CVRD at \$116 and RDN at \$115 per tonne. A table presenting the different technology and transportation costs for the various technologies is shown below.

Option	Description	Capital Costs \$ Million	Facility Cap and Operations \$/T	Transportation Costs \$/T	Total Costs \$/T
1	WTE in CRD				
1a	Mass burn	\$209 M	\$98	\$21	\$119
1b	Gasification	\$323 M	\$136	\$21	\$156
1c	Plasma gasification	\$292 M	\$155	\$21	\$176
2	WTE at CVRD				
2a	Mass burn	\$209 M	\$84	\$31	\$116
2b	Gasification	\$323 M	\$136	\$31	\$167
2c	Plasma gasification	\$292 M	\$152	\$31	\$183
3	WTE at RDN				
3a	Mass burn	\$209 M	\$84	\$30	\$115
3b	Gasification	\$323 M	\$136	\$30	\$166
3c	Plasma gasification	\$292 M	\$152	\$30	\$182
4	WTE at Gold River				
	Mass burn	N/A	\$42	\$68	\$111

It should also be noted that the CRD options analysis was undertaken with no potential for district heating. If a site with district heating opportunities was realized, the total unit cost could be reduced from \$119 to \$105 per tonne. This would make this option the most economical.

Small changes in capital costs, transportation costs, and energy recovery efficiency and markets can easily change the order of preference. Therefore, the selection of a site within the regions will depend more on other factors, such as:

- political and social preference/desire to host a facility by the community;
- availability of land under appropriate zoning;
- good transportation access;
- preferred form of energy recovery (electricity or fuel);
- ability to utilize district heat in the surrounding area; and
- minimizing transportation costs and GHG emissions.

Greater refinement of costs will require either a detailed study with actual technology selection, preliminary design and site selection, or a public proposal/tender process, or a combination of both.

The out-of-region WTE facility at Gold River benefits from greater economies of scale and thus can offer a substantially lower tipping fee than a constructed in-region facility. However, current calculations show that most of the lower tipping fee will be offset by higher transportation costs. For this option, further discussions with the proponent on how to optimize barging are recommended. These are contingent on the project proceeding based on the proponent having other key waste supply agreements in place.

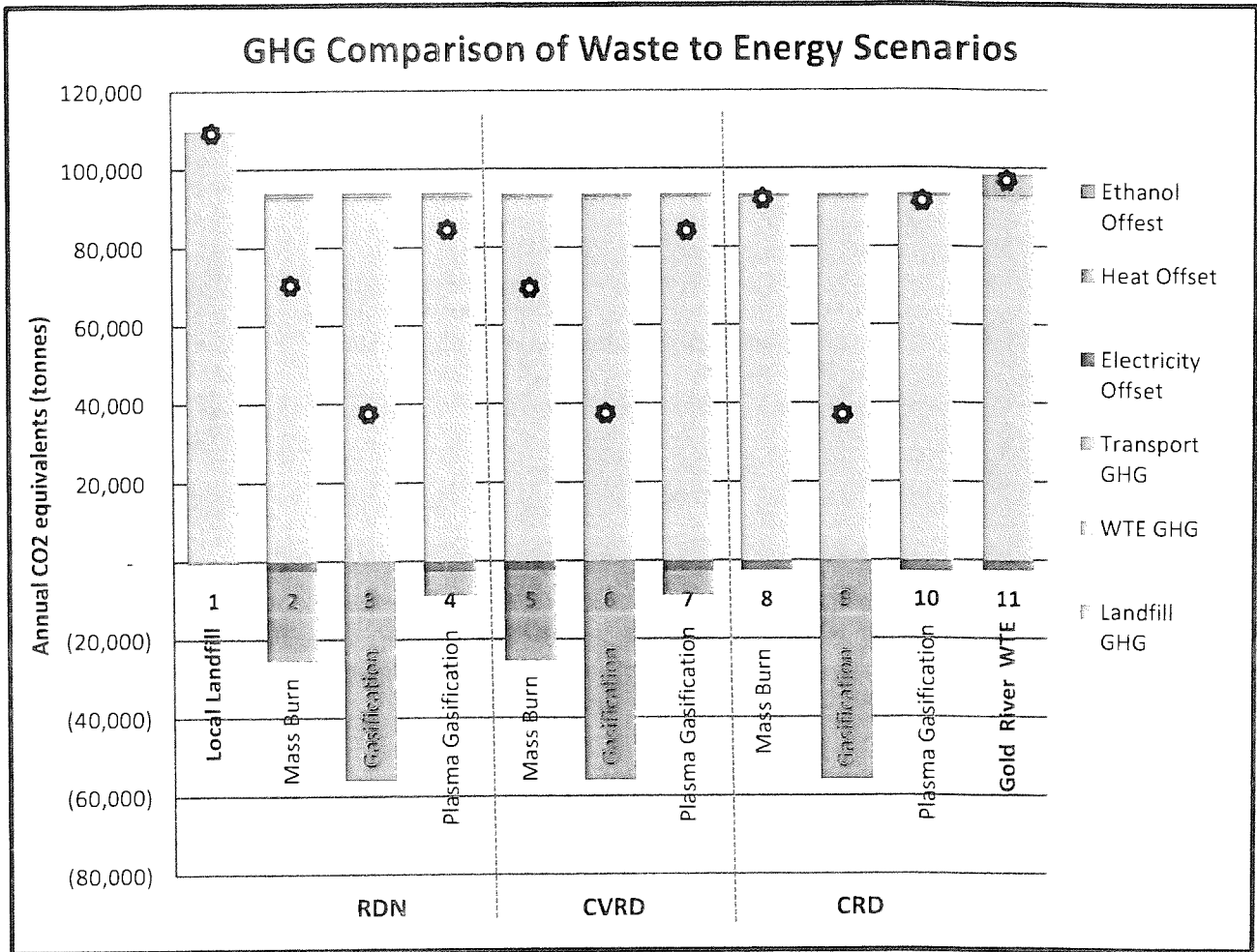
If the advantages of gasification and or plasma gasification are appealing, it will be necessary to decide what level of risk is acceptable to the three regions. Should the regions wish to pursue these technologies instead of mass burn, then it is recommended to confirm technology viability through further research and site visits of commercially operating plants before including them in a public selection process.

If in-region mass burn is seriously being considered, it is recommended that the three regional districts continue to cooperate in order to maintain the currently studied economies of scale. This would likely not be necessary if waste is shipped out of region to a private facility.

If an in-region WTE facility is preferred, it is recommended to give preference to a site in the RDN, since it offers the greatest potential for district heat. This is only essential in the case of combined heat and power technologies are selected. If ethanol production is preferred, then the CRD offers the preferred location due to lower transportation costs and should be considered.

Biosolids, provided they are dried adequately, should be welcomed as additional fuel, since they increase the biogenic portion in the feedstock and improve the overall GHG balance.

The GHG emissions and respective off-sets were compiled to assess the net GHG emissions for each option. These include a local landfill option, nine local WTE options and one out of region WTE option in Gold River, BC. The chart below summarizes the GHG emissions and the star on each bar graph represents the net GHG emission. In general, GHG emissions are lower with WTE than landfilling. GHG emissions are lowest where the waste is gasified and converted into fuels that offset fossil based fuels such as natural gas or diesel fuel. Both conventional and plasma gasification are capable of this, although in our example plasma gasification was, for comparative purposes, shown producing electricity and heat.





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BOARD	✓ 28 June/11
DATE:	

MEMORANDUM

TO: John Finnie, P. Eng.
General Manager
Regional and Community Utilities

FROM: Wayne Moorman, P. Eng.
Manager of Engineering Services

SUBJECT: **Nanoose Bay Peninsula Water Treatment Plant
Construction and Engineering Services Award**

FILE: 5500-22-NBP-05

PURPOSE

To consider awarding the construction contract and engineering services contract for the Nanoose Bay Peninsula Water Treatment Plant.

BACKGROUND

In November 2010 the Board considered a staff report on the Nanoose Bay Peninsula Water Treatment Plant. The report noted that the treatment plant would provide iron and manganese removal for the four Red Gap wells and the treated water would be mixed with groundwater from other service area wells (including the Nanoose and Craig Bay area well fields). Different areas within the Nanoose Bay Peninsula Water Service Area would benefit to differing degrees depending on demand and flow patterns within the distribution system. The plant is a modular design and can be expanded to treat additional groundwater sources on the Nanoose Peninsula if and as required.

The preliminary design and cost estimate for the plant was estimated to be \$1.9 million in October 2010.

The cost to design and construct the water treatment plant and the financing for the project is supported from the following sources:

Community Works Funds	\$450,000
Nanoose Bay Bulk Water – capital reserve	\$200,000
Arbutus Park, West Bay Estates, Fairwinds – capital reserves	\$400,000
Borrowed funds (local portion)	<u>\$850,000</u>
TOTAL	\$1,900,000

The recommendation in the November 2010 staff report was “That the Board direct staff to proceed with tendering the Nanoose Bay Peninsula Bulk Water Service Area Water Treatment Facility”. Tendering was delayed due to negotiations with Island Timberlands regarding permanent access to the wells.

The Water Treatment Plant was competitively tendered between May 3 and June 8, 2011 and a total of six bids were received at a public opening. The bid results were as follows (all bids include a \$60,000 contingency which is only to be used with written authorization by the RDN):

C & M Development Inc.	\$1,580,504.00
Heatherbrae Builders Co. Ltd.	\$1,690,616.00
W.J. Murphy Contracting	\$1,729,096.00
Palladian Development	\$1,731,489.95
Maple Reinders Inc.	\$1,819,000.00
Knappett Industries Ltd.	\$1,848,000.00

Worley Parsons conducted an evaluation of the bids that were received and recommended the construction contract be awarded to C & M Developments but at the risk of this company having less experience in water treatment plant projects. This company had the lowest bid price; the next lowest bid was \$110,102 more.

Engineering services during construction will be required to administer and inspect the construction contract, to assist in the testing, start-up and commissioning of the new systems and to complete the programming of the new control system. Due to their involvement and experience to date with the design and siting of the treatment plant it is recommended that the engineering services be completed by Worley Parsons and Lewkowich Eng. for a budget of \$106,325, excluding HST.

The following is the most recent costing estimate for the completion of the project:

	Original Estimate	Current Cost
Construction Contract	\$1,587,370	* \$1,580,504
Construction Contingency	\$21,940	\$92,050
Design Engineering	\$119,410	\$125,000
Construction Engineering	\$81,800	\$102,180
Geotech Engineering	\$0	\$4,145
Fire Supply valve	\$60,000	\$60,000
RDN project costs (permits/fees/admin)	<u>\$29,480</u>	<u>\$25,000</u>
Total Project Cost	\$1,900,000	\$1,988,879

*Includes a \$60,000 contingency

The total budgeted amount for this project (construction, engineering design services, engineering services during construction, administration/fees and contingency) was \$1,900,000. The tendered amount, administration/fees and the engineering services plus contingency is estimated to be \$ 1,988,879 and is therefore about \$90,000 over the approved budget; this budget includes a total 10% contingency amount (\$60,000 in the bid and \$92,050 in the RDN budget). Borrowed funds (local portion) will need to be increased to \$939,000 from the current \$850,000 as approved in November 2010.

ALTERNATIVES

1. Award a contract to C & M Development Inc. for the construction of the Nanoose Bay Water Treatment Plant for the tendered price of \$1,580,504, and a contract for the associated resident construction engineering services to Worley Parsons for a price of \$102,180 and Lewkowich Engineering for geotechnical services for a price of \$4,145.
2. Provide alternate direction to staff.

FINANCIAL IMPLICATIONS

The project budget is \$1.9 million; the overall project cost is anticipated to be \$1.99 million. The financing of the project is secured as noted in the Background section and the amount to be borrowed is available from existing loan authorities and would be drawn on through the Municipal Finance Authority short term financing program. The amount borrowed would be paid off in less than five years. A revised financial plan to accommodate the NBPWSA treatment facility was prepared in late 2010 and it was identified that approximately \$200,000 is available annually within the Nanoose bulk water “reserves for future capital” which could be used to pay for the \$850,000 portion of this project. Approximately \$984,000 would be contributed to the water treatment plant costs (which is greater than the \$939,000 needed) and the debt would be paid off over four years rather than a longer period of time as originally proposed.

The cost of the design engineering (approximated \$119,410) has been completed and has been paid for from current reserves.

SUMMARY/CONCLUSIONS

The construction of the Nanoose Bay Peninsula Water Treatment Plant is necessary to remove high levels of iron and manganese from the Fairwinds and West Bay wells. The treated water would be blended with groundwater from other service area wells.


A competitive public tendering process was completed on June 8, 2011. Of the six bids that were received the lowest compliant bid was by C & M Development Inc. for a value of \$1,580,504. The approved budget is \$1,900,000 and based on the current tender/contingencies, engineering and other costs the total estimated budget is now just under \$1,990,000. The revised financial plan prepared in late 2010 will collect about \$984,000 over four years (2012 thru to 2015) and this is greater than the \$939,000 needing to be borrowed. The Board should approve a new total budget for this project of \$1,990,000.

RECOMMENDATIONS

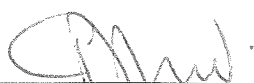
1. That the Board approve a total project budget of \$1,990,000 for the Nanoose Bay Peninsula Water Service Area Treatment Plant.
2. That the Board award the construction contract for the new Nanoose Bay Peninsula Water Service Area Treatment Plant to C & M Development Inc. for a tendered value of \$1,580,504.
3. That the Board award the engineering services contract during construction of the Nanoose Bay Peninsula Water Service Area Treatment Plant to Worley Parsons for a total value of \$102,180.
4. That the Board award the geotechnical engineering services during construction to Lewkowich Engineering for a total value of \$4,145.



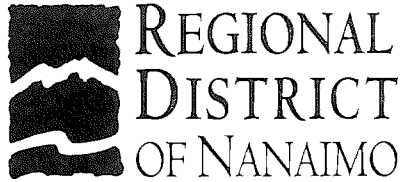
Report Writer



General Manager Concurrence



CAO Concurrence



RDN REPORT		
CAO APPROVAL		
EAP		
COW		
JUN 21 2011		
RHD		
BOARD	✓	June 28/11

MEMORANDUM

TO: Board of Directors **DATE:** June 22, 2011

FROM: C. Mason **FILE:**
Chief Administrative Officer

SUBJECT: **Arrowsmith Water Service Joint Venture Agreement**

PURPOSE

To approve the renewal of the Arrowsmith Water Service Joint Venture Agreement for a five year term.

BACKGROUND

The Arrowsmith Water Service (AWS) Joint Venture Agreement expires on June 30, 2011. The Agreement requires renewal in order for the partnership to continue between the City of Parksville, the Town of Qualicum Beach and the RDN for the operation of the AWS Joint Venture bulk water supply facilities.

The AWS Joint Venture Agreement was first approved on July 10, 1996. Its purpose was to establish a Joint Venture for construction of the Arrowsmith Lake Dam and other associated capital infrastructure for the supply and treatment of water from the Englishman River to the City of Parksville, Town of Qualicum Beach and the Nanoose Bay and French Creek Bulk Water Service Areas of the Regional District of Nanaimo.

The Agreement was renewed in 2001, 2004 and again in 2006 under essentially to same terms and conditions of the original 1996 agreement. The 2006 Agreement was renewed for a one year term expiring on March 31, 2011 and subsequently extended to June 30, 2011 when the Town of Qualicum Beach indicated that it was reluctant to cost share in the next phase of capital infrastructure for the required new intake and water treatment plant at this time. Consequently, the AWS Management Board directed staff of the three jurisdictions to negotiate a new agreement for consideration by the Joint Venture partners that would address the outstanding issues related to the governance and funding of the bulk water service. Over the last 15 months, senior staff have been negotiating a revised agreement that includes a number of changes to address the concerns of the Joint Venture participants. A summary of the changes to the proposed AWS Joint Venture Agreement is presented below.

Part 1 - Definitions

This section has been updated to more accurately define “capital costs”, “maintenance costs”, and “operating costs” as they pertain to local government budgeting. There is a new definition for “operator” to reflect the existing role of the City of Parksville as the operator of the facilities. There are also new definitions for “continuing party” and “non-continuing party”.

Part 4 - Management Board

Part 4 of the Agreement has been updated to provide for the annual appointment of an elected official and an alternate, rather than every two years. The Agreement is also amended to provide for the election of a

Board Chair rather than the rotation of the Chair between the Joint Venturers, and the minimum requirement for two annual meetings to approve the AWS budget and annual report.

A substantive change to this section is under s. 4.8 – Votes. The new voting structure is based on a proportional vote system which operates very similar to a regional district weighted vote system. Under this proposed governance model, Parksville will have three votes, the RDN will have two votes and Qualicum Beach will have one vote. Every decision of the Management Board will require a majority of votes cast, rather than the affirmative vote of all three Board members.

Section 4.16 describes the limits placed on the Management Board with respect to its power. Specifically, the Board does not have the power to do anything which requires authorization or approval under the *Local Government Act*, *Community Charter* or other applicable legislation without the individual approval of the Joint Venturers.

Part 5 – Management

This section has been revised to more accurately reflect the role of local government staff in operating the AWS Joint Venture. This section now refers to appointment of a “Management Committee” comprised of each jurisdiction’s CAO, plus one other staff member from each Joint Venturer appointed by each CAO.

Part 7, 8 & 9 – Finances, Budgets & Budget, Accounting and Financial Reports and Records

Housekeeping amendments have been made to the Agreement to separate into new sections Parts 7, 8 and 9 section to more accurately reflect the role of local government in overseeing the financing, budgeting and reporting of the activities of the AWS Joint Venture.

Part 10 – Restrictions on Disposition

This section has been revised to ensure that the interests of the Joint Venturers with respect to public ownership are protected in the event of disposition of a participating interest. A new section 10.2 has been added which gives the right of first refusal on the purchase of a participating interest. If a Joint Venturer receives a legally binding offer to purchase all or a portion of that interest, the offer cannot be accepted unless it is from another local government, and with the condition that the other Joint Venturers will have the option to purchase that interest on the same terms and conditions and will have 180 days to consider that option.

If the other Joint Ventures wish to purchase the interest, they will have up to one year to conclude the purchase, unless other terms for payment are agreed upon by the Joint Venturers. In addition, the time for payment by a purchasing Joint Venturer may be extended by up to five years, or a longer period if approval of the electors has been obtained.

Part 13 – Term, Withdrawal and Termination

Part 13 has been revised to reflect the changes made to Part 10 of the Agreement with respect to local government interest to ensure that the utility remains in local government ownership in the event of the dissolution of the Joint Venture. Specifically, s. 13.5 reinforces the option of a Joint Venturer to have the right of first refusal in purchasing another Joint Venturer’s participating interest and under s. 13.6 also provides for a dispute resolution process which follows the provisions of s. 813.13(3) of the *Local Government Act* through the appointment of an arbitrator by the Minister of Community, Sport and Cultural Development to mediate a resolve to the dispute.

