

**REGIONAL DISTRICT OF NANAIMO**

**REGULAR BOARD MEETING**

**TUESDAY, JULY 22, 2014**

**7:00 PM**

***(RDN Board Chambers)***

**A D D E N D U M**

**PAGES**

- 2. LATE DELEGATIONS** (requires motion – All Directors – One Vote)
- 2                    **Sheila Malcolmson**, re Vancouver Island Passenger Rail.
- 5. COMMUNICATIONS/CORRESPONDENCE** (All Directors – One Vote)
- 3                    **Director Ted Greves, City of Nanaimo**, re Resignation from Appointment to the Board of the Island Corridor Foundation.
- 8. ADMINISTRATOR’S REPORTS**
- 4-17                **Licence Renewal for Portions of the Trans Canada Trail on Island Timberlands Property** (All Directors – Weighted Vote).
- 18-20              **Englishman River Water Service – Grant Funding** (Electoral Areas E, G – Weighted Vote).



## **Re: Vancouver Island Passenger Rail**

**From:** Sheila Malcolmson

**Sent:** Thursday, July 17, 2014 3:19 PM

**Subject:** RE: delegation request

Thanks very much – the topic is support for Vancouver Island passenger rail.

I'm doing this as an individual and not on behalf of the Islands Trust, as my last delegation was.

Sheila Malcolmson  
506 Wildwood Crescent  
Gabriola VOR 1X4  
250-247-8078

2014-07-19

Chair Joe Stanhope

Regional District of Nanaimo Directors

Dear Chair Stanhope,

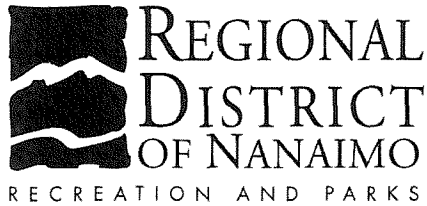
As of July the 19<sup>th</sup>, 2014 I am resigning my appointment to the Board of the Island Corridor Foundation for personal reasons.

Thank you for the opportunity to work with the ICF Board in bringing passenger rail service back to the Island. It has been challenging and yet an exciting and interesting experience.

Best Regards,

Director Ted Greves

cc. CAO Paul Thorkelsson



RDN REPORT		<i>[Handwritten initials]</i>
CAO APPROVAL		
EAP		
COW		
JUL 18 2014		
RHD		
BOARD	<input checked="" type="checkbox"/>	

## MEMORANDUM

**TO:** Wendy Marshall  
Manager of Parks Services

**DATE:** July 16, 2014

**FROM:** Kelsey Cramer  
Parks Planner

**FILE:**

**SUBJECT:** Licence Renewal for portions of the Trans Canada Trail on Island Timberlands Property

### PURPOSE

To obtain approval to renew Island Timberlands' non-exclusive licence to use land for the Trans Canada Trail.

### BACKGROUND

In 2001, the RDN opened the Trans Canada Trail (TCT), comprised of approximately 30 kilometres of trail, most of which is situated on private forest lands. Licensed public access is provided by both Island Timberlands and TimberWest. A 5-year renewable non-exclusive licence from Island Timberlands (then Weyerhaeuser) was granted to the RDN in 1999 for the purpose of maintaining and managing the Regional Trail for public use. A similar agreement was established with TimberWest.

The Island Timberlands license is for approximately 15.99 km of trail and has been renewed twice since 1999, once in 2004 and again in 2009. As of the end of July 2014, the Island Timberlands licence is up for its third renewal. The company has agreed to a two-year renewal of the original 1999 agreement for a fee of \$500 plus GST. In addition, included within the renewal is the realignment of a portion of trail that will improve accessibility to equestrian users, making the trail useable by hikers, mountain bikers and horseback riders. With little Crown land in the area, the agreements with Island Timberlands and TimberWest are the only options available to provide the TCT.

The TCT is one of the RDN's seven developed regional trails. This well used trail runs from the City of Nanaimo to Extension and then to the Nanaimo River. There is no bridge crossing of the Nanaimo River, however the trail continues from Spruston Road on the south side of the river to the Haslam Creek Suspension Bridge. To the immediate south of the bridge, the TCT continues through the Cowichan Valley Regional District and the Town of Ladysmith.

**ALTERNATIVES**

1. To accept and execute the 2014-2016 licence renewal agreement with Island Timberlands in order to continue operating the Trans Canada Trail.
2. To not accept the licence renewal and to provide alternative direction to staff.

**FINANCIAL IMPLICATIONS**

The cost of renewing the licence for two years (2014 - 2016) is \$500 plus GST and is funded through the Regional Parks Operations Budget. Operations and maintenance of the TCT is carried out by staff and is also funded through the Regional Park Operations budget.

In past, this licence was for a 5-year term with a fee of \$700 or \$140 per year. The new licence is for two years for \$500 or \$250 per year.

**STRATEGIC PLAN IMPLICATIONS**

The TCT provides outdoor recreation opportunities for hikers, runners, mountain bikers and horse riders. This fits with the strategic goal of ensuring a diversity of parks that meet recreational objectives. The TCT, included in the widely disseminated Regional Parks and Trails Guide, is a good example of a free recreational amenity where citizens and visitors can get out, get active and improve their fitness levels.

**SUMMARY**

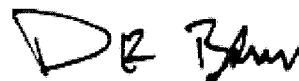
The Trans Canada Trail was inaugurated in 2001 with the conclusion of five-year licence agreements between the RDN and landowners Island Timberlands and TimberWest. The Island Timberlands licence is once again up for renewal and the company has agreed to two years under the terms of the original 1999 licence. The renewal fee is \$500 plus GST.

**RECOMMENDATIONS**

To accept and execute the 2014 - 2016 licence renewal agreement with Island Timberlands for the purpose of continuing the operation of the Trans Canada Trail.



Report Writer



A/General Manager Concurrence



Manager Concurrence



CAO Concurrence

## Appendix 1

Non-Exclusive License from Island Timberlands  
(Weyerhaeuser) for the Trans Canada Trail (9 pages  
including maps)

## Appendix 2

2014-2016 Licence Renewal (2 pages)



Island Timberlands LP  
65 Front Street, 4th Floor  
Nanaimo, BC V9R 5H9

Tel (250) 755-3552  
Fax (250) 755-3540  
Cell (250) 927-1559  
Email dsakai@islandtimberlands.com

Our File: G-4413, P-1118-02

July 23, 2009

RDN Recreation and Parks, Oceanside Place  
830 W. Island Highway  
Parksville, BC  
V9P 2X4  
Attention: Joan Michel

*W. Michel*  
*31 July 2014*

Dear Joan:

Re: **Non-Exclusive Licence - Parts of Sections 6, 7, 8, 9, 10, 10, 14, 15 and 16, Range 2; Parts of Sections 3, 4, 5, 6, 16, 17, 18, 19 and 20, Range 1, All Within Cranberry District; and Section 4, Range 1, Nanaimo District; Parts of Block 87, Bright, Douglas and Cranberry Districts; and Block 714, Bright District Containing Approximately 15.99 Kilometers of Trail**

Island Timberlands Limited Partnership (ITLP), acknowledges that your agreement expires on July 31, 2009 and hereby offers to renew your Licence dated August 1, 2004, and any subsequent amendments and renewals, on the following terms and conditions:

1. The term of this renewal shall be for 5 (five) years commencing August 1, 2009 and expiring July 31, 2014.
2. The fee for this renewal shall be \$700.00 for the term plus GST, payable on receipt of invoice.
3. The construction of the cable suspension bridge has been completed and now forms part of this Licence.
  - a) The Licensee shall maintain, manage and assume all liabilities for the western side of a 43 metre clear span cable suspension public pedestrian-cyclist and equestrian bridge over Haslam Creek as part of the Trans Canada Trail;
  - b) The Licensee acknowledges that this license and the privileges of using the bridge by the general public will not restrict the activities of ITLP, in any way;

All other terms and conditions of the Licence dated August 1, 2004 and any subsequent amendments and renewals will remain in effect during the term. Please sign where indicated in the space below to indicate your acceptance of these terms and conditions, and return the "original" agreement to the address shown above. The "copy" is for your records. Island Timberlands Limited Partnership's G.S.T. Registration Number is R860211499 RT0001.