Failing resolution under the provisions of Part 13, with no party wishing to purchase the interest of the other Joint Venturers, a liquidator will be appointed to act on the collective behalf of the Joint Venturers to liquidate the assets.

Part 14 – New Party

A new section to Part 14 has been added that sets out the provisions under which the Town of Qualicum Beach can exercise its option to become a Joint Venturer under the “Englishman River Water Service (ERWS) Joint Venture Agreement”.

During negotiations with the Town of Qualicum Beach, based on water demand projections from the AWS Consultant report that Qualicum Beach may not require water from the AWS bulk water supply for the next 30 years, Qualicum Beach advised the other Joint Venture partners that they do not wish to cost share in the next phase of capital works at this time. They have advised that they wish to retain their 13.7% interest in the AWS dam and related infrastructure, but do not wish at this time to participate in the construction of a new intake, water treatment plant, reservoir and distribution system.

Consequently, a new agreement has been developed which only includes the City of Parksville and the RDN as participants in a new Joint Venture arrangement. This agreement is discussed under a separate report. While the Town of Qualicum Beach would not be a signatory to ERWS Joint Venture Agreement, under the AWS Agreement it would have the option to ‘buy in’ to that infrastructure at a future date. This option is provided in recognition of the rights that Qualicum Beach possesses as a Joint Venture partner on the AWS water licence for Englishman River.

Section 14.1 of this Part specifies that when the Town of Qualicum Beach wishes to become a party to the ERWS Agreement, it will be required to pay a purchase price value based on the actual cost at the time of construction plus any increase in the Consumer Price Index (British Columbia) over time to the time of purchase. This valuation is also applicable to the purchase of any lands acquired by the ERWS Joint Venturers.

Schedules A, B & C

Schedule ‘A’ has been updated to provide a more accurate description and location of the existing infrastructure. Schedule ‘B’ has been updated to reference the current RDN Bulk Water Service Area Bylaws for Nanoose Bay and French Creek, and Schedule ‘C’ includes the capital cost apportionment percentages as originally agreed to in 1996 by the Joint Venturers of 63.9% for Parksville, 13.7% for Qualicum Beach and 22.4% for the RDN.

ALTERNATIVES

1. That the Arrowsmith Water Service Joint Venturer Agreement be approved for a five year term expiring on June 30, 2016.
2. That the Board provide alternate direction.

FINANCIAL IMPLICATIONS

If the Board approves the AWS Joint Venturer Agreement, the Agreement will still require the approval of the City of Parksville and the Town of Qualicum Beach in order to take effect.

As the AWS Agreement has been amended to limit participation of the Joint Venturers to cost sharing only on the AWS dam and related infrastructure, there are financial implications for the City of Parksville and the RDN with respect to the next phase of capital infrastructure. These costs will be developed in more detail over time as estimates for the new water intake, treatment plant and reservoir are refined. Under the proposed AWS Joint Venture Agreement, the cost sharing allocation for existing AWS infrastructure will remain the same as the original percentages between the participants.

If the AWS Joint Venture Agreement is not approved by June 30, 2011, the termination provisions of the current agreement will apply. A Liquidator will be appointed to dispose of the assets.

SUMMARY/CONCLUSIONS

The Arrowsmith Water Service (AWS) Joint Venture Agreement expires on June 30, 2011. The Agreement requires renewal in order for the partnership to continue between the City of Parksville, the Town of Qualicum Beach and the RDN for the operation of the AWS Joint Venture bulk water supply facilities.

The 2006 Agreement was renewed for a one year term expiring on March 31, 2011 and subsequently extended to June 30, 2011 when the Town of Qualicum Beach indicated that it was reluctant to cost share in the next phase of capital infrastructure for the required new intake and water treatment plant. Consequently, the AWS Management Board directed staff of the three jurisdictions to negotiate a new agreement for consideration by the Joint Venture partners that would address the outstanding issues related to the governance and funding of the bulk water service. Over the last 15 months, senior staff have been negotiating a revised agreement that includes a number of changes to address the concerns of the Joint Venture participants.

There have been significant changes made to the Agreement to address the issues of governance and funding. Specifically, voting of the AWS Management Board is proposed to follow a 'weighted vote' system rather than a unanimous vote system to better reflect a governance model that is similar to a regional district governance structure. The AWS Management Committee is now formally recognized in the Agreement to more accurately describe the role of local government staff in overseeing the operation of the Joint Venture service.

Funding allocation of the AWS Joint Venture has not changed; however, the revised Agreement has removed reference to participation in the next phase of capital infrastructure. This change addresses Qualicum Beach's interest in not wishing to cost share in the water intake, treatment plant, reservoir and distribution infrastructure at this time, but will have financial implications for the remaining Joint Venturers in proceeding with the next phase of construction. The Agreement also provides a mechanism for the Town of Qualicum Beach to access future infrastructure at a purchase price based on the actual construction cost plus any increase in the Consumer Price Index (British Columbia) at the time of purchase.

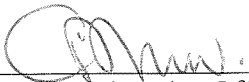
The proposed Agreement has included new language to provide additional protection to local government to ensure that the AWS assets remain in local government ownership and control. This language includes the right of first refusal if a Joint Venturer wishes to dispose of its assets.

With the direction of the AWS Management Board, staff of the three Joint Venturers have spent many months negotiating this Agreement to address the concerns of funding and governance. New language has

now been included in the proposed Agreement to address these issues. Staff recommend that the Board approve the Agreement as presented.

RECOMMENDATION

That the Arrowsmith Water Service Joint Venturer Agreement between the City of Parksville, the Town of Qualicum Beach and the Regional District of Nanaimo, be approved for a five year term expiring on June 30, 2016.



Chief Administrative Officer

ARROWSMITH WATER SERVICE

Joint Venture Agreement

THIS AGREEMENT dated for reference the day of , 2011,

BETWEEN:

REGIONAL DISTRICT OF NANAIMO

a corporation incorporated under the *Local Government Act*
6300 Hammond Bay Road
Nanaimo, BC V9T 6N2

(the "RDN")

OF THE FIRST PART

AND:

CITY OF PARKSVILLE

a municipal corporation incorporated under the *Local Government Act*
100 E. Jensen Avenue, P.O. Box 1390
Parksville, BC V9P 2H3

("Parksville")

OF THE SECOND PART

AND:

TOWN OF QUALICUM BEACH

a municipal corporation incorporated under the *Local Government Act*
201 - 660 Primrose Street, P.O. Box 130
Qualicum Beach, BC V9K 1S7

("Qualicum Beach")

OF THE THIRD PART

WHEREAS:

- A. RDN under the *Local Government Act*, and Parksville and Qualicum Beach under the *Community Charter*, each have the power to design, construct, install, own, operate, maintain, repair and replace Bulk Water Supply Facilities;
- B. On July 10, 1996 the RDN, Parksville and Qualicum Beach entered into a Joint Venture Agreement to establish a joint venture known as (the "Arrowsmith Water Service") for the purposes of bulk water supply under the authority of the Additional Powers Joint Venture Regulation, B.C. Reg. 88/97.
- C. RDN, Parksville and Qualicum Beach now wish to continue the Arrowsmith Joint Venture under their authority under the *Community Charter* and *Local Government Act*.

NOW THIS AGREEMENT WITNESSES that in consideration of their mutual covenants and agreements, the parties covenant each with the other as follows:

PART 1 DEFINITIONS AND INTERPRETATION

Definitions

1.1 In this Agreement,

- (a) “Administration Cost” means the cost of administering the Arrowsmith Water Service Joint Venture on a continuing basis. This includes but is not limited to, the costs of Management Committee Support as provided under Section 5.4 and Budgeting, Accounting and Financial Records Support as provided under Section 9.4;
- (b) “Available Cash” means the amount by which cash on hand or on deposit with banks and other financial institutions, Available Credit, and the realizable value of short-term investments not otherwise pledged or required to be maintained as collateral or otherwise committed for the purpose of the Joint Venture, any of which is held by or on behalf of the Joint Venture, exceeds all unpaid cheques issued on and every overdraft in a Joint Venture Account;
- (c) “Budget” means the Operating Budget, Maintenance Budget and Capital Budget;
- (d) “Bulk Water Supply Facility” means the bulk water distribution system, reservoir, treatment system, appurtenances and related interests in land described in Schedule A and contemplated under this Agreement to supply water in bulk to the Community Water Systems and the Water Service Areas;
- (e) “Business Day” means any day except Saturdays, Sundays and statutory holidays in effect in British Columbia;
- (f) “Capital Budget” has the meaning given to it in Section 8.6;
- (g) “Capital Costs” means expenditures incurred or accrued by or on behalf of the Joint Venturers for or in connection with the acquisition or construction of capital assets in accordance with Public Sector Accounting Board Standards for tangible capital assets and includes such costs incurred or accrued since January 1, 1987;
- (h) “Capital Loan” means the several and Limited Recourse borrowings to be entered into by and on behalf of the Joint Venturers, to be secured by, among other things, a first charge on the Bulk Water Supply Facility, and to be applied primarily toward the design, construction, installation and ownership by the Joint Venturers of the Purchased Assets;

- (i) "Community Water Systems" means the water distribution trunks, mains, pumps, valves, appurtenances and related interests in land, held or owned by a municipality or regional district that is a party to this Agreement;
- (j) "Continuing Party" means a party that wishes to acquire the Participating Interest of a Non Continuing Party in the Joint Venture Assets under Section 13.4;
- (k) "Event of Default" means one of the events described in Section 11.1;
- (l) "GAAP" means the generally accepted accounting principles (including the methods of application of the principles) established by the Canadian Institute of Chartered Accountants;
- (m) "Joint Venture" means the joint venture named Arrowsmith Water Service formed among RDN, Parksville and Qualicum Beach under this Agreement;
- (n) "Joint Venture Account" means the bank accounts established under Section 6.1 and any other bank accounts established by the Joint Venturers to be used in connection with the Joint Venture;
- (o) "Joint Venture Assets" means all property and assets, present and future, of every nature whatsoever whether real or personal, corporeal or incorporeal, owned or rented by the Joint Venturers or possessed or rented on behalf of the Joint Venturers, including the Purchased Assets, in each case for the purposes of the Joint Venture whether in the name of any of the Joint Venturers or the Joint Venture;
- (p) "Joint Venture Borrowing" means indebtedness, liabilities and obligations incurred on account of funds borrowed by or on behalf of the Joint Venturers;
- (q) "Joint Venture Costs" means the Operating Costs, Maintenance Costs and the Capital Costs;
- (r) "Joint Venturer" means RDN, Parksville and Qualicum Beach including their respective successors and permitted assigns, and "Joint Venturers" means all of them;
- (s) "Limited Recourse" with respect to a loan means that the right of any lender to recover any amounts, indebtedness or damages owing under or in connection with the loan (whether by reason of breach or default under any covenant, term, representation, warranty or other provisions relating to the loan or otherwise) or owing by the borrower at law or in equity or by statute or contract in connection with the loan, will be limited and restricted to the lender's rights to realize upon the property and assets of the borrower which have been mortgaged, pledged, charged or assigned as security for the loan; except each borrower and its successors and permitted assigns will be liable for and pay to the lender the amount of any losses, liabilities, claims, damages and expenses caused by the fraud (i) committed by that borrower

(and not by an agent of that borrower) or (ii) committed by or participated in by one or more persons as officers, council members or directors of that borrower;

- (t) "Maintenance Budget" has the meaning given to it in Section 7.5;
- (u) "Maintenance Costs" means all costs (other than those identified as capital and operating costs) of repairing and maintaining the equipment and capital assets of the Arrowsmith Water Service Joint Venture to ensure the service is kept in satisfactory operating condition consistent with industry standards. It includes but is not limited to, testing, parts replacement, repairs, and any directly related materials and labour expenses; and includes such cost incurred and accrued on and after the date of the Bulk Water Supply Facility commences the supply of water in bulk under this Agreement;
- (v) "Management Board" means the board established under Part 4;
- (w) "Non Continuing Party" means a party that does not wish to continue the Joint Venture after the expiry of the Term referred to in Section 13.1(c) of this Agreement.
- (x) "Management Committee" means the Management Committee of the Joint Venture appointed under Part 5;
- (y) "Operating Budget" has the meaning given to it in Section 7.4;
- (z) "Operating Costs" means all costs (other than those identified as capital and maintenance costs) of operating the Arrowsmith Water Service Joint Venture on a continuing basis. This includes but is not limited to, monitoring costs, overhead costs, indirect labour, utility services, audit fees, insurance and licencing fees, and directly related materials and labour expenses; and includes such costs incurred or accrued on and after the date the Bulk Water Supply Facility commences the supply of water in bulk under this Agreement;
- (aa) "Operator" means the City of Parksville;
- (bb) "Participating Interest" means the percentage interest of a Joint Venturer in the Joint Venture Assets and the profits of the Joint Venture, which will initially be as set out in Section 2.9;
- (cc) "Province" means Her Majesty the Queen in Right of the Province of British Columbia;
- (dd) "Water Licence" means the water licence or licences held by the three Joint Venturers;
- (ee) "Water Service Area" means an area situated in the RDN that is served by a Community Water System and is identified on Schedule B, subject to boundary alterations of the area:

- i) under the procedures prescribed by applicable enactments; or
- ii) by agreement of the Joint Venturers.

Interpretation

1.2 For the purposes of this Agreement, except as otherwise expressly provided or as the context otherwise requires:

- (a) “Agreement” means this Agreement as from time to time supplemented or amended by one or more agreements entered into pursuant to the applicable provisions of this Agreement together with all other attachments to it;
- (b) the word “including”, when following any general term or statement, is not to be construed as limiting the general term or statement to the specific terms or matters set forth or to similar items or matters, but rather as permitting the general term or statement to refer to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;
- (c) reference to a Part or a Section means the corresponding Part or Section of this Agreement;
- (d) an accounting term not otherwise defined in this Agreement has the meaning assigned to it, and except as otherwise directed in this Agreement, every calculation to be made under this Agreement is to be made in accordance with GAAP;
- (e) except as otherwise expressly provided, all references to currency mean Canadian currency;
- (f) words in the singular include the plural and words importing a corporate entity include individuals and vice-versa;
- (g) reference in this Agreement to a particular numbered paragraph, article or section, or lettered schedule is a reference to the correspondingly numbered paragraph, article, or section, or lettered schedule of this Agreement;
- (h) reference in this Agreement to an enactment is a reference to an enactment as defined in the *Interpretation Act (British Columbia)*, and includes a reference to an enactment of British Columbia, RDN, Parksville or Qualicum Beach, as applicable;
- (i) reference in this Agreement to an enactment is a reference to that enactment as amended, revised, consolidated or replaced; and

- (j) reference in this Agreement to a party is a reference to a party of this Agreement.

Governing Law

- 1.3 This Agreement will be governed by and interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada.

Headings

- 1.4 The headings given to paragraphs, articles and sections in this Agreement are for convenience of reference only and do not form part of this Agreement and must not be used in the interpretation of this Agreement.

Severance

- 1.5 If any clause or portion of this Agreement is declared or held invalid for any reason, the invalidity does not affect the validity of the remainder of that clause or this Agreement, and the terms and provisions of this Agreement continue to be in force and in effect and are to be construed as if the Agreement had been executed without the invalid portion.

Water Licence

- 1.6 This Agreement is subject to the terms and conditions contained in any Water Licence issued by the Comptroller of Water Rights of the Province of British Columbia.

PART 2 JOINT VENTURE

Formation and Purpose

- 2.1 Subject to the terms and conditions of this Agreement, RDN, Parksville and Qualicum Beach continue the Joint Venture for the following purposes:
 - (a) to design, construct, install, own, operate, maintain, repair and replace the Bulk Water Supply Facility; and
 - (b) to supply water in bulk to the Community Water Systems and the Water Service Areas.

Bulk Water Supply

- 2.2 On and after the date of this Agreement coming into effect, the parties must with due diligence, and subject to the terms and conditions set out in this Agreement and the Water Licence design, construct, install, own, operate, maintain, repair and replace the Bulk Water Supply Facility as generally described in Schedule A.

Name

- 2.3 The name of the Joint Venture will be “Arrowsmith Water Service” or such other name as from time to time the Management Board determines. The business and affairs of the Joint Venture will be concluded to the extent possible under such name or in the name of the Joint Venturers with the designation that they are doing business in joint venture under such name.

Dedication of Assets

- 2.4 Each Joint Venturer as long as it is a Joint Venturer, dedicates for the purposes of the Joint Venture, all its interest in Joint Venture Assets and all its rights to use and enjoy Joint Venture Assets.

Nature of Obligations

- 2.5 Unless the Joint Venturers otherwise agree, the liabilities and obligations of the Joint Venturers under this Agreement, and under any agreement contemplated by or related to this Agreement, will be several to the extent of their respective Participating Interests and not joint or joint and several and all agreements made on behalf of the Joint Venture will, to the extent practicable, state the liability of the Joint Venturers to be several.

Partition

- 2.6 Except on termination of this Agreement or withdrawal under Part 13, no Joint Venturer will be entitled to demand partition of the Joint Venture or the Joint Venture Assets.

No Partnership

- 2.7 The Joint Venturers expressly disclaim any intent to create a partnership with respect to the Joint Venture or the ownership or operation of the Joint Venture Assets, and disclaim any intent to create a partnership with respect to the exercise of their rights under this Agreement, the administration of the Joint Venture Assets or any other matter relating to this Agreement. None of the Joint Venturers will have any authority, actual or implied, to act for the other as agent or otherwise or to bind the others.

Representations and Warranties

- 2.8 Each Joint Venturer represents and warrants to the others as follows:
- (a) it has the power and capacity to enter into this Agreement;
 - (b) this Agreement is valid and binding on it in accordance with its terms;

- (c) the performance of its obligations under this Agreement does not breach the terms of any other agreement or obligation to which it is a party; and
- (d) it now holds and will hold its Participating Interest beneficially and free and clear of all restrictions, liens, encumbrances, floating charges or agreements of any kind except;
 - (i) for the obligations created under this Agreement; or
 - (ii) as agreed among the Joint Venturers from time to time.

Participating Interest

2.9 The Participating Interest of each of the Joint Venturers as at the date of this Agreement is the same as the apportionment of Capital Costs as set out in Schedule C.

PART 3 ACQUISITION

Completion of Agreements

3.1 Subject to the approval of the Board of RDN and Councils of Parksville and Qualicum Beach, each of the parties will cooperate fully and take all reasonable steps to negotiate, finalize and execute all agreements, instruments and other documents contemplated by or related to this Agreement.

PART 4 MANAGEMENT BOARD

Formation and Membership

4.1 There will be a Management Board composed of three members. Upon execution of this Agreement and subsequently prior to January 1 every year, each of the Joint Venturers must appoint as member to the Management Board one of its elected officials.

4.2 Prior to January 1 each of the Joint Venturers must also appoint one of its elected officials to be an alternate member of the Management Board. An alternate member may attend, but can only vote in place of a member appointed by the same Joint Venturer at any meeting of the Management Board at which the member is unable to attend.

Chair

4.3 The Management Board must elect a Chair from among its members on the basis of one vote for each member.

Meetings

- 4.4 During each fiscal year of the Joint Venture, the Management Board will hold at least two meetings at such times and places as the Management Board may determine for the purpose of approving a budget and the annual report. The Chair will call additional meetings of the Management Board upon the request of any member of the Management Board.

Notice of Meetings

- 4.5 The Chair will give to each and alternate member of the Management Board 24 hours' written notice of the place, date and time of any meeting and of the agenda for such meeting. The agenda will indicate the nature of the business to be transacted at the meeting. The requirement for 24 hours' notice may be waived by resolution passed at the commencement of the meeting by all three members or their alternate members.

Telephone Meetings

- 4.6 A member or alternate member may participate in a meeting of the Management board by means of telephone or other communication facilities as permit all persons participating in the meeting to hear each other and will be deemed to be present at that meeting.

Quorum

- 4.7 A quorum for each meeting of the Management Board will be three members or alternate members in place of an absent member.

Votes

- 4.8 At all meetings of the Management Board, each member representing:
- (a) Parksville shall have three votes;
 - (b) RDN shall have two votes; and
 - (c) Qualicum Beach shall have one vote.

Voting

- 4.9 Every decision of the Management Board will require a majority of votes cast.
- 4.10 Section 4.8 does not apply to voting for the Chair under Section 4.3 which shall be on the basis of one vote for each member.

Resolutions in Writing and Minutes

- 4.11 The Chair will cause minutes of each meeting of the Management Board to be kept and a copy to be circulated to each member and alternate member. A resolution in writing signed in whole or in counterparts by all of the members of the Management Board in respect of any matter falling within the competence of the Management Board will be effective as if adopted at a meeting. The Chair of the Management Board will promptly send to the Joint Venturers and each member a copy of any such resolution.

Dispute Resolution

- 4.12 If the Management Board is unable to agree on any matter within its power that has been referred to it after consideration of that matter at two meetings of the Management Board, any of the Joint Venturers may declare a deadlock by notice in writing to the others specifying the matter at issue and the position, with reasons, of the declaring Joint Venturer, all in reasonable detail. If the deadlock is not resolved within 15 Business Days after receipt of such notice, any Joint Venturer may refer the issues to dispute resolution pursuant to the provisions of this Agreement. Each party to the arbitration shall pay costs on the basis determined by the single arbitrator.

Deadlock As to Budget

- 4.13 If the Management Board or Joint Venturers fail to approve the Budget for the next ensuing fiscal year, the Operator will, until a new Budget is approved by the Joint Venturers or determined by arbitration, operate the business of the Joint Venture in the normal course on the basis as consistent as possible with the last Budget, if any, approved by the Management Board.

Decisions Binding

- 4.14 Subject to Section 4.16, all decisions of the Management Board made within its power under this Agreement will be binding on the Joint Venturers.

Management Board's Power

- 4.15 In addition to the powers conferred on it by any provision of this Agreement, the Management Board must:
- (a) review, and recommend for the approval of the Joint Venturers, the Budget;
 - (b) review, and make recommendations to the Joint Venturers with respect to (but not to approve) any material agreements to be entered into by the Joint Venture;
 - (c) conduct, direct and supervise the business, affairs and operations of the Joint Venture;
 - (d) give direction to the Management Committee;

- (e) make recommendations to the Joint Venturers with respect to any amendments to this Agreement;
- (f) cause to be entered into and amended all agreements which are necessary or appropriate for the day-to-day operation of the Joint Venture, except those agreements which the Management Board would not have the power to approve under Section 4.16 and, if considered advisable by the Management Board in the interests of the Joint Venture, terminate such agreements;
- (g) initiate technical studies when deemed advisable;
- (h) prepare plans for capital expenditures;
- (i) review and approve the annual and periodic financial statements of the Joint Venture.

Limits on Management Board's Power

4.16 Despite Section 4.14, the Management Board will not have the power, without the approval of each of the Joint Venturers:

- (a) to do anything for which RDN, Parksville or Qualicum Beach requires authorization or approval under the *Local Government Act, Community Charter*, successor legislation or other applicable enactments without the prior confirmation from them that such authorization or approval has been obtained by RDN, Parksville or Qualicum Beach, as applicable;
- (b) to do anything within the legislative discretion of a Joint Venturer;
- (c) to authorize Joint Venture Borrowing or making an annual Budget;
- (d) to authorize any distributions of available cash to the Joint Venturers;
- (e) to authorize adding a new party under Part 14;
- (f) the disposition of all or any part of the interest of a Joint Venturer in this Agreement.

Powers of the Management Board Chair

4.17 The function of the Management Board Chair will be to carry out the functions and duties prescribed by the Management Board and, if present, to preside at meetings of the Management Board. If the Management Board Chair is absent from a meeting, then his or her alternate member must preside.

Technical Committees

4.18 The Management Board may from time to time establish technical committees, such as a Capital Planning Committee or a Construction Committee, as it considers

appropriate in the circumstances. The Management Board may appoint to the technical committees such persons as the Management Board considers appropriate.

Expenses

- 4.19 The members and alternate members of the Management Board will not as such be entitled to be paid any compensation by the Joint Venture and any remuneration that may be paid to them in such capacity by the Joint Venturers by which they have been appointed will not form part of the Operating Costs.

PART 5 MANAGEMENT

Appointment of Management Committee

- 5.1 The Management Committee will be the Chief Administrative Officer of each Joint Venturer plus one other member from each Joint Venturer as appointed by that Joint Venturer's Chief Administrative Officer.

Duties and Functions of the Management Committee

- 5.2 The Management Committee must:
- (a) make recommendations to the Management Board on matters relating to the Joint Venture;
 - (b) prepare and distribute agendas for Management Board meetings;
 - (c) keep minutes of meetings of the Management Board;
 - (d) administer this Agreement and any agreements made by or on behalf of the Joint Venture;
 - (e) make recommendations to the Management Board respecting the making, amending or implementation of agreements made by or on behalf of the Joint Venture;
 - (f) monitor the financial circumstances of the Joint Venture;
 - (g) generally do all things necessary or advisable in connection with the business of the Joint Venture in accordance with this Agreement;
 - (h) do such other acts and things on behalf of the Joint Venture as the Management Board Chair may direct from time to time; and
 - (i) give direction to the Operator.

Limits on Management Committee

- 5.3 None of the powers, authorities or discretions delegated to the Management Committee may encroach on powers, authorities or discretions properly exercisable by the Management Board. The powers, authorities and discretions exercised by the Management Committee are subject to the direction of and guidelines established by the Management Board and any other restrictions, limitations and approvals set out in this Agreement, including the limitations set out in Section 4.16, and within the constraints of the Budget from time to time.

Management Committee Support

- 5.4 The RDN shall provide, at the cost of the Joint Venture, administrative support to the Management Committee and the Management Board as required by this Agreement.

Liability

- 5.5 The Joint Venturers release the Management Committee members, Management Board members, the Operator and the Joint Venturers' agents of and from any and all loss, costs, damages, expenses and liabilities suffered or incurred by the Joint Venturers or any of them in respect of the matters arising out of or attributable to any negligence of, or breach of the provisions of this Agreement by the Management Committee, Management Board members or Joint Venturers' agents, in connection with the observance and performance of any of the covenants, agreements or duties of the Management Committee, Management Board members, the Operator or Joint Venturers' agents to be observed or performed under this Agreement, except losses, costs, damages, expenses and liabilities caused by the wilful wrongful act of any one or more of the Management Committee, Management Board members, the Operator or Joint Venturers' agents.

PART 6 OPERATIONS

Operations

- 6.1 Subject to this Agreement, the Operator will, on behalf of the Joint Venture, operate, maintain and repair the Bulk Water Supply Facility.
- 6.2 The Operator may, subject to direction from the Management Committee, contract for goods and services on behalf of the Joint Venture in accordance with the Operators purchasing policy and subject to this Agreement.

PART 7 FINANCES

Bank Accounts, Deposits, Disbursement and Investment of Funds

- 7.1 The Operator shall be responsible for recording and preparation of the accounts of the Joint Venture, including but not limited to preparation of accounts receivable and

accounts payable, annual budgets and financial reports to the Management Committee, ensuring that the accounts of the Joint Venture are audited annually in accordance with the *Local Government Act*, and investing any surplus funds in the Joint Venture Account in the manner approved by the Management Board from time to time.

- 7.2 The Operator may open and maintain, with the Operator's usual bank or other bank approved by the Management Board, a Joint Venture Account in the name of the Joint Venture. All funds receivable by the Joint Venture may upon receipt be deposited in the Joint Venture Account. Members of the Management Board will have signing authority on the Joint Venture account alone or together with such other persons or the Operator's staff the Management Board approves. Any payment to be made by the Operator on behalf of the Joint Venture will be made out of the Joint Venture Account.
- 7.3 The Operator shall manage the financial affairs of the Joint Venture in accordance with the approved Budget and GAAP.

Cash Requirements

- 7.4 The Joint Venturers will take all reasonable steps to ensure that sufficient funds are available to allow the Joint Venture to complete transactions called for by agreement of the parties under this Agreement. The Operator may request that the Joint Venturers provide cash advances on account of Operating Costs. Otherwise, the Joint Venturers must pay an annual requisition provided for in the Budget by May 31 of each year.

Operating Loans

- 7.5 For the purpose of financing operations and sustaining capital expenditures of the Joint Venture, if the Joint Venturers establish and maintain a line of credit, it must be established and maintained on a Limited Recourse basis in such maximum amount and on such terms and conditions as the Joint Venturers from time to time are reasonably able to arrange.

Application of Available Cash

- 7.6 Available Cash will be applied to pay Operating Costs and Maintenance Costs as they fall due or in the normal course of operations.

Additional Contributions

- 7.7 If an approved Budget contemplates contributions from the Joint Venturers to finance Capital Costs, the Joint Venturers will advance the contemplated contribution to the Joint Venture promptly upon receipt from the Operator of a request to do so.

Place of Payments

7.8 All payments to be made under this Agreement to the Joint Venture will be made to the Operator.

Cash Contributions

7.9 Subject to:

- (a) the terms of Joint Venture Borrowings, including the Operating Loan; and
- (b) the establishment by the Joint Venturers, based on the recommendations of the Management Board taking into account anticipated Joint Venture costs and revenue, of prudent reserves for Operating Costs, Maintenance Costs and Capital Costs,

within 90 days after each fiscal year end of the Joint Venture, Available Cash will be used to:

- (c) pay down Joint Venture Borrowing; or
- (d) pay Maintenance Costs or Operating Costs.

7.10 A party may make a cash advance in respect of the portion of Capital Costs allocated to that party under this Agreement, in which case that party is not liable for Joint Venture Borrowing related to that portion of Capital Costs in respect of which the party made the cash advance.

Capital Cost Apportionment

7.11 The Capital Costs will be apportioned among the parties as set out in Schedule C.

Operating Costs Apportionment

7.12 The Operating Costs will be apportioned among the parties on the basis of the metered flow to the party receiving the Bulk Water.

Maintenance Costs Apportionment

7.13 The Maintenance Costs will be apportioned among the parties on the basis of the percentage of the Capital Costs apportioned in respect of that party pursuant to the formulae in Schedule C.

Administrative Costs Apportionment

7.14 The Administrative Costs will be apportioned among the parties on the basis of the percentage of the Capital Costs apportioned in respect of that party pursuant to the formulae in Schedule C.

PART 8 BUDGETS

Fiscal Year

8.1 The fiscal year end of the Joint Venture will be December 31.

Provisional Budgets

8.2 On or before December 15th of the year preceding each fiscal year of the Joint Venture, the Management Committee will submit to the Management Board for its review a provisional operating budget (the “provisional Operating Budget”). A provisional maintenance budget (the “provisional Maintenance Budget”) and a provisional capital expenditure budget (the “provisional Capital Budget”). The Management Board must recommend these provisional Budgets for the consideration of the Joint Venturers.

Budget Recommendations

8.3 On or before January 31st in each fiscal year of the Joint Venture, the Management Board must recommend to the Joint Venturers an Operating Budget, Maintenance Budget and Capital Budget.

Operating Budget

8.4 The Operating Budget will set out in reasonable detail the proposed operations, works and undertakings to be carried out in the Joint Venture and will include for such fiscal year the amount, by category, of each component of Operating Costs and will indicate the amount of such Operating Costs estimated to be payable by each Joint Venturer in accordance with the provisions of this Agreement, after taking into consideration anticipated revenues.

Maintenance Budget

8.5 The Maintenance Budget will set out in reasonable detail the proposed maintenance operations, works and undertakings to be carried out in the Joint Venture and will include for such fiscal year the amount, by category, of each component of Maintenance Costs and will indicate the amount of such Maintenance Costs estimated to be payable by each Joint Venturer in accordance with the provisions of this Agreement, after taking into consideration anticipated revenues.

Capital Budget

8.6 The Capital Budget will set out in reasonable detail all Capital Costs for the next five fiscal years and will indicate the amount of such Capital Costs estimated to be payable by each Joint Venturer in accordance with the provisions of this Agreement, after taking into consideration anticipated revenues.

Operations in Conformity with Budgets

- 8.7 Except as permitted by the Management Board (to the extent it has authority under this Agreement to so approve) or decision of the Joint Venturers, all operations of the Joint Venture in each fiscal year will be conducted in conformity with the Budgets applicable to that fiscal year approved by the Joint Venturers.

Approval of Budgets

- 8.8 Subject to Section 4.15, the Management Board will recommend to the Joint Venturers with or without amendment, the Budgets submitted to it by the Management Committee.

Effect of Approved Budgets

- 8.9 The Management Committee, as applicable under Part 5, will implement the approved Budgets and carry out all activities and operations of the Joint Venture in accordance therewith. The Management Committee will not, without the approval of the Management Board (who may require the approval of the Joint Venturers under Section 4.15) incur or commit in any fiscal year on behalf of the Joint Venture any expenditure not provided for in the applicable Budgets. Despite the failure of the Management Board to give any approval required, the Operator may incur on behalf of the Joint Venture any Operating Costs or Capital Cost which needs to be incurred at that time in order to prevent loss, damage or injury, or comply with the requirements of any insurer or regulatory authority or law and any such expenditure will form part of Operating Costs.

PART 9 BUDGET, ACCOUNTING AND FINANCIAL REPORTS AND RECORDS

Accounting Books and Records

- 9.1 The Operator will be responsible for the preparation of financial reports (other than those to be prepared by the Joint Venture's accountants) to be furnished, to the Management Board and the Management Committee hereunder, the maintenance of adequate accounts, books and records and the allocation between the Joint Venturers of Maintenance, Operating, and Capital Costs and will use reasonable efforts to ensure that such accounts, books, records and the financial reports meet reasonable accounting and tax reporting requirements of each Joint Venturer.

Financial Reports

- 9.2 The Operator will, upon request from the Management Board, provide the Management Board and Management Committee with unaudited financial statements, reflecting in reasonable detail, but in summary form, the results of operations and financial situation of the Joint Venture for the periods requested.

Location and access to Records

- 9.3 The Operator will cause all books and records of the Joint Venture to be kept in its offices. The Operator will permit each Joint Venturer, its accountants and other representatives, at the Joint Venturer's own expense and at all reasonable times to examine and make copies of these documents and any documents under the control of the Operator and relating to the Joint Venture.

Budgeting, Accounting and Financial Records Support

- 9.4 The City of Parksville shall provide at the cost of the Joint Venture, budgeting, accounting and financial reporting support to the Management Committee and the Management Board as required by this Agreement.

PART 10 RESTRICTIONS ON DISPOSITION

No Disposition of Participating Interest

- 10.1 A Joint Venturer will not sell, assign, pledge, mortgage or otherwise dispose of its interest in this Agreement and the Joint Venture Assets, except as set out in Sections 10.2 or Part 13.

Right of First Refusal to Purchase Participating Interest

- 10.2 If a Joint Venturer receives a legally binding offer to purchase all or a portion of the Joint Venturer's interest in this Agreement and the Joint Venture Assets, the Joint Venturer will not accept such offer (unless such acceptance is conditional on compliance with this Section 10.2) unless:

- (a) the offer is from another local government;
- (b) it has delivered to the other Joint Venturers a copy of such offer, which delivery will be deemed to be an irrevocable offer by the first Joint Venturer, to sell its interest in this Agreement and the Joint Venture Assets on the same terms, and conditions as are set out in this offer, except that such offer shall be deemed to be an offer on the same terms and conditions but for each of the other Joint Venturers to purchase one-half of the offering Joint Venturers' interest, unless otherwise agreed between the other Joint Venturers;
- (c) the other Joint Venturers have not accepted the offer within 180 days of receipt thereof; and
- (d) if the other Joint Venturers consent, which consent to not to be unreasonably withheld or delayed, it completes the agreement of purchase and sale pursuant to the offer (which may include terms for payment agreed by the Joint Venturers) within one year after delivery of the offer to the other Joint Venturer and the purchaser enters into an agreement with the other Joint Venturers whereby the purchaser agreed to become a party to this

Agreement and to assume and perform all of the obligations of the selling Joint Venturer hereunder.

- 10.3 If one of the other Joint Venturers to whom an offer is delivered under Section 10.2 does not accept the offer within the time required by Section 10.2, the Joint Venturer who delivered the offer under Section 10.2, is deemed to offer to sell to the other Joint Venturer all of the offering Joint Venturer's interest in this Agreement and the Joint Venture Assets and that other remaining Joint Venturer has a further 90 days in which to accept that offer.
- 10.4 Any agreement of purchase and sale formed as provided in Sections 10.2 and 10.3 that involves the transfer of title to land or an interest in land will be completed on a Land Title Office business day that is not later than one year after the date on which the offer was first delivered to the other Joint Venturers under Section 10.2(a) and that agreement of purchase and sale is subject to all of the following:
- (a) the agreement of purchase and sale formed thereby is an agreement in respect of which time is of the essence;
 - (b) the selling Joint Venturer shall execute and deliver at completion of the agreement such transfers or other instruments of conveyance, in registerable form, as are necessary to transfer and convey to and in favour of the purchasing Joint Venturer all of the right, title and interest of the selling Joint Venturer in and to this Agreement and the Joint Venture Assets and will do all such things and take all such actions as may be necessary to comply with and fulfil the intent of this Agreement and the agreement of purchase and sale;
 - (c) the purchasing Joint Venturer will pay the purchase price for the interest in question and will execute and deliver all such documents and do all such things and take all such actions as may be necessary to fulfil the intent of this Agreement and the agreement of purchase and sale;
 - (d) the interest sold out by the selling Joint Venturer will be transferred free and clear of all financial liens, charges and encumbrances whatsoever.
- 10.5 Without limiting Section 2.6, each of the Joint Venturers hereby irrevocably and conclusively waives the benefits of all provisions of law relating to actions for a partition or sale in lieu of partition or administration of real and personal property including, without limitation, the *Partition of Property Act* (British Columbia) and each of the Joint Venturers agrees with the others that it will not commence any action at law or in equity for a partition or sale in lieu of partition of any real property that forms part of the Joint Venture Assets or seek administration in respect thereof.
- 10.6 A Joint Venturer must not accept an offer under Section 10.2 received less than one year before the end of the Term of this Agreement under section 13.1(c).
- 10.7 A Joint Venturer may not transfer a Share to a party other than a Joint Venturer except in accordance with Section 10.2 or Part 13.

- 10.8 Notwithstanding sections 10.2 and 10.3, in the event that the other Joint Venturers exercise their Right of First Refusal under this part, the terms and conditions will be those as contemplated in Section 10.2 with the exception that the time for payment of the purchase price to the selling Joint Venturer contemplated by the offer to purchase will, at the option of the purchasing Joint Venturer or Joint Venturers, be extended up to five (5) years; or for such longer term where the assent of the electors has been obtained.

PART 11 LIABILITY OF THE JOINT VENTURE

Liability, Indemnification and Insurance

- 11.1 If a claim by any third party arising out of the operations of the Joint Venture is made against the Joint Venturers or any of them, each of the Joint Venturers will share the liability (including interest and legal fees on a solicitor and client basis) for the claim pro rata to its Participating Interest and will indemnify and save harmless the other Joint Venturer against liability for the claim to the extent of its Participating Interest.

Notwithstanding the foregoing, where a claim arose out of the negligence of one of the Joint Venturers, without any negligence of the other Joint Venturer, the Joint Venturer who was negligent will be fully liable for such claim and will indemnify and save harmless from liability the other Joint Venturer with respect to such claim.

Notice of Claims

- 11.2 Each Joint Venturer against whom a third party claim is advanced, will give prompt and timely notice of that claim to the other Joint Venturers and will allow the other Joint Venturers to participate in the defence, negotiation or settlement of such claim at the cost of the Joint Venturer.

Insurance

- 11.3 The Joint Venturers are public bodies and are insured by the Municipal Insurance Association. Each Joint Venturer will maintain at its sole cost and expense, in good standing for the Term, liability insurance against the third party claims arising from the Joint Venture and operation of the Bulk Water Supply Facility with inclusive limits of not less than Five Million (\$5,000,000.00) Dollars for bodily injury, including death and property damage, and in that event, a Joint Venturer will, on request from another Joint Venturer, provide evidence that such insurance is, at all times during the Term, enforceable and in effect.

PART 12 DEFAULT

Default

- 12.1 The occurrence of any of the following events will be an Event of Default by a Joint Venturer under this Agreement:

- (a) the failure of a Joint Venturer to perform or observe any of its covenants or agreements in this Agreement, if such failure is not cured within 45 days of written notice from the other Joint Venturers specifying such failure; or
- (b) a Joint Venturer becomes insolvent.
- (c) an administrative commissioner is appointed in respect of a Joint Venturer under section 1027 of the *Local Government Act* and is not discharged within 45 days.

Remedies Upon an Event or Default

12.2 Upon the occurrence of an Event of Default by or with respect to a Joint Venturer:

- (a) the defaulting Joint Venturer will forthwith upon the written request of the other Joint Venturers given within 60 days after the Event of Default, sell its Participating Interest to the other Joint Venturers free and clear of all liens, charges and encumbrances other than security for liabilities incurred in accordance with this Agreement in the business of the Joint Venture, for a price equal to the defaulting Joint Venturer's Participating Interest in the net book value of the Joint Venture Assets as at the date of the written request, less 10% of such book value;
- (b) if the Joint Venturers do not agree as to the net book value of the Joint Venture Assets within 10 Business Days after the date of the written request, then at the direction of any of the Joint Venturers, the net book value will be determined by the accountants for the Joint Venture if the accountants have been appointed for the Joint Venture and are willing to accept such engagement, and otherwise by the business valuator appropriately qualified by the Canadian Institute of Chartered Business Valuators selected by the non-defaulting Joint Venturer, whose opinion will be binding upon the Joint Venturers and whose fees and disbursements for these services will be borne by the defaulting Joint Venturer;
- (c) the closing date for the sale of the defaulting Joint Venturer's interest will be 120 calendar days after the determination of the purchase price and will be completed by the execution and delivery by the defaulting Joint Venturer (the "Seller") of such transfers, bills of sale, assignments and other conveyancing documents from the seller to the purchasing Joint Venturer (the "Buyer") in such form as reasonably required by the Buyer and by the delivery of possession on the Joint Venture Assets to the Buyer;
- (d) the purchase price will be paid by the Buyer on the Closing Date:
 - (i) by set-off to the extent determined by the Buyer against monies due and owing by the Seller to the Buyer, if any;
 - (ii) by the assumption, to the extent determined by the Buyer, of the

Seller's share of the liabilities of the Joint Venture; and

- (iii) as to any balance by certified cheque or bank draft payable to the Seller's order;
- (e) the obligation of the Buyer to complete the purchase is subject to the condition that all required consents and approvals to the sale have been obtained but this condition is for the sole benefit of the Buyer and may be waived in whole or in part by the Buyer at any time.

The rights and procedures set forth in this Section 12.2 will be concurrent with and in addition to and without prejudice to any other rights or remedies at law or in equity which any Joint Venturer may have in respect of any Event of Default.

PART 13 TERM, WITHDRAWAL AND TERMINATION

Term

13.1 This Agreement and the Joint Venture will continue in force until the earlier of:

- (a) the date when all the Joint Venture Assets have been disposed of and all liabilities and obligations incurred from the business of the Joint Venture have been satisfied;
- (b) the date when a single Joint Venturer acquires the interest of the Joint Venturers in the Joint Venture Assets and the business of the Joint Venture; or
- (c) four years and six months from the date of the making of this Agreement.

Withdrawal

13.2 A party may withdraw from this Agreement with the approval of all parties to the Agreement and, unless otherwise agreed, subject to the following conditions:

- (a) all capital funds provided to the date of the Notice of Withdrawal by the party proposing to withdraw from the Joint Venture are deemed to be Joint Venture Assets;
- (b) the additional operating costs arising from the withdrawal of a party under this Agreement must then be assumed by the remaining party or divided between the remaining parties based on the metered flow to the party receiving the supply of water in bulk;
- (c) the additional maintenance costs arising from the withdrawal of the party must be assumed by the remaining party or apportioned between the remaining parties as outlined in Part 7;

- (d) the Joint Venture Assets are, on and after the date of the Notice of Withdrawal given by the party withdrawing, solely assets of the remaining Joint Venturer or Joint Venturers.

Actions on Termination

- 13.3 Upon the termination of this Agreement and the Joint Venture, other than pursuant to Section 13.1 (b), unless the Joint Venturers otherwise agree, two representatives of each of the Joint Venturers shall meet within 10 business days of the termination and:
- (a) each party shall advise the other parties whether they wish to enter into a new agreement regarding the Joint Venture; and
 - (b) if one party does not wish to enter into a new agreement regarding the Joint Venture then, unless the parties otherwise agree, the end of the participation of a Non Continuing Party in the Joint Venture will be determined under Section 13.4; and
 - (c) If no party wishes to enter into a new agreement regarding the Joint Venture, no party may dispose of its interest in the Joint Venture Assets without first offering such interest to the other parties under section 13.5.

Non Continuing Party

- 13.4 If the parties cannot otherwise agree on the terms and conditions regarding the end of the participation of a Non Continuing Party in the Joint Venture, a Non Continuing Party will, upon the written request of the Continuing Parties given within sixty (60) days after the meeting referred to in Section 13.3 of this Agreement, sell its Participating Interest in the net book value of the Joint Venture Assets to the Continuing Parties on the terms and conditions and in accordance with the procedure in Section 12.2 of this Agreement, provided that the closing date of the sale must take place within five (5) years of the date of this Agreement unless a longer closing date has been approved by the electors.

Dissolution of Joint Venture – Right of First Refusal

- 13.5 (a) Where none of the parties wish to enter into a new joint venture agreement, each party will decide whether it wishes to dispose of its Participating Interest in the Joint Venture Assets, and advise the other parties of its decision in writing within thirty (30) days of the meeting referred to in Section 13.3 of this Agreement;
- (b) A party wishing to dispose of its Participating Interest must offer to sell its Participating Interest in the Joint Venture Assets to the other parties with such sale to be on the terms and conditions and in accordance with the procedure set out in Section 12.2 of this Agreement, provided that the closing date of the sale must take place within five (5) years of the date of this Agreement, unless a longer closing date has been approved by the electors.

- (c) Where a party has not advised the other parties of its decision within the time limit referred to in paragraph (a), it will be deemed to have offered to sell its Participating Interest in the net book value of the Joint Venture Assets to the other parties under paragraph (b).

Dispute Resolution on Dissolution

13.6 Terms and conditions of the withdrawal of a Non Continuing Party in circumstances not otherwise addressed in this Agreement may be resolved before a single arbitrator in accordance with the procedure that follows the procedures set out in section 813.13 of the *Local Government Act*, with necessary changes insofar as they are applicable as follows:

- (a) the terms and conditions for withdrawal must be resolved before a single arbitrator by full arbitration, unless the parties agree to final proposal arbitration;
- (b) the parties will select the arbitrator from a list of arbitrators prepared by the Minister of Community, Sport and Cultural Development (or such other Minister having responsibility for the *Local Government Act*) for the purposes of section 813.13(3) of the *Local Government Act*, or, if there is no such list, as agreed upon by the parties, or, failing agreement, as appointed by a judge of the British Columbia Supreme Court;
- (c) the arbitrator may conduct the proceedings at the time and in the manner he or she determines;
- (d) the arbitrator must consider any terms and conditions agreed upon by the parties that are to govern the arbitrations;
- (e) the terms and conditions must be resolved by the arbitrator, who is not restricted in his or her decision to submissions made by the parties on the disputed issues;
- (f) the final resolution may establish different terms and conditions for different Non Continuing Parties;
- (g) the arbitrator must give written reasons for the decision; and
- (h) the costs of the arbitration must be borne by the parties as if they were Maintenance Costs under this Agreement.

In reaching his or her decision, the arbitrator must, to the extent practicable, impose terms and conditions that avoid the alienation or transfer of Joint Venture assets from public ownership and for that purpose, ensure that any interest of a party is offered first to the other parties under this Agreement and secondly to another local government before such assets are made available to any other party.

Liquidation

- 13.7 If no party wishes to continue the Joint Venture, and no party wishes to purchase the interest of the other Joint Venturers under section 13.4 of the Agreement, the Joint Venturers will appoint a liquidator to act on their collective behalf to liquidate the Joint Venture assets. If a liquidator is appointed he or she shall act on behalf of the Joint Venturers to realize the Joint Venture Assets, satisfy all Joint Venture Liabilities and pay the balance of the proceeds of realization to the Joint Venturers in proportion to their Participating Interests. Each of the Joint Venturers will be entitled to bid for and purchase the whole or any part of the Joint Venture Assets on liquidation. Subject to agreement otherwise, liquidation shall be carried out under the procedure of Part 10 of the *Business Corporations Act* (British Columbia) insofar as applicable to a Joint Venture.

Determining Value

- 13.8 If the parties agree on a sale of the Non Continuing Party's Participation Interest but do not agree as to the net book value of the Joint Venture Assets, such value may be determined in accordance with the procedure set out in Section 12.2(b) and the sale of the Non Continuing Party's Participating Interest will be carried out in accordance with the procedure set out in Sections 12.2(c) to (e).

Completion of Sale

- 13.9 If the arbitrator's decision involves the sale of a Non Continuing Party's Participating Interest such sale shall be completed no later than five (5) years from the date of this Agreement unless assent of the electors to such longer term has been obtained.

Survival of Obligations

- 13.10 The provisions of this Part 13 and all other provisions of this Agreement necessary to give full effect thereto will survive the termination of this Agreement and, despite termination of this Agreement or the Joint Venture; no party will by reason of such termination be relieved of any obligation or liability toward any other party accrued hereunder prior to termination all of which will remain unenforceable until fully satisfied.

PART 14 NEW PARTY

Qualicum Beach

- 14.1 The parties agree that the Town of Qualicum Beach may become a Joint Venturer under the Englishman River Water Service Joint Venture Agreement dated the _____ day of _____, 2011 under the following conditions:
- (a) Qualicum Beach may deliver a Notice in writing that it wishes to become a party in the Englishman River Water Service with not more than a 13.7%

Participating Interest that represents Qualicum Beach's actual needs in relation to bulk water supply (the "**Qualicum Beach Participating Interest**");

- (b) the parties shall each appoint a senior representative for a period of 120 days, shall negotiate in good faith for the inclusion of Qualicum Beach where Qualicum Beach agrees to:
 - (i) pay 100% of any infrastructure required to supply their participating interest;
 - (ii) pay to the Joint Venturers an amount equal to any remaining difference when the total cost for each of the water intake, treatment plant, reservoir capacity and water distribution mains to be paid by Qualicum Beach to supply its Participating Interest is subtracted from 13.7% of the actual cost plus any increase in the Consumer Price Index (British Columbia) for each of the water intake, treatment plant, reservoir capacity and water distribution mains to the time of the notice to become a party in the Englishman River Water Service agreement; and
 - (iii) pay 13.7% of the actual cost plus any increase in the Consumer Price Index (British Columbia) to the time of delivery of the notice under paragraph 14.1(a) of any lands acquired by the Englishman River Water Service Joint Venturers for the purpose of the Joint Venture.
 - (c) the Terms of the Englishman River Water Service Joint Venture Agreement must contain all of the terms and conditions of the Arrowsmith Water Service Joint Venture Agreement except as otherwise determined by the parties and except that each member of Qualicum Beach shall have one (1) vote on the Management Committee and every decision of the Management Board will require seven (7) votes;
 - (d) subject to paragraph (e), if no Agreement has been reached by the parties within the time period referred to in paragraph 14.1(b), the terms of the inclusion of Qualicum Beach may, by agreement of all parties, be submitted to an arbitrator for determination; and
 - (e) if the parties cannot agree on the amounts payable under this section (other than the value of the land which shall be determined under clause 14.1(b)(iii), the amount shall be settled by a single arbitrator under the *Commercial Arbitration Act*. The costs of the arbitration, other than each party's own costs, shall be divided equally between the parties and the decision of the arbitrator shall be binding on the parties.
- 14.2 On the completion date referred to in section 14.1(b), the Regional District of Nanaimo and Parksville will transfer to Qualicum Beach a share in any real property acquired by the Joint Venture as a Tenant in Common equivalent to the Qualicum Beach Participating Interest in consideration for payment by Qualicum Beach of the amount referred to in section 14.1 (b).

Other Party

- 14.3 A new party other than the Town of Qualicum Beach may become a Joint Venturer under this Agreement:
- (a) by entering into an Agreement with the existing Joint Venturers that contains all of the terms and conditions set out in this Agreement; and
 - (b) with the unanimous consent of the existing Joint Venturers.

Other Terms and Conditions

- 14.4 Despite Section 14.1, the Joint Venturers may, at any time, make an agreement on behalf of the Joint Venturer to supply water in bulk to a person not a party to the Joint Venture.

PART 15 BOUNDARY ADJUSTMENTS

- 15.1 Despite the other provisions of this Agreement, if the area of a municipality is extended into a Water Service Area:
- (a) that portion of the Water Service Area that was situated in the rural area and that has become added to the municipality is hereby deemed to be added to the Community Water System of that municipality;
 - (b) Capital Costs, Operating Costs and Maintenance Costs will be apportioned as between RDN and the extended municipality by taking into account the deletion of water supply volume from the account of RDN and adding of water supply volume to the account of the municipality; and
 - (c) the cost of the supply of water in bulk to RDN and to the municipality will be adjusted to reflect the reduction of the Water Service Area and extension of the Community Water System.

PART 16 GENERAL

Amendments

- 16.1 This Agreement may not be modified or amended except by written agreement of all the parties hereto.

Notices

16.2 Any notice or other communication hereunder will be in writing and will be given by the delivery or rendering thereof its addressee by hand, by prepaid first class mail or by facsimile transmission, to the address below:

(a) If to RDN:

6300 Hammond Bay Road
Nanaimo, BC V9T 6N2

Attention: Senior Manager, Corporate Administration

(b) if to Parksville:

PO Box 1390
Parksville, BC V9P 2H3

Attention: Director of Administrative Services

(c) if to Qualicum Beach:

Box 130
Qualicum Beach, BC V9K 1S7

Attention: Corporate Administrator

Any notice or other communication so given will be deemed to have been received at the time of its delivery if delivered by hand, three Business Days after the date of mailing if mailed and at the time the sender receives a confirmation of dispatch if transmitted by facsimile transmission. Each party will notify the other parties of any change of address.

Entire Agreement

16.3 This Agreement contains the entire agreement among the parties hereto with respect to the subject matter hereof and replaces and supersedes all previous agreements between the parties relating to the subject matter hereof.

Arbitration

16.4 In the case of a disagreement or a dispute between the parties hereto with respect to this Agreement or the interpretation thereof which has not been resolved within 45 calendar days of either Joint Venturer giving notice to other Joint Venturer thereof, or in the case of a deadlock as described in Section 4.12, the dispute, disagreement or deadlock will, upon notice from either Joint Venturer to the other Joint Venturer, be referred to a single arbitrator pursuant to the *Commercial Arbitration Act* (British Columbia) whose decision will be final and binding.

Enurement

16.5 This Agreement will be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns hereunder.

Further Assurances

16.6 Each party will perform any act and execute and deliver any document reasonably required by any other party to carry out the terms of this Agreement in accordance with the true intent and meaning hereof.

Schedules

16.7 The following Schedules are attached to and form part of this Agreement:

- (a) Schedule A – Bulk Water Supply Facility;
- (b) Schedule B – Water Service Areas;
- (c) Schedule C – Capital Cost Apportionment.

Local Government Act and Community Charter

16.8 The obligations of the parties under this Agreement are subject to the requirements of the *Local Government Act* and the *Community Charter* respecting the provision of the Bulk Water Supply services by the Joint Venturers.

IN WITNESS WHEREOF the parties hereto executed this Agreement as of the day month and year first above written.

REGIONAL DISTRICT OF NANAIMO by its)
authorized signatories:)

_____)
Name:)

_____)
Name:)

CITY OF PARKSVILLE by its authorized)
signatories:)

_____)
Name:)

_____)
Name:)

SCHEDULE "A"

Arrowsmith Dam Bulk Water Supply Facility, Description of Current Infrastructure, Provisional Operational Rule and Conditional Water License

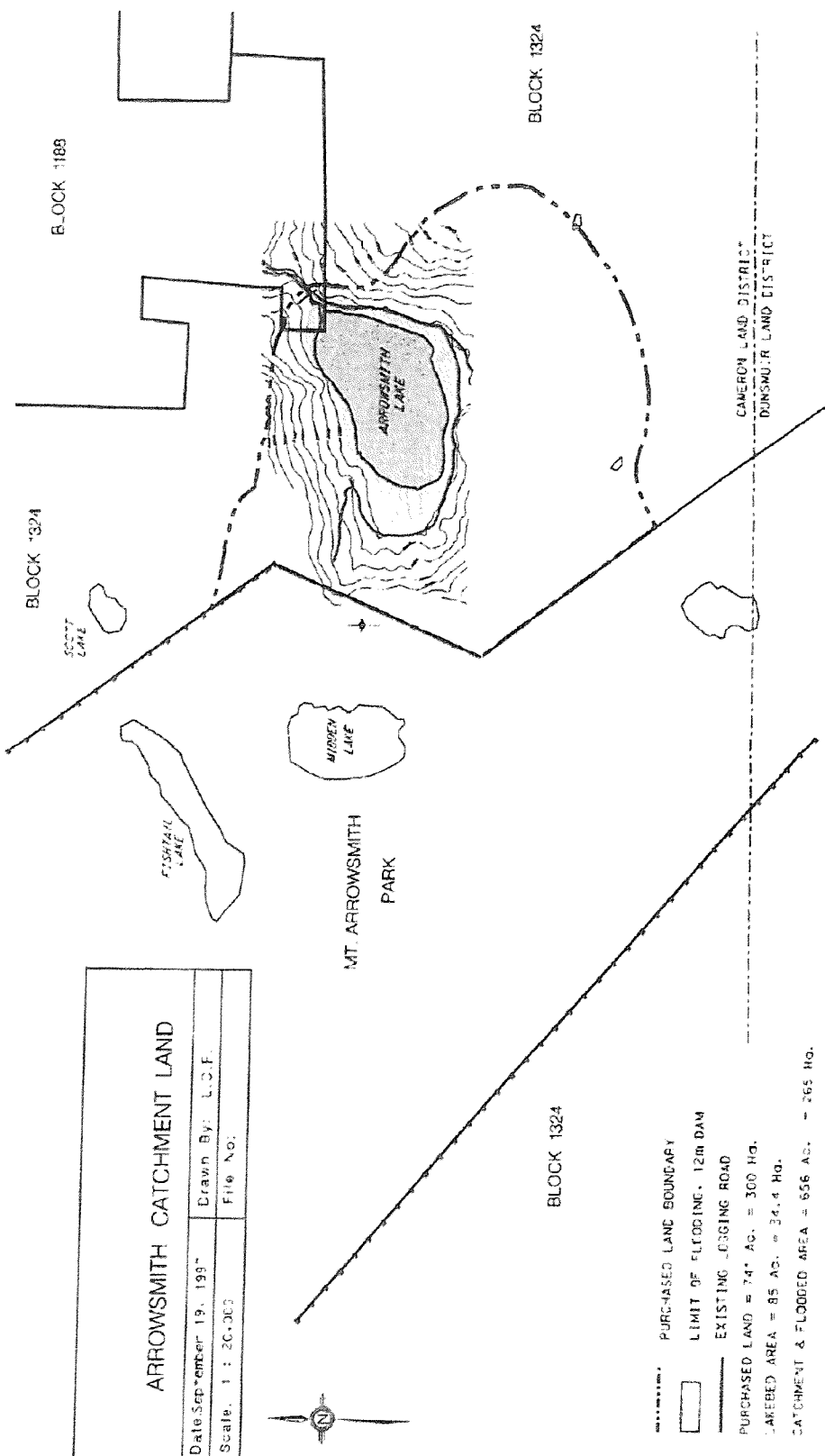
1. The three hundred (300) hectares of Arrowsmith Lake Catchment Boundary land surrounding Arrowsmith Lake as shown in Schedule A-1 attached hereto;
2. 12m high concrete dam formally known as Arrowsmith Dam, Location: Lat. 49°13'15.18"N, Long. 124°32'14.24"W, including all control valves, chambers, intake structures, siphon line, outlet structures, security fencing, gates and control weirs as shown in Schedule A-2 attached hereto;
3. Arrowsmith Dam Control Station Building housing: a thermal electric generator, diesel / electric generator, piezometers, diesel fuel tank, propane fuel tanks, propane heater, Supervisory Control and Data Acquisition (SCADA) equipment, batteries, Spread Spectrum Radio control equipment and instrumentation equipment.
4. Arrowsmith Lake radio repeater station including solar panels, batteries, instrumentation and a Spread Spectrum Radio. Location: Lat. 49°13'7.20"N, Long. 124°32'1.18"W.
5. Spread Spectrum Radio equipment stored at Mt. Cokely Communications Station. Location: Lat. 49°14'21.56"N, Long. 124°35'11.74"W.
6. Provisional Operational Rule – Arrowsmith Lake Reservoir and Conditional Water License: 110050.

Arrowsmith Dam Bulk Water Supply Facility - Description of Future Capital Works

1. Security cameras and Long Watch video recorder equipment
2. Provincial Dam Safety review requirements including consulting fees, settlement monitoring and dam remedial works.

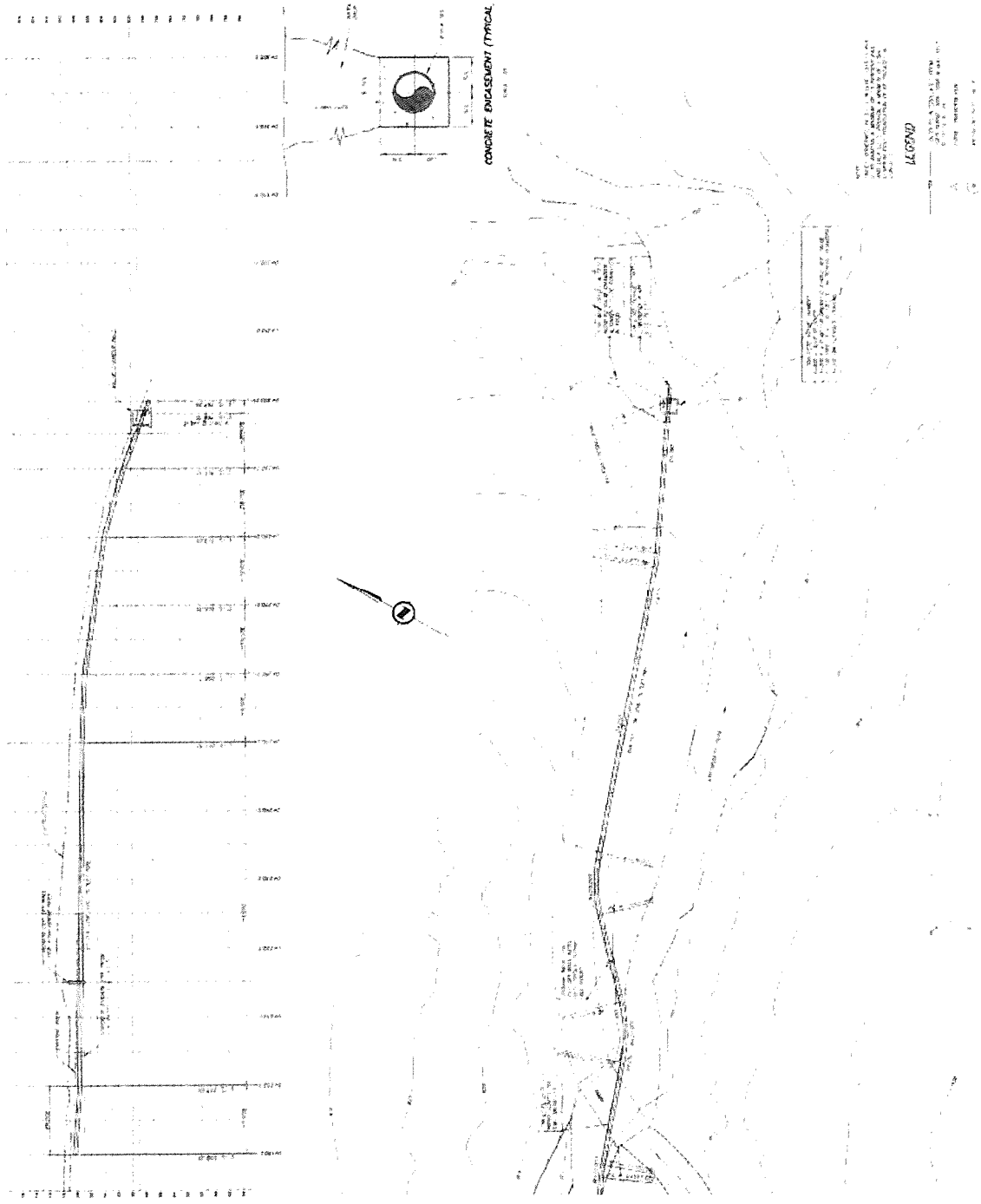
ARROWSMITH CATCHMENT LAND

Date: September 19, 1997
 Drawn By: L.C.F.
 Scale: 1 : 20,000
 File No.



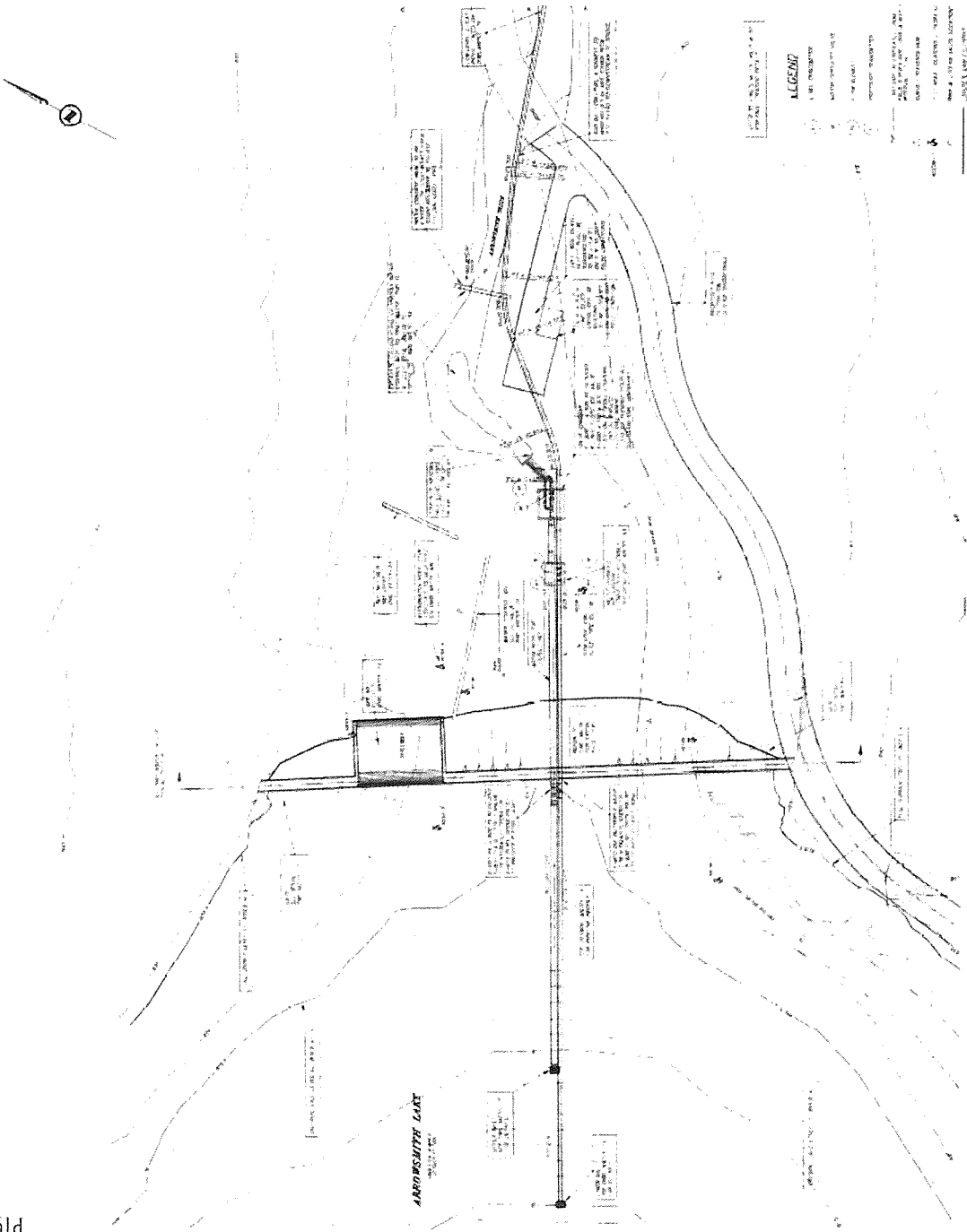
- PURCHASED LAND BOUNDARY
- LIMIT OF FLOODING, 12m DAM
- EXISTING LOGGING ROAD
- PURCHASED LAND = 74 Ha. = 300 Ha.
- LAKED AREA = 85 Ha. = 34.4 Ha.
- CATCHMENT & FLOODED AREA = 656 Ha. = 265 Ha.

SCHEDULE A-1



SCHEDULE A-2

P1932



SCHEDULE A-2

SCHEDULE “B”

WATER SERVICE AREAS

The areas delineated in the following bylaws or descriptions, as shown on the Water Service Area Maps appended to the bylaws are the Water Service Areas:

- Nanoose Bay Bulk Water Supply Service Establishment Bylaw No. 1049.
- French Creek Bulk Water Supply Service Establishment Bylaw No. 1050.

SCHEDULE "C"

CAPITAL COST APPORTIONMENT

The Englishman River Water Intake and Treatment Facility Capital Cost Apportionment

(a) in respect of joint facilities will be as follows:

Parksville: 63.9%

Qualicum Beach 13.7%

RDN: Nanoose 14.4%

French Creek 8.0%

(b) in respect of other capital works will be based on the benefit to the Joint Venturer.

TO: Board of Directors **DATE:** June 22, 2011

FROM: C. Mason **FILE:**
Chief Administrative Officer

SUBJECT: Englishman River Water Service Joint Venture Agreement

PURPOSE

To approve the Englishman River Water Service Joint Venture Agreement for a five year term.

BACKGROUND

The Arrowsmith Water Service (AWS) Joint Venture Agreement was first approved on July 10, 1996. Its purpose was to establish a Joint Venture for construction of the Arrowsmith Lake Dam and other associated capital infrastructure for the supply and treatment of water from the Englishman River to the City of Parksville, Town of Qualicum Beach and the Nanoose Bay and French Creek Bulk Water Service Areas of the Regional District of Nanaimo.

The Agreement has been renewed five times over the last 15 years while the partners have jointly constructed the Arrowsmith Dam and worked on the development of a capital plan for the next phase of AWS infrastructure. The current AWS Agreement expires on June 30, 2011; however, its renewal has been delayed as a result of the Town of Qualicum Beach indicating that it is reluctant to cost share in the next phase of construction for the required new intake and water treatment plant at this time, based on water demand projections from the AWS Consultant report that Qualicum Beach may not require water from the AWS bulk water supply for the next 30 years. Consequently, the AWS Management Board directed staff of the three jurisdictions to negotiate a new agreement for consideration by the Joint Venture partners that would address the outstanding issues related to the governance and funding of the bulk water service.

To address the concerns of the Town of Qualicum Beach, a new Agreement has been developed that excludes the Town from this next phase of construction. The “Englishman River Water Service (ERWS) Joint Venture Agreement” has been developed to parallel and complement the AWS Agreement; it has only the City of Parksville and the RDN as the Joint Venture participants. A summary of the terms of the proposed ERWS Joint Venture Agreement is presented below.

Part 1 - Definitions

This section mirrors the new AWS Agreement with respect to definitions, except for the inclusion of a new definition entitled the “Englishman River Water Intake and Treatment Facility” which describes the infrastructure that will be cost shared by the two Joint Venturers.

Part 4 - Management Board

The ERWS Management Board varies slightly from the AWS Management Board. Under this governance model the two AWS Joint Venture Board appointees and their two alternates all sit on the ERWS Board for a total composition of four Board members.

Under s. 4.7, the voting structure will be based on a proportional vote system which operates very similar to a regional district weighted vote system. Under this proposed governance model, each Board member of Parksville will have three votes and each Board member of the RDN will have two votes. Every decision of the Management Board will require five votes.

Section 4.16 describes the limits placed on the Management Board with respect to its power. Specifically, the Board does not have the power to do anything which requires authorization or approval under the *Local Government Act*, *Community Charter* or other applicable legislation without the individual approval of the Joint Venturers.

Part 5 – Management

This section reflects the role of local government staff in operating the ERWS Joint Venture. This section refers to appointment of a “Management Committee” comprised of each jurisdiction’s CAO, plus one other member from each Joint Venturer appointed by each CAO.

Part 7, 8 & 9 – Finances, Budgets & Budget, Accounting and Financial Reports and Records

Parts 7, 8 and 9 parallel the AWS Agreement to reflect the role of local government in overseeing the financing, budgeting and reporting of the activities of the ERWS Joint Venture.

Part 10 – Restrictions on Disposition

Following the model of the AWS Agreement, this section has been written to ensure that the interests of the Joint Venturers with respect to public ownership are protected in the event of disposition of a participating interest. Section 10.2 gives the right of first refusal on the purchase of a participating interest. If a Joint Venturer receives a legally binding offer to purchase all or a portion of that interest, the offer cannot be accepted unless it is from another local government, and with the condition that the other Joint Venturers will have the option to purchase that interest on the same terms and conditions and will have 180 days to consider that option.

If the other Joint Ventures wish to purchase the interest, they will have up to one year to conclude the purchase, unless other terms for payment are agreed upon by the Joint Venturers. In addition, the time for payment by a purchasing Joint Venturer may be extended by up to five years, or a longer period if approval of the electors has been obtained.

Part 13 – Term, Withdrawal and Termination

Similarly, Part 13 reflects the intent of Part 10 of the Agreement with respect to local government interest to ensure that the utility remains in local government ownership in the event of the dissolution of the Joint Venture. Specifically, s. 13.5 reinforces the option of a Joint Venturer to have the right of first refusal in purchasing another Joint Venturer’s participating interest and under s. 13.6 also provides for a dispute resolution process which follows the provisions of s. 813.13(3) of the *Local Government Act* through the appointment of an arbitrator by the Minister of Community, Sport and Cultural Development to mediate a resolve to the dispute.

Failing resolution under the provisions of Part 13, with no party wishing to purchase the interest of the other Joint Venturers, a liquidator will be appointed to act on the collective behalf of the Joint Venturers to liquidate the assets.

Part 14 – New Party

Part 14 provides language on how a new party other than the Town of Qualicum Beach may become a Joint Venturer. Section 14.1 of the AWS Joint Venture Agreement describes how the Town of Qualicum Beach may exercise its option in the future to join the ERWS Agreement. While the Town of Qualicum Beach would not be a signatory to ERWS Joint Venture Agreement, under the AWS Agreement it would have the option to ‘buy in’ to this infrastructure at a future date. This option is provided in recognition of the rights that Qualicum Beach possesses as a Joint Venture partner on the AWS water licence for Englishman River and joint owner of the Arrowsmith Lake dam and related infrastructure.

Schedules A, B & C

Schedule ‘A’ provides a detailed description of future capital works. Schedule ‘B’ references the current RDN Bulk Water Service Area Bylaws for Nanoose Bay and French Creek, and Schedule ‘C’ includes the capital cost apportionment percentages of the Joint Venturers. Without the Town of Qualicum Beach participating in the next phase of infrastructure, its share of 13.7% has been split proportionally between the City of Parksville and the RDN resulting in a cost allocation of 74% for Parksville and 26% for the RDN.

ALTERNATIVES

1. That the Englishman River Water Service Joint Venturer Agreement be approved for a five year term expiring on June 30, 2016.
2. That the Board provide alternate direction.

FINANCIAL IMPLICATIONS

The ERWS Joint Venture Agreement requires the approval of the City of Parksville and the RDN Board. Once approved, the Management Board and Management Committee will be established to oversee the development of the budget and the capital plan for the next phase of construction for the required new intake, water treatment plant, reservoir and distribution system.

As the ERWS Agreement limits the participation for the next phase to only the RDN and the City of Parksville, there are increased financial implications for the remaining Joint Venture partners. These costs will be developed in more detail over time with the intent that approval for the construction of the next phase will proceed to referendum once the detailed design is completed.

Without the approval of the ERWS Agreement, the Joint Venturers will not have an agreement in place to provide the authority to proceed with the next phase of planning for the construction of the Englishman River intake and water treatment plant.

SUMMARY/CONCLUSIONS

The current AWS Joint Venture Agreement expires on June 30, 2011; however, its renewal has been delayed as a result of the Town of Qualicum Beach indicating that it is reluctant to cost share in the next phase of construction for the required new intake and water treatment plant at this time. Consequently, the AWS Management Board directed staff of the three jurisdictions to negotiate a new agreement for

consideration by the Joint Venture partners that would address the outstanding issues related to the governance and funding of the bulk water service.

To address the concerns of the Town of Qualicum Beach, a new Agreement has been developed that excludes the Town from this next phase construction. The “Englishman River Water Service (ERWS) Joint Venture Agreement” has been developed to parallel and complement the AWS Agreement; it has only the City of Parksville and the RDN as the Joint Venture participants.

Voting of the ERWS Management Board is proposed to follow a ‘weighted vote’ system to reflect a governance model that is similar to a regional district governance structure. The ERWS Management Committee is formally recognized in the Agreement to describe the role of local government staff in overseeing the operation of this new Joint Venture service.

There is a new funding allocation for the ERWS Joint Venture based on the participation of Parksville and the RDN proceeding alone without the participation of the Town of Qualicum Beach. The original 13.7% allocation of Qualicum Beach has been split proportionally between the two Joint Venturers resulting in an allocation of 74% for Parksville and 26% for the RDN. This reallocation of costs addresses Qualicum Beach’s interest in not wishing to cost share in the water intake, treatment plant, reservoir and distribution infrastructure at this time, but it will have financial implications for the remaining Joint Venturers in proceeding with the next phase of construction. As noted earlier in this report, approval for the next phase of construction will be proceeding to referendum once detailed design has been completed.


The Town of Qualicum Beach has the opportunity to access future infrastructure at a purchase price based on the actual construction cost plus any increase in the Consumer Price Index (British Columbia) at the time of purchase under the provisions of the AWS Joint Venture Agreement.

The proposed Agreement has included language to provide additional protection to local government to ensure that the ERWS assets remain in local government ownership and control. This language includes the right of first refusal if a Joint Venturer wishes to dispose of its assets.

With the direction of the AWS Management Board, staff of the three Joint Venturers have spent 15 months negotiating options to address the concerns of the participants with respect to funding and governance. A new ERWS Agreement has now been developed to ensure that the required planning continues for the Englishman River water intake and treatment plant. Staff recommend that the Board approve the Agreement as presented.

RECOMMENDATION

That the “Englishman River Water Service Joint Venturer Agreement” between the City of Parksville and the Regional District of Nanaimo be approved for a five year term expiring on June 30, 2016.



Chief Administrative Officer

ENGLISHMAN RIVER WATER SERVICE

Joint Venture Agreement

THIS AGREEMENT dated for reference the day of , 2011,

BETWEEN:

REGIONAL DISTRICT OF NANAIMO
a corporation incorporated under the *Local Government Act*
6300 Hammond Bay Road
Nanaimo, BC V9T 6N2

(the "RDN")

OF THE FIRST PART

AND:

CITY OF PARKSVILLE
a municipal corporation incorporated under the *Local Government Act*
100 E. Jensen Avenue, P.O. Box 1390
Parksville, BC V9P 2H3

("Parksville")

OF THE SECOND PART

W H E R E A S:

- A. RDN under the *Local Government Act*, and Parksville under the *Community Charter*, each have the power to design, construct, install, own, operate, maintain, repair and replace Englishman River Water Intake and Treatment Facility;
- B. RDN and Parksville wish to enter into an Agreement to create a Joint Venture under their authority under the *Local Government Act* and *Community Charter* for the purpose of designing, constructing, installing, owning, operating, maintaining, repairing and replacing a water intake and treatment facility on land at the Englishman River (the "**Englishman River Water Service**").

NOW THIS AGREEMENT WITNESSES that in consideration of their mutual covenants and agreements, the parties covenant each with the other as follows:

PART 1 DEFINITIONS AND INTERPRETATION

Definitions

1.1 In this Agreement,

- (a) "Administration Cost" means the cost of administering the Arrowsmith Water Service Joint Venture on a continuing basis. This includes but is not limited to, the costs of Management Committee Support as provided under Section 5.4 and Budgeting, Accounting and Financial Records Support as provided under Section 9.4;
- (b) "Available Cash" means the amount by which cash on hand or on deposit with banks and other financial institutions, Available Credit, and the realizable value of short-term investments not otherwise pledged or required to be maintained as collateral or otherwise committed for the purpose of the Joint Venture, any of which is held by or on behalf of the Joint Venture, exceeds all unpaid cheques issued on and every overdraft in a Joint Venture Account;
- (c) "Budget" means the Operating Budget, Maintenance Budget and Capital Budget;
- (d) "Business Day" means any day except Saturdays, Sundays and statutory holidays in effect in British Columbia;
- (e) "Capital Budget" has the meaning given to it in Section 8.6;
- (f) "Capital Costs" means expenditures incurred or accrued by or on behalf of the Joint Venturers for or in connection with the acquisition or construction of capital assets in accordance with Public Sector Accounting Board Standards for tangible capital assets and includes such costs incurred or accrued since January 1, 1987;
- (g) "Capital Loan" means the several and Limited Recourse borrowings to be entered into by and on behalf of the Joint Venturers, to be secured by, among other things, a first charge on the Englishman River Water Intake and Treatment Facility, and to be applied primarily toward the design, construction, installation and ownership by the Joint Venturers of the Purchased Assets;
- (h) "Community Water Systems" means the water distribution trunks, mains, pumps, valves, appurtenances and related interests in land, held or owned by a municipality or regional district that is a party to this Agreement;
- (i) "Continuing Party" means a party that wishes to acquire the Participating Interest of a Non Continuing Party in the Joint Venture Assets under Section 13.4;
- (j) "Englishman River Water Intake and Treatment Facility" means the bulk water distribution system, reservoir, treatment system, appurtenances and related interests in land described in Schedule A and contemplated under this

Agreement to supply water in bulk to the Community Water Systems and the Water Service Areas;

- (k) "Event of Default" means one of the events described in Section 11.1;
- (l) "GAAP" means the generally accepted accounting principles (including the methods of application of the principles) established by the Canadian Institute of Chartered Accountants;
- (m) "Joint Venture" means the joint venture named Englishman River Water Service formed among RDN and Parksville under this Agreement;
- (n) "Joint Venture Account" means the bank accounts established under Section 6.1 and any other bank accounts established by the Joint Venturers to be used in connection with the Joint Venture;
- (o) "Joint Venture Assets" means all property and assets, present and future, of every nature whatsoever whether real or personal, corporeal or incorporeal, owned or rented by the Joint Venturers or possessed or rented on behalf of the Joint Venturers, including the Purchased Assets, in each case for the purposes of the Joint Venture whether in the name of any of the Joint Venturers or the Joint Venture;
- (p) "Joint Venture Borrowing" means indebtedness, liabilities and obligations incurred on account of funds borrowed by or on behalf of the Joint Venturers;
- (q) "Joint Venture Costs" means the Operating Costs, Maintenance Costs and the Capital Costs;
- (r) "Joint Venturer" means RDN and Parksville including their respective successors and permitted assigns, and "Joint Venturers" means all of them;
- (s) "Limited Recourse" with respect to a loan means that the right of any lender to recover any amounts, indebtedness or damages owing under or in connection with the loan (whether by reason of breach or default under any covenant, term, representation, warranty or other provisions relating to the loan or otherwise) or owing by the borrower at law or in equity or by statute or contract in connection with the loan, will be limited and restricted to the lender's rights to realize upon the property and assets of the borrower which have been mortgaged, pledged, charged or assigned as security for the loan; except each borrower and its successors and permitted assigns will be liable for and pay to the lender the amount of any losses, liabilities, claims, damages and expenses caused by the fraud (i) committed by that borrower (and not by an agent of that borrower) or (ii) committed by or participated in by one or more persons as officers, council members or directors of that borrower;
- (t) "Maintenance Budget" has the meaning given to it in Section 7.5;
- (u) "Maintenance Costs" means all costs (other than those identified as capital and operating costs) of repairing and maintaining the equipment and capital assets

of the Englishman River Water Service Joint Venture to ensure the service is kept in satisfactory operating condition consistent with industry standards. It includes but is not limited to, testing, parts replacement, repairs, and any directly related materials and labour expenses; and includes such cost incurred and accrued on and after the date of the Bulk Water Supply Facility commences the supply of water in bulk under this Agreement;

- (v) "Management Board" means the board established under Part 4;
- (w) "Non Continuing Party" means a party that does not wish to continue the Joint Venture after the expiry of the Term referred to in Section 13.1(b) of this Agreement;
- (x) "Management Committee" means the Management Committee of the Joint Venture appointed under Part 5;
- (y) "Operating Budget" has the meaning given to it in Section 7.4;
- (z) "Operating Costs" means all costs (other than those identified as capital and maintenance costs) of operating the Englishman River Water Service Joint Venture on a continuing basis. This includes but is not limited to, monitoring costs, overhead costs, indirect labour, utility services, audit fees, insurance and licencing fees, and directly related materials and labour expenses; and includes such costs incurred or accrued on and after the date the Bulk Water Supply Facility commences the supply of water in bulk under this Agreement;
- (aa) "Operator" means the City of Parksville;
- (bb) "Participating Interest" means the percentage interest of a Joint Venturer in the Joint Venture Assets and the profits of the Joint Venture, which will initially be as set out in Section 2.9;
- (cc) "Province" means Her Majesty the Queen in Right of the Province of British Columbia;
- (dd) "Water Licence" means the water licence or licences held by the three Joint Venturers;
- (ee) "Water Service Area" means an area situated in the RDN that is served by a Community Water System and is identified on Schedule B, subject to boundary alterations of the area:
 - i) under the procedures prescribed by applicable enactments; or
 - ii) by agreement of the Joint Venturers.

Interpretation

- 1.2 For the purposes of this Agreement, except as otherwise expressly provided or as the context otherwise requires:
- (a) "Agreement" means this Agreement as from time to time supplemented or amended by one or more agreements entered into pursuant to the applicable provisions of this Agreement together with all other attachments to it;
 - (b) the word "including", when following any general term or statement, is not to be construed as limiting the general term or statement to the specific terms or matters set forth or to similar items or matters, but rather as permitting the general term or statement to refer to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;
 - (c) reference to a Part or a Section means the corresponding Part or Section of this Agreement;
 - (d) an accounting term not otherwise defined in this Agreement has the meaning assigned to it, and except as otherwise directed in this Agreement, every calculation to be made under this Agreement is to be made in accordance with GAAP;
 - (e) except as otherwise expressly provided, all references to currency mean Canadian currency;
 - (f) words in the singular include the plural and words importing a corporate entity include individuals and vice-versa;
 - (g) reference in this Agreement to a particular numbered paragraph, article or section, or lettered schedule is a reference to the correspondingly numbered paragraph, article, or section, or lettered schedule of this Agreement;
 - (h) reference in this Agreement to an enactment is a reference to an enactment as defined in the *Interpretation Act (British Columbia)*, and includes a reference to an enactment of British Columbia, RDN and Parksville, as applicable;
 - (i) reference in this Agreement to an enactment is a reference to that enactment as amended, revised, consolidated or replaced; and
 - (j) reference in this Agreement to a party is a reference to a party of this Agreement.

Governing Law

- 1.3 This Agreement will be governed by and interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada.

Headings

- 1.4 The headings given to paragraphs, articles and sections in this Agreement are for convenience of reference only and do not form part of this Agreement and must not be used in the interpretation of this Agreement.

Severance

- 1.5 If any clause or portion of this Agreement is declared or held invalid for any reason, the invalidity does not affect the validity of the remainder of that clause or this Agreement, and the terms and provisions of this Agreement continue to be in force and in effect and are to be construed as if the Agreement had been executed without the invalid portion.

Water Licence

- 1.6 This Agreement is subject to the terms and conditions contained in any Water Licence issued by the Comptroller of Water Rights of the Province of British Columbia.

PART 2 JOINT VENTURE

Formation and Purpose

- 2.1 Subject to the terms and conditions of this Agreement, RDN and Parksville continue the Joint Venture for the following purposes:
- (a) to design, construct, install, own, operate, maintain, repair and replace the Englishman River Water Intake and Treatment Facility; and
 - (b) to supply water in bulk to the Community Water Systems and the Water Service Areas.

Englishman River Water Intake and Treatment

- 2.2 On and after the date of this Agreement coming into effect, the parties must with due diligence, and subject to the terms and conditions set out in this Agreement and the Water Licence design, construct, install, own, operate, maintain, repair and replace the Englishman River Water Intake and Treatment Facility as generally described in Schedule A.

Name

- 2.3 The name of the Joint Venture will be "Englishman River Water Service" or such other name as from time to time the Management Board determines. The business and affairs of the Joint Venture will be concluded to the extent possible under such name or in the name of the Joint Venturers with the designation that they are doing business in joint venture under such name.

Dedication of Assets

- 2.4 Each Joint Venturer as long as it is a Joint Venturer, dedicates for the purposes of the Joint Venture, all its interest in Joint Venture Assets and all its rights to use and enjoy Joint Venture Assets.

Nature of Obligations

- 2.5 Unless the Joint Venturers otherwise agree, the liabilities and obligations of the Joint Venturers under this Agreement, and under any agreement contemplated by or related to this Agreement, will be several to the extent of their respective Participating Interests and not joint or joint and several and all agreements made on behalf of the Joint Venture will, to the extent practicable, state the liability of the Joint Venturers to be several.

Partition

- 2.6 Except on termination of this Agreement or withdrawal under Part 13, no Joint Venturer will be entitled to demand partition of the Joint Venture or the Joint Venture Assets.

No Partnership

- 2.7 The Joint Venturers expressly disclaim any intent to create a partnership with respect to the Joint Venture or the ownership or operation of the Joint Venture Assets, and disclaim any intent to create a partnership with respect to the exercise of their rights under this Agreement, the administration of the Joint Venture Assets or any other matter relating to this Agreement. None of the Joint Venturers will have any authority, actual or implied, to act for the other as agent or otherwise or to bind the others.

Representations and Warranties

- 2.8 Each Joint Venturer represents and warrants to the others as follows:
- (a) it has the power and capacity to enter into this Agreement;
 - (b) this Agreement is valid and binding on it in accordance with its terms;
 - (c) the performance of its obligations under this Agreement does not breach the terms of any other agreement or obligation to which it is a party; and
 - (d) it now holds and will hold its Participating Interest beneficially and free and clear of all restrictions, liens, encumbrances, floating charges or agreements of any kind except
 - (i) for the obligations created under this Agreement; or
 - (ii) as agreed among the Joint Venturers from time to time.

Participating Interest

- 2.9 The Participating Interest of each of the Joint Venturers as at the date of this Agreement is the same as the apportionment of Capital Costs as set out in Schedule C.

PART 3 ACQUISITION

Completion of Agreements

- 3.1 Subject to the approval of the Board of RDN and Council of Parksville, each of the parties will cooperate fully and take all reasonable steps to negotiate, finalize and execute all agreements, instruments and other documents contemplated by or related to this Agreement.

PART 4 MANAGEMENT BOARD

Formation and Membership

- 4.1 There will be a Management Board composed of four members, two members from each Joint Venturer, who are the parties' appointees to the Management Board of the Arrowsmith Water Service and their alternates. Upon execution of this Agreement and subsequently prior to January 1 every year, each of the Joint Venturers must appoint as members to the Management Board the elected officials who are the parties' appointees to the Arrowsmith Water Service and their alternates.

Chair

- 4.2 The Management Board must elect a Chair from among its members on the basis of one vote for each member.

Meetings

- 4.3 During each fiscal year of the Joint Venture, the Management Board will hold at least two meetings at such times and places as the Management Board may determine for the purpose of approving a budget and the annual report. The Chair will call additional meetings of the Management Board upon the request of any member of the Management Board.

Notice of Meetings

- 4.4 The Chair will give to each and alternate member of the Management Board 24 hours' written notice of the place, date and time of any meeting and of the agenda for such meeting. The agenda will indicate the nature of the business to be transacted at the meeting. The requirement for 24 hours' notice may be waived by resolution passed at the commencement of the meeting by all three members or their alternate members.

Telephone Meetings

4.5 A member or alternate member may participate in a meeting of the Management board by means of telephone or other communication facilities as permit all persons participating in the meeting to hear each other and will be deemed to be present at that meeting.

Quorum

4.6 A quorum for each meeting of the Management Board will be three members.

Votes

4.7 At all meetings of the Management Board, each member representing:

- (a) Parksville shall have three votes; and
- (b) RDN shall have two votes.

Voting

4.8 Every decision of the Management Board will require five votes.

4.9 Section 4.7 does not apply to voting for the Chair under Section 4.2 which shall be on the basis of one vote for each member.

Resolutions in Writing and Minutes

4.10 The Chair will cause minutes of each meeting of the Management Board to be kept and a copy to be circulated to each member and alternate member. A resolution in writing signed in whole or in counterparts by all of the members of the Management Board in respect of any matter falling within the competence of the Management Board will be effective as if adopted at a meeting. The Chair of the Management Board will promptly send to the Joint Venturers and each member a copy of any such resolution.

Dispute Resolution

4.11 If the Management Board is unable to agree on any matter within its power that has been referred to it after consideration of that matter at two meetings of the Management Board, any of the Joint Venturers may declare a deadlock by notice in writing to the others specifying the matter at issue and the position, with reasons, of the declaring Joint Venturer, all in reasonable detail. If the deadlock is not resolved within 15 Business Days after receipt of such notice, any Joint Venturer may refer the issues to dispute resolution pursuant to the provisions of this Agreement. Each party to the arbitration shall pay costs on the basis determined by the single arbitrator.

Deadlock As to Budget

4.12 If the Management Board or Joint Venturers fail to approve the Budget for the next ensuing fiscal year, the Operator will, until a new Budget is approved by the Joint

Venturers or determined by arbitration, operate the business of the Joint Venture in the normal course on the basis as consistent as possible with the last Budget, if any, approved by the Management Board.

Decisions Binding

4.13 Subject to Section 4.15, all decisions of the Management Board made within its power under this Agreement will be binding on the Joint Venturers.

Management Board's Power

4.14 In addition to the powers conferred on it by any provision of this Agreement, the Management Board must:

- (a) review, and recommend for the approval of the Joint Venturers, the Budget;
- (b) review, and make recommendations to the Joint Venturers with respect to (but not to approve) any material agreements to be entered into by the Joint Venture;
- (c) conduct, direct and supervise the business, affairs and operations of the Joint Venture;
- (d) give direction to the Management Committee;
- (e) make recommendations to the Joint Venturers with respect to any amendments to this Agreement;
- (f) cause to be entered into and amended all agreements which are necessary or appropriate for the day-to-day operation of the Joint Venture, except those agreements which the Management Board would not have the power to approve under Section 4.15 and, if considered advisable by the Management Board in the interests of the Joint Venture, terminate such agreements;
- (g) initiate technical studies when deemed advisable;
- (h) prepare plans for capital expenditures;
- (i) review and approve the annual and periodic financial statements of the Joint Venture.

Limits on Management Board's Power

4.15 Despite Section 4.13, the Management Board will not have the power, without the approval of each of the Joint Venturers:

- (a) to do anything for which RDN or Parksville requires authorization or approval under the *Local Government Act, Community Charter*, successor legislation or other applicable enactments without the prior confirmation from them that such authorization or approval has been obtained by RDN or Parksville, as applicable;

- (b) to do anything within the legislative discretion of a Joint Venturer;
- (c) to authorize Joint Venture Borrowing or making an annual Budget;
- (d) to authorize any distributions of available cash to the Joint Venturers;
- (e) to authorize adding a new party under Part 14;
- (f) the disposition of all or any part of the interest of a Joint Venturer in this Agreement.

Powers of the Management Board Chair

4.16 The function of the Management Board Chair will be to carry out the functions and duties prescribed by the Management Board and, if present, to preside at meetings of the Management Board. If the Management Board Chair is absent from a meeting, then his or her alternate member must preside.

Technical Committees

4.17 The Management Board may from time to time establish technical committees, such as a Capital Planning Committee or a Construction Committee, as it considers appropriate in the circumstances. The Management Board may appoint to the technical committees such persons as the Management Board considers appropriate.

Expenses

4.18 The members and alternate members of the Management Board will not as such be entitled to be paid any compensation by the Joint Venture and any remuneration that may be paid to them in such capacity by the Joint Venturers by which they have been appointed will not form part of the Operating Costs.

PART 5 MANAGEMENT

Appointment of Management Committee

5.1 The Management Committee will be the Chief Administrative Officer of each Joint Venturer plus one other member from each Joint Venturer as appointed by that Joint Venturer's Chief Administrative Officer.

Duties and Functions of the Management Committee

5.2 The Management Committee must:

- (a) make recommendations to the Management Board on matters relating to the Joint Venture;
- (b) prepare and distribute agendas for Management Board meetings;

- (c) keep minutes of meetings of the Management Board;
- (d) administer this Agreement and any agreements made by or on behalf of the Joint Venture;
- (e) make recommendations to the Management Board respecting the making, amending or implementation of agreements made by or on behalf of the Joint Venture;
- (f) monitor the financial circumstances of the Joint Venture;
- (g) generally do all things necessary or advisable in connection with the business of the Joint Venture in accordance with this Agreement;
- (h) do such other acts and things on behalf of the Joint Venture as the Management Board Chair may direct from time to time; and
- (i) give direction to the Operator.

Limits on Management Committee

- 5.3 None of the powers, authorities or discretions delegated to the Management Committee may encroach on powers, authorities or discretions properly exercisable by the Management Board. The powers, authorities and discretions exercised by the Management Committee are subject to the direction of and guidelines established by the Management Board and any other restrictions, limitations and approvals set out in this Agreement, including the limitations set out in Section 4.15, and within the constraints of the Budget from time to time.

Management Committee Support

- 5.4 The RDN shall provide, at the cost of the Joint Venture, administrative support to the Management Committee and the Management Board as required by this Agreement.

Liability

- 5.5 The Joint Venturers release the Management Committee members, Management Board members, the Operator and the Joint Venturers' agents of and from any and all loss, costs, damages, expenses and liabilities suffered or incurred by the Joint Venturers or any of them in respect of the matters arising out of or attributable to any negligence of, or breach of the provisions of this Agreement by the Management Committee, Management Board members or Joint Venturers' agents, in connection with the observance and performance of any of the covenants, agreements or duties of the Management Committee, Management Board members, the Operator or Joint Venturers' agents to be observed or performed under this Agreement, except losses, costs, damages, expenses and liabilities caused by the wilful wrongful act of any one or more of the Management Committee, Management Board members, the Operator or Joint Venturers' agents.

PART 6 OPERATIONS

Operations

- 6.1 Subject to this Agreement, the Operator will, on behalf of the Joint Venture, operate, maintain and repair the Englishman River Water Intake and Treatment Facility.
- 6.2 The Operator may, subject to direction from the Management Committee, contract for goods and services on behalf of the Joint Venture in accordance with the Operators purchasing policy and subject to this Agreement.

PART 7 FINANCES

Bank Accounts, Deposits, Disbursement and Investment of Funds

- 7.1 The Operator shall be responsible for recording and preparation of the accounts of the Joint Venture, including but not limited to preparation of accounts receivable and accounts payable, annual budgets and financial reports to the Management Committee, ensuring that the accounts of the Joint Venture are audited annually in accordance with the *Local Government Act*, and investing any surplus funds in the Joint Venture Account in the manner approved by the Management Board from time to time.
- 7.2 The Operator may open and maintain, with the Operator's usual bank or other bank approved by the Management Board, a Joint Venture Account in the name of the Joint Venture. All funds receivable by the Joint Venture may upon receipt be deposited in the Joint Venture Account. Members of the Management Board will have signing authority on the Joint Venture account alone or together with such other persons or the Operator's staff the Management Board approves. Any payment to be made by the Operator on behalf of the Joint Venture will be made out of the Joint Venture Account.
- 7.3 The Operator shall manage the financial affairs of the Joint Venture in accordance with the approved Budget and GAAP.

Cash Requirements

- 7.4 The Joint Venturers will take all reasonable steps to ensure that sufficient funds are available to allow the Joint Venture to complete transactions called for by agreement of the parties under this Agreement. The Operator may request that the Joint Venturers provide cash advances on account of Operating Costs. Otherwise, the Joint Venturers must pay an annual requisition provided for in the Budget by May 31 of each year.

Operating Loans

- 7.5 For the purpose of financing operations and sustaining capital expenditures of the Joint Venture, if the Joint Venturers establish and maintain a line of credit, it must be

established and maintained on a Limited Recourse basis in such maximum amount and on such terms and conditions as the Joint Venturers from time to time are reasonably able to arrange.

Application of Available Cash

7.6 Available Cash will be applied to pay Operating Costs and Maintenance Costs as they fall due or in the normal course of operations.

Additional Contributions

7.7 If an approved Budget contemplates contributions from the Joint Venturers to finance Capital Costs, the Joint Venturers will advance the contemplated contribution to the Joint Venture promptly upon receipt from the Operator of a request to do so.

Place of Payments

7.8 All payments to be made under this Agreement to the Joint Venture will be made to the Operator.

Cash Contributions

7.9 Subject to:

- (a) the terms of Joint Venture Borrowings, including the Operating Loan; and
- (b) the establishment by the Joint Venturers, based on the recommendations of the Management Board taking into account anticipated Joint Venture costs and revenue, of prudent reserves for Operating Costs, Maintenance Costs and Capital Costs,

within 90 days after each fiscal year end of the Joint Venture, Available Cash will be used to:

- (c) pay down Joint Venture Borrowing; or
- (d) pay Maintenance Costs or Operating Costs.

7.10 A party may make a cash advance in respect of the portion of Capital Costs allocated to that party under this Agreement, in which case that party is not liable for Joint Venture Borrowing related to that portion of Capital Costs in respect of which the party made the cash advance.

Capital Cost Apportionment

7.11 The Capital Costs will be apportioned among the parties as set out in Schedule C.

Operating Costs Apportionment

7.12 The Operating Costs will be apportioned among the parties on the basis of the metered flow to the party receiving the water from the Englishman River Water Intake

and Treatment Facility.

Maintenance Costs Apportionment

7.13 The Maintenance Costs will be apportioned among the parties on the basis of the percentage of the Capital Costs apportioned in respect of that party pursuant to the formulae in Schedule C.

Administrative Costs Apportionment

7.14 The Administrative Costs will be apportioned among the parties on the basis of the percentage of the Capital Costs apportioned in respect of that party pursuant to the formulae in Schedule C.

Approval of Electors

7.15 To the extent lawfully possible, the parties shall conduct jointly any process required to obtain the assent of the electors for any loan authorization bylaw and will not borrow funds under the loan bylaw unless approval is obtained to the borrowing within Parksville and the Water Service Area.

PART 8 BUDGETS

Fiscal Year

8.1 The fiscal year end of the Joint Venture will be December 31.

Provisional Budgets

8.2 On or before December 15th of the year preceding each fiscal year of the Joint Venture, the Management Committee will submit to the Management Board for its review a provisional operating budget (the "provisional Operating Budget"). A provisional maintenance budget (the "provisional Maintenance Budget") and a provisional capital expenditure budget (the "provisional Capital Budget"). The Management Board must recommend these provisional Budgets for the consideration of the Joint Venturers.

Budget Recommendations

8.3 On or before January 31st in each fiscal year of the Joint Venture, the Management Board must recommend to the Joint Venturers an Operating Budget, Maintenance Budget and Capital Budget.

Operating Budget

8.4 The Operating Budget will set out in reasonable detail the proposed operations, works and undertakings to be carried out in the Joint Venture and will include for such fiscal year the amount, by category, of each component of Operating Costs and will indicate the amount of such Operating Costs estimated to be payable by each Joint Venturer in

accordance with the provisions of this Agreement, after taking into consideration anticipated revenues.

Maintenance Budget

8.5 The Maintenance Budget will set out in reasonable detail the proposed maintenance operations, works and undertakings to be carried out in the Joint Venture and will include for such fiscal year the amount, by category, of each component of Maintenance Costs and will indicate the amount of such Maintenance Costs estimated to be payable by each Joint Venturer in accordance with the provisions of this Agreement, after taking into consideration anticipated revenues.

Capital Budget

8.6 The Capital Budget will set out in reasonable detail all Capital Costs for the next five fiscal years and will indicate the amount of such Capital Costs estimated to be payable by each Joint Venturer in accordance with the provisions of this Agreement, after taking into consideration anticipated revenues.

Operations in Conformity with Budgets

8.7 Except as permitted by the Management Board (to the extent it has authority under this Agreement to so approve) or decision of the Joint Venturers, all operations of the Joint Venture in each fiscal year will be conducted in conformity with the Budgets applicable to that fiscal year approved by the Joint Venturers.

Approval of Budgets

8.8 Subject to Section 4.14, the Management Board will recommend to the Joint Venturers with or without amendment, the Budgets submitted to it by the Management Committee.

Effect of Approved Budgets

8.9 The Management Committee, as applicable under Part 5, will implement the approved Budgets and carry out all activities and operations of the Joint Venture in accordance therewith. The Management Committee will not, without the approval of the Management Board (who may require the approval of the Joint Venturers under Section 4.14) incur or commit in any fiscal year on behalf of the Joint Venture any expenditure not provided for in the applicable Budgets. Despite the failure of the Management Board to give any approval required, the Operator may incur on behalf of the Joint Venture any Operating Costs or Capital Cost which needs to be incurred at that time in order to prevent loss, damage or injury, or comply with the requirements of any insurer or regulatory authority or law and any such expenditure will form part of Operating Costs.

PART 9 BUDGET, ACCOUNTING AND FINANCIAL REPORTS AND RECORDS

Accounting Books and Records

9.1 The Operator will be responsible for the preparation of financial reports (other than those to be prepared by the Joint Venture's accountants) to be furnished, to the Management Board and the Management Committee hereunder, the maintenance of adequate accounts, books and records and the allocation between the Joint Venturers of Maintenance, Operating, and Capital Costs and will use reasonable efforts to ensure that such accounts, books, records and the financial reports meet reasonable accounting and tax reporting requirements of each Joint Venturer.

Financial Reports

9.2 The Operator will, upon request from the Management Board, provide the Management Board and Management Committee with unaudited financial statements, reflecting in reasonable detail, but in summary form, the results of operations and financial situation of the Joint Venture for the periods requested.

Location and access to Records

9.3 The Operator will cause all books and records of the Joint Venture to be kept in its offices. The Operator will permit each Joint Venturer, its accountants and other representatives, at the Joint Venturer's own expense and at all reasonable times to examine and make copies of these documents and any documents under the control of the Operator and relating to the Joint Venture.

Budgeting, Accounting and Financial Records Support

9.4 The City of Parksville shall provide at the cost of the Joint Venture, budgeting, accounting and financial reporting support to the Management Committee and the Management Board as required by this Agreement.

PART 10 RESTRICTIONS ON DISPOSITION

No Disposition of Participating Interest

10.1 A Joint Venturer will not sell, assign, pledge, mortgage or otherwise dispose of its interest in this Agreement and the Joint Venture Assets, except as set out in Sections 10.2 or Part 13.

Right of First Refusal to Purchase Participating Interest

10.2 If a Joint Venturer receives a legally binding offer to purchase all or a portion of the Joint Venturer's interest in this Agreement and the Joint Venture Assets, the Joint Venturer will not accept such offer (unless such acceptance is conditional on compliance with this Section 10.2) unless:

- (a) the offer is from another local government;
 - (b) it has delivered to the other Joint Venturers a copy of such offer, which delivery will be deemed to be an irrevocable offer by the first Joint Venturer, to sell its interest in this Agreement and the Joint Venture Assets on the same terms, and conditions as are set out in this offer;
 - (c) the other Joint Venturer has not accepted the offer within 180 days of receipt thereof; and
 - (d) if the other Joint Venturer's consent, which consent to not to be unreasonably withheld or delayed, it completes the agreement of purchase and sale pursuant to the offer (which may include terms for payment agreed by the Joint Venturers) within one year after delivery of the offer to the other Joint Venturer and the purchaser enters into an agreement with the other Joint Venturer whereby the purchaser agreed to become a party to this Agreement and to assume and perform all of the obligations of the selling Joint Venturer hereunder.
- 10.3 Any agreement of purchase and sale formed as provided in Section 10.2 that involves the transfer of title to land or an interest in land will be completed on a Land Title Office business day that is not later than one year after the date on which the offer was first delivered to the other Joint Venturers under Section 10.2(a) and that agreement of purchase and sale is subject to all of the following:
- (a) the agreement of purchase and sale formed thereby is an agreement in respect of which time is of the essence;
 - (b) the selling Joint Venturer shall execute and deliver at completion of the agreement such transfers or other instruments of conveyance, in registerable form, as are necessary to transfer and convey to and in favour of the purchasing Joint Venturer all of the right, title and interest of the selling Joint Venturer in and to this Agreement and the Joint Venture Assets and will do all such things and take all such actions as may be necessary to comply with and fulfil the intent of this Agreement and the agreement of purchase and sale;
 - (c) the purchasing Joint Venturer will pay the purchase price for the interest in question and will execute and deliver all such documents and do all such things and take all such actions as may be necessary to fulfil the intent of this Agreement and the agreement of purchase and sale;
- 10.4 The interest sold out by the selling Joint Venturer will be transferred free and clear of all financial liens, charges and encumbrances whatsoever. Without limiting Section 2.6, each of the Joint Venturers hereby irrevocably and conclusively waives the benefits of all provisions of law relating to actions for a partition or sale in lieu of partition or administration of real and personal property including, without limitation, the *Partition of Property Act* (British Columbia) and each of the Joint Venturers agrees with the others that it will not commence any action at law or in equity for a partition or sale in lieu of partition of any real property that forms part of the Joint Venture Assets or seek administration in respect thereof.

- 10.5 A Joint Venturer must not accept an offer under Section 10.2 received less than one year before the end of the Term of this Agreement under section 13.1(c).
- 10.6 A Joint Venturer may not transfer a Share to a party other than a Joint Venturer except in accordance with Section 10.2 or Part 13.
- 10.7 Notwithstanding section 10.2, in the event that the other Joint Venturers exercise their Right of First Refusal under this part, the terms and conditions will be those as contemplated in Section 10.2 with the exception that the time for payment of the purchase price to the selling Joint Venturer contemplated by the offer to purchase will, at the option of the purchasing Joint Venturer or Joint Venturers, be extended up to five (5) years; or for such longer term where the assent of the electors has been obtained.

PART 11 LIABILITY OF THE JOINT VENTURE

Liability, Indemnification and Insurance

- 11.1 If a claim by any third party arising out of the operations of the Joint Venture is made against the Joint Venturers or any of them, each of the Joint Venturers will share the liability (including interest and legal fees on a solicitor and client basis) for the claim pro rata to its Participating Interest and will indemnify and save harmless the other Joint Venturer against liability for the claim to the extent of its Participating Interest.

Notwithstanding the foregoing, where a claim arose out of the negligence of one of the Joint Venturers, without any negligence of the other Joint Venturer, the Joint Venturer who was negligent will be fully liable for such claim and will indemnify and save harmless from liability the other Joint Venturer with respect to such claim.

Notice of Claims

- 11.2 Each Joint Venturer against whom a third party claim is advanced, will give prompt and timely notice of that claim to the other Joint Venturers and will allow the other Joint Venturers to participate in the defence, negotiation or settlement of such claim at the cost of the Joint Venturer.

Insurance

- 11.3 The Joint Venturers are public bodies and are insured by the Municipal Insurance Association. Each Joint Venturer will maintain at its sole cost and expense, in good standing for the Term, liability insurance against the third party claims arising from the Joint Venture and operation of the Englishman River Water Intake and Treatment Facility with inclusive limits of not less than Five Million (\$5,000,000.00) Dollars for bodily injury, including death and property damage, and in that event, a Joint Venturer will, on request from another Joint Venturer, provide evidence that such insurance is, at all times during the Term, enforceable and in effect.

PART 12 DEFAULT

Default

12.1 The occurrence of any of the following events will be an Event of Default by a Joint Venturer under this Agreement:

- (a) the failure of a Joint Venturer to perform or observe any of its covenants or agreements in this Agreement, if such failure is not cured within 45 days of written notice from the other Joint Venturers specifying such failure;
- (b) a Joint Venturer becomes insolvent; or
- (c) an administrative commissioner is appointed in respect of a Joint Venturer under section 1027 of the *Local Government Act* and is not discharged within 45 days.

Remedies Upon an Event or Default

12.2 Upon the occurrence of an Event of Default by or with respect to a Joint Venturer:

- (a) the defaulting Joint Venturer will forthwith upon the written request of the other Joint Venturers given within 60 days after the Event of Default, sell its Participating Interest to the other Joint Venturers free and clear of all liens, charges and encumbrances other than security for liabilities incurred in accordance with this Agreement in the business of the Joint Venture, for a price equal to the defaulting Joint Venturer's Participating Interest in the net book value of the Joint Venture Assets as at the date of the written request, less 10% of such book value;
- (b) if the Joint Venturers do not agree as to the net book value of the Joint Venture Assets within 10 Business Days after the date of the written request, then at the direction of any of the Joint Venturers, the net book value will be determined by the accountants for the Joint Venture if the accountants have been appointed for the Joint Venture and are willing to accept such engagement, and otherwise by the business valuator appropriately qualified by the Canadian Institute of Chartered Business Valuators selected by the non-defaulting Joint Venturer, whose opinion will be binding upon the Joint Venturers and whose fees and disbursements for these services will be borne by the defaulting Joint Venturer;
- (c) the closing date for the sale of the defaulting Joint Venturer's interest will be 120 calendar days after the determination of the purchase price and will be completed by the execution and delivery by the defaulting Joint Venturer (the "Seller") of such transfers, bills of sale, assignments and other conveyancing documents from the seller to the purchasing Joint Venturer (the "Buyer") in such form as reasonably required by the Buyer and by the delivery of possession on the Joint Venture Assets to the Buyer;
- (d) the purchase price will be paid by the Buyer on the Closing Date;

- (i) by set-off to the extent determined by the Buyer against monies due and owing by the Seller to the Buyer, if any;
 - (ii) by the assumption, to the extent determined by the Buyer, of the Seller's share of the liabilities of the Joint Venture; and
 - (iii) as to any balance by certified cheque or bank draft payable to the Seller's order;
- (e) the obligation of the Buyer to complete the purchase is subject to the condition that all required consents and approvals to the sale have been obtained but this condition is for the sole benefit of the Buyer and may be waived in whole or in part by the Buyer at any time.

The rights and procedures set forth in this Section 12.2 will be concurrent with and in addition to and without prejudice to any other rights or remedies at law or in equity which any Joint Venturer may have in respect of any Event of Default.

PART 13 TERM, WITHDRAWAL AND TERMINATION

Term

13.1 This Agreement and the Joint Venture will continue in force until the earlier of:

- (a) the date when all the Joint Venture Assets have been disposed of and all liabilities and obligations incurred from the business of the Joint Venture have been satisfied;
- (b) the date when a single Joint Venturer acquires the interest of the Joint Venturers in the Joint Venture Assets and the business of the Joint Venture; or
- (c) four years and six months from the date of the making of this Agreement.

Withdrawal

13.2 A party may withdraw from this Agreement with the approval of all parties to the Agreement and, unless otherwise agreed, subject to the following conditions:

- (a) all capital funds provided to the date of the Notice of Withdrawal by the party proposing to withdraw from the Joint Venture are deemed to be Joint Venture Assets;
- (b) the additional operating costs arising from the withdrawal of a party under this Agreement must then be assumed by the remaining party or divided between the remaining parties based on the metered flow to the party receiving the supply of water in bulk;
- (c) the additional maintenance costs arising from the withdrawal of the party must

be assumed by the remaining party or apportioned between the remaining parties as outlined in Part 7;

- (d) the Joint Venture Assets are, on and after the date of the Notice of Withdrawal given by the party withdrawing, solely assets of the remaining Joint Venturer or Joint Venturers.

Actions on Termination

- 13.3 Upon the termination of this Agreement and the Joint Venture, other than pursuant to Section 13.1 (b), unless the Joint Venturers otherwise agree, two representatives of each of the Joint Venturers shall meet within 10 business days of the termination and:
- (a) each party shall advise the other parties whether they wish to enter into a new agreement regarding the Joint Venture;
 - (b) if one party does not wish to enter into a new agreement regarding the Joint Venture then, unless the parties otherwise agree, the end of the participation of a Non Continuing Party in the Joint Venture will be determined under Section 13.4;
 - (c) If no party wishes to enter into a new agreement regarding the Joint Venture, and only one party wishes to acquire the Participating Interest of another party or parties in the Joint Venture Assets (the "Continuing Party"), the transfer will be governed by Section 13.4; and
 - (d) In all other cases the terms and conditions of the dissolution of the Joint Venture will be governed by Section 13.5.

Non Continuing Party

- 13.4 If the parties cannot otherwise agree on the terms and conditions regarding the end of the participation of a Non Continuing Party in the Joint Venture, the Non Continuing Party will upon the written request of the Continuing Party given within sixty (60) days after the meeting referred to in Section 13.3, sell its Participating Interest to the Continuing Party on the terms and conditions and in accordance with the procedure in Section 12.2 of this Agreement, provided that the closing date of the sale must take place within five (5) years of the date of this Agreement unless a longer closing date has been approved by the electors.

Dissolution of Joint Venture – Right of First Refusal

- 13.5 (a) Where none of the parties wish to enter into a new joint venture agreement, each party will decide whether it wishes to dispose of its Participating Interest in the Joint Venture Assets, and advise the other parties of its decision in writing within thirty (30) days of the meeting referred to in Section 13.3 of this Agreement;
- (b) A party wishing to dispose of its Participating Interest must offer to sell its Participating Interest in the Joint Venture Assets to the other parties with such

sale to be on the terms and conditions and in accordance with the procedure set out in Section 12.2 of this Agreement, provided that the closing date of the sale must take place within five (5) years of the date of this Agreement, unless a longer closing date has been approved by the electors.

- (c) Where a party has not advised the other parties of its decision within the time limit referred to in paragraph (a), it will be deemed to have offered to sell its Participating Interest in the net book value of the Joint Venture Assets to the other parties under paragraph (b).

Dispute Resolution on Dissolution

13.6 Terms and conditions of the withdrawal of a Non Continuing Party in circumstances not otherwise addressed in this Agreement may be resolved before a single arbitrator in accordance with the procedure that follows the procedures set out in section 813.13 of the *Local Government Act*, with necessary changes insofar as they are applicable as follows:

- (a) the terms and conditions for withdrawal must be resolved before a single arbitrator by full arbitration, unless the parties agree to final proposal arbitration;
- (b) the parties will select the arbitrator from a list of arbitrators prepared by the Minister of Community, Sport and Cultural Development (or such other Minister having responsibility for the *Local Government Act*) for the purposes of section 813.13(3) of the *Local Government Act*, or, if there is no such list, as agreed upon by the parties, or, failing agreement, as appointed by a judge of the British Columbia Supreme Court;
- (c) the arbitrator may conduct the proceedings at the time and in the manner he or she determines;
- (d) the arbitrator must consider any terms and conditions agreed upon by the parties that are to govern the arbitrations;
- (e) the terms and conditions must be resolved by the arbitrator, who is not restricted in his or her decision to submissions made by the parties on the disputed issues;
- (f) the final resolution may establish different terms and conditions for different Non Continuing Parties;
- (g) the arbitrator must give written reasons for the decision; and
- (h) the costs of the arbitration must be borne by the parties as if they were Maintenance Costs under this Agreement.

In reaching his or her decision, the arbitrator must, to the extent practicable, impose terms and conditions that avoid the alienation or transfer of Joint Venture assets from public ownership and for that purpose, ensure that any interest of a party is offered first to the other parties under this Agreement and secondly to another local government before such assets are made available to any other party.

Liquidation

13.7 If no party wishes to continue the Joint Venture, and no party wishes to purchase the interest of the other Joint Venturer pursuant to Sections 13.3 and 13.4, the Joint Venturers will appoint a liquidator to act on their collective behalf to liquidate the Joint Venture Assets. If a liquidator is appointed he or she shall act on behalf of the Joint Venturers to realize the Joint Venture Assets, satisfy all Joint Venture Liabilities and pay the balance of the proceeds of realization to the Joint Venturers in proportion to their Participating Interests. Each of the Joint Venturers will be entitled to bid for and purchase the whole or any part of the Joint Venture Assets on liquidation. Subject to requirements of the *Local Government Act* and *Community Charter* and to agreement otherwise, liquidation shall be carried out under the procedure of Part 10 of the *Business Corporations Act* (British Columbia) insofar as applicable to a Joint Venture.

Determining Value

13.8 If the parties agree on a sale of the Non Continuing Party's Participating Interest but do not agree as to the net book value of the Joint Venture Assets, such value may be determined in accordance with the procedure set out in Section 12.2(b) and the sale of the Non Continuing Party's Participating Interest will be carried out in accordance with the procedure set out in Sections 12.2(c) to (e).

Completion of Sale

13.9 If the arbitrator's decision involves the sale of a Non Continuing Party's Participating Interest such sale shall be completed no later than five (5) years from the date of this Agreement unless assent of the electors to such longer term has been obtained.

Survival of Obligations

13.10 The provisions of this Part 13 and all other provisions of this Agreement necessary to give full effect thereto will survive the termination of this Agreement and, despite termination of this Agreement or the Joint Venture; no party will by reason of such termination be relieved of any obligation or liability toward any other party accrued hereunder prior to termination all of which will remain unenforceable until fully satisfied.

PART 14 NEW PARTY

14.1 A new party other than Qualicum Beach may become a Joint Venturer under this

Agreement:

- (a) by entering into an Agreement with the existing Joint Venturers that contains all of the terms and conditions set out in this Agreement; and
- (b) with the unanimous consent of the existing Joint Venturers.

Other Terms and Conditions

14.2 Despite Section 14.1, the Joint Venturers may, at any time, make an agreement on behalf of the Joint Venturers to supply water in bulk to a person not a party to the Joint Venture.

PART 15 BOUNDARY ADJUSTMENTS

15.1 Despite the other provisions of this Agreement, if the area of a municipality is extended into a Water Service Area:

- (a) that portion of the Water Service Area that was situated in the rural area and that has become added to the municipality is hereby deemed to be added to the Community Water System of that municipality;
- (b) Capital Costs, Operating Costs and Maintenance Costs will be apportioned as between RDN and the extended municipality by taking into account the deletion of water supply volume from the account of RDN and adding of water supply volume to the account of the municipality; and
- (c) the cost of the supply of water in bulk to RDN and to the municipality will be adjusted to reflect the reduction of the Water Service Area and extension of the Community Water System.

PART 16 GENERAL

Amendments

16.1 This Agreement may not be modified or amended except by written agreement of all the parties hereto.

Notices

16.2 Any notice or other communication hereunder will be in writing and will be given by the delivery or rendering thereof its addressee by hand, by prepaid first class mail or by facsimile transmission, to the address below:

- (a) If to RDN:
6300 Hammond Bay Road

Nanaimo, BC V9T 6N2

Attention: Senior Manager, Corporate Administration

(b) if to Parksville:

PO Box 1390
Parksville, BC V9P 2H3

Attention: Director of Administrative Services

Any notice or other communication so given will be deemed to have been received at the time of its delivery if delivered by hand, three Business Days after the date of mailing if mailed and at the time the sender receives a confirmation of dispatch if transmitted by facsimile transmission. Each party will notify the other parties of any change of address.

Entire Agreement

16.3 This Agreement contains the entire agreement among the parties hereto with respect to the subject matter hereof and replaces and supersedes all previous agreements between the parties relating to the subject matter hereof.

Arbitration

16.4 In the case of a disagreement or a dispute between the parties hereto with respect to this Agreement or the interpretation thereof which has not been resolved within 45 calendar days of either Joint Venturer giving notice to other Joint Venturer thereof, or in the case of a deadlock as described in Section 4.12, the dispute, disagreement or deadlock will, upon notice from either Joint Venturer to the other Joint Venturer, be referred to a single arbitrator pursuant to the *Commercial Arbitration Act* (British Columbia) whose decision will be final and binding.

Enurement

16.5 This Agreement will be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns hereunder.

Further Assurances

16.6 Each party will perform any act and execute and deliver any document reasonably required by any other party to carry out the terms of this Agreement in accordance with the true intent and meaning hereof.

Schedules

16.7 The following Schedules are attached to and form part of this Agreement:

(a) Schedule A – Englishman River Water Intake and Treatment Facility;

- (b) Schedule B – Water Service Areas;
- (c) Schedule C – Capital Cost Apportionment.

Local Government Act and Community Charter

16.8 The obligations of the parties under this Agreement are subject to the requirements of the *Local Government Act* and the *Community Charter* respecting the provision of the Englishman River Water Intake and Treatment services by the Joint Venturers.

IN WITNESS WHEREOF the parties hereto executed this Agreement as of the day month and year first above written.

REGIONAL DISTRICT OF NANAIMO by its)
 authorized signatories)
)
 _____)
 Name:)
)
)
 _____)
 Name:)

CITY OF PARKSVILLE by its authorized)
 Signatories)
)
 _____)
 Name:)
)
)
 _____)
 Name:)
)

SCHEDULE "A"

DESCRIPTION OF ENGLISHMAN RIVER WATER INTAKE AND TREATMENT FACILITY

Englishman River Water Intake and Treatment Facility - Description of Future Capital Works

1. The 8 hectares parcel of land, legal description; Lot 1, Block 564, Nanoose District Plan 21736 as shown in Schedule A-1 attached hereto;
2. The surface water river bank intake structure located upstream of Highway 19 including trash screens, flow inlet valves, screening, low lift pumps, electrical controls and back flush / overflow piping;
3. Access roads and park remediation works from the treatment facility to the river bank intake structure;
4. The raw water penstock supply main from the river intake structure upstream of Highway 19 to the Water Treatment Facility;
5. Provisional Operational Rule – Arrowsmith Lake Reservoir and Conditional Water License: 110050;
6. The Treatment Facility located on Lot 1, Block 564, Nanoose District Plan 21736 including but not necessarily limited to:
 - Administration office space
 - Lab space and associated equipment
 - Public areas and washrooms
 - Pretreatment building and associated equipment
 - Filtration building and associated equipment
 - Chemical / disinfection building and associated process equipment
 - Pump Station and associated control equipment
 - Dewatering building and associated process equipment
 - Solids storage area and associated process equipment
 - Equalization tanks and associated process equipment
 - Sludge tanks and thickeners
 - Residuals pump station / handling area and associated process equipment
 - Clearwells / distribution pump station and associated control equipment
 - Overflow ponds
 - Facility access road
 - Water meters and general control instrumentation and equipment
 - Centralized Supervisory Control and Data Acquisition (SCADA) for the Water Treatment Facility
 - Centralized SCADA for the distribution system and Aquifer Storage and Recovery (ASR) facility

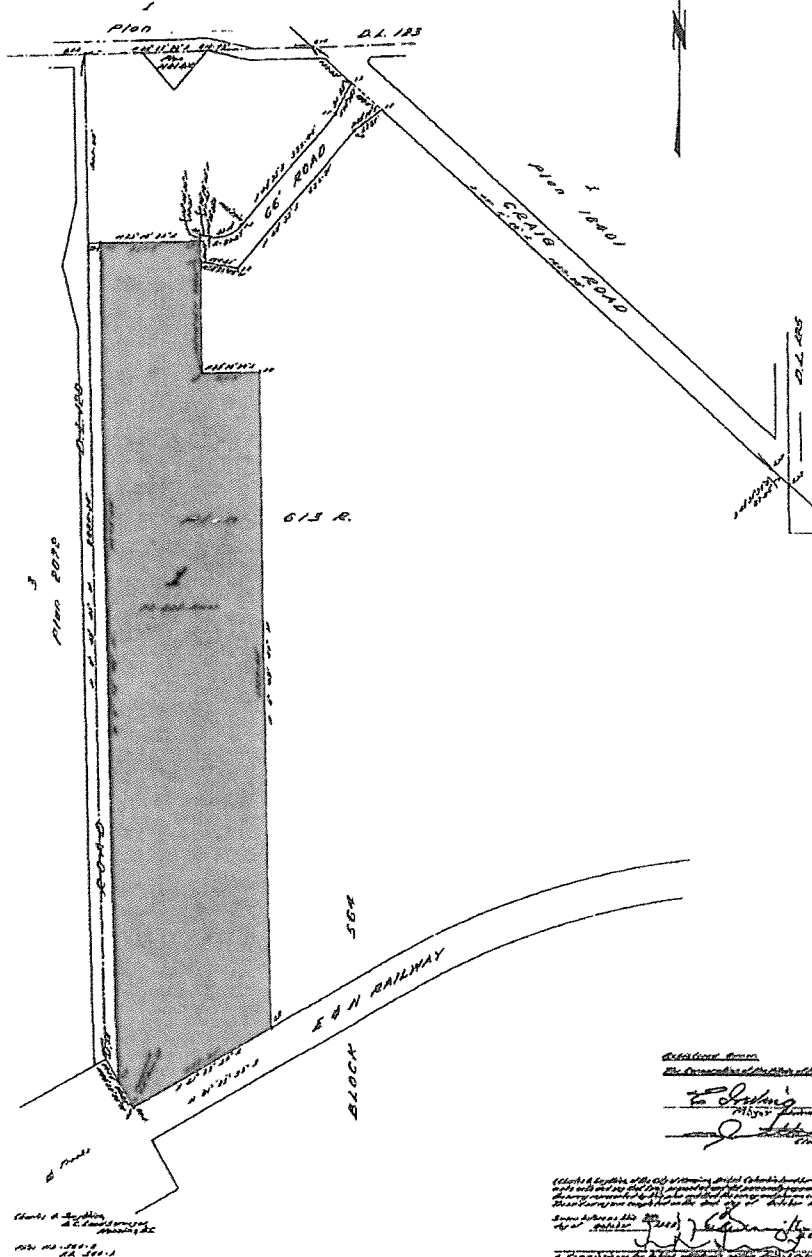
7. Supply watermains to provide connection from the water treatment facility connecting to the existing Regional District of Nanaimo distribution watermains and the City of Parkville distribution mains.
8. Radio control equipment and housing to provide all wireless communications to all Intake, Treatment and distribution metering and connection points for SCADA monitoring.
9. Aquifer Storage and Recovery facility including all pumps, wells, control buildings, valves, distribution piping, land and supply main piping.

PLAN OF SUBDIVISION OF PART (PART OF PLAN 613 R) OF BLOCK 56A
WINDHOSE DISTRICT.

PLAN 21786

Approved by the Surveyor-General
on the 21st day of August 1980
for the purpose of the
Registration of the Plan
under the Land Use Act
of 1978.

Scale 1:1000
Date 21/8/80
Surveyor-General
Windhorse District



SCHEDULE A-1

SCHEDULE "B"

WATER SERVICE AREAS

The areas delineated in the following bylaws or descriptions, as shown on the Water Service Area Maps appended to the bylaws are the Water Service Areas:

- Nanoose Bay Bulk Water Supply Service Establishment Bylaw No. 1049.
- French Creek Bulk Water Supply Service Establishment Bylaw No. 1050.

SCHEDULE "C"

CAPITAL COST APPORTIONMENT

The Englishman River Water Intake and Treatment Facility Capital Cost Apportionment

(a) in respect of joint facilities will be as follows:

Parksville: 74%

RDN: Nanoose 16.7%
French Creek 9.3%

(b) in respect of other capital works will be based on the benefit to the Joint Venturer.