Yours truly,  
Island Timberlands Limited Partnership,  
by its general partner Island Timberlands GP Ltd.  
Real Estate Group

Denise Sakai,  
Property Administrator

Agreed to and accepted by:  
Authorized signatory of  
Regional District of Nanaimo  
Recreational and Parks

Wendy Marshall, Manager  
Parks Service

Wendy Marshall  
Print Name

July 23, 09  
Date

EFFECTIVE DATE: August 1, 2004EXPIRY DATE: July 31, 2009

2. LICENSOR: Weyerhaeuser Company Limited ("WY")  
925 West Georgia Street  
Vancouver, B.C.  
V6C 3L2
3. LICENSEE: Regional District of Nanaimo (Recreation and Parks (Attention: Jeff Ainge - Phone: 250-248 3252))  
Oceanside Place  
830 W. Island Highway  
Parksville, BC V9P 2X4
4. GRANT: WY grants to the Licensee, the non-exclusive licence to enter and be upon that part of the "Lands" shown in red on the attached print and described as  
Parts of Sections 6, 7, 8, 9, 10, 11, 14, 15 & 16, Range 2; Sections 3, 4, 5, 6, 16, 17, 18, 19 & 20  
Range 1; all within Cranberry District; and <sup>REVISED</sup> Section 4, Range 1, Nanaimo District; Parts of Block 87  
Bright, Douglas and Cranberry Districts; and Block 714, Bright District, containing approximately  
15.99 kilometres.
5. PURPOSE: This Licence is granted for the purpose of maintaining and managing a regional trail for public use, including hiking, equestrian & cycling purposes and no other purpose, upon the terms agreed to herein.
- LICENCE FEES: \$350.00 + GST for the term, payable on signing of this agreement
7. SECURITY DEPOSIT: n/a  
The Security Deposit is security for the performance of all obligations by the Licensee under this Licence. If the Licensee defaults in the performance of any obligation herein, WY may, without prejudice to any right or remedy hereunder, apply the said security to the extent necessary.
8. TAXES: On demand from WY the Licensee shall pay all taxes associated with the Lands and improvements on the Lands.
9. MAINTENANCE AND REPAIR: The Licensee shall keep the Lands and WY roads used in connection therewith in a neat and tidy condition and in a state of repair acceptable to WY, acting reasonably. On termination, the Licensee shall leave the Lands and any WY roads used in a condition acceptable to WY, acting reasonably.
10. IMPROVEMENTS: No improvements may be placed on, or physical changes made to, the Lands without the prior written consent of WY. On termination the Licensee shall forthwith remove any improvements placed on the Lands if requested by WY. If such improvements are not removed within thirty (30) days of termination, they shall belong to WY, without cost, at the option of WY.
11. TIMBER: The Licensee shall not cut or damage, or allow the cutting or damaging of, trees on the Lands without the prior written consent of WY.
12. ROAD USE RULES: If any WY road is used in connection with this Licence, the Licensee shall  
a) strictly observe all speed limits and traffic regulations, and  
b) suspend use of WY roads whenever such use is likely to cause excessive damage to them.
13. PROTECTION AGAINST FIRE: The Licensee shall  
a) lawfully dispose of all slashings and debris created by the Licensee on the Lands in a manner satisfactory to WY,  
b) keep the Lands free of flammable and/or explosive material,  
c) have on the Lands at all times fire fighting tools and equipment as advised are necessary by WY,  
d) immediately notify WY and the nearest Ministry of Forests office upon discovery of any fire in the vicinity of the Lands, and  
e) strictly observe WY and Ministry of Forests closure instructions with regard to forest fire hazards.
- ENVIRONMENTAL RESPONSIBILITY:  
a) The Licensee shall comply with all applicable environmental laws and implement practicable measures to protect environmental quality and human health.  
b) The Licensee shall use the Lands in a manner to prevent the occurrence of any adverse events and minimize potential hazards that may affect WY and its contractors, invitees, licensees, employees, agents and servants, the public and the environment; and in connection with any occurrence the Licensee shall implement effective control measures and notify all concerned parties.  
c) The Lands used by the Licensee shall be subject to environmental audits at the Licensee's cost, as WY, in its sole discretion, thinks advisable.

15. **COMPLIANCE WITH LAWS AND REGULATIONS:** The Licensee shall comply with all laws, by-laws, and regulations, Federal, Provincial or otherwise.
16. **ASSUMPTION OF RISK AND LIABILITY OF LICENSEE:**
- a) WY has made no representations or given any warranties save as set forth herein.
  - b) The Licensee assumes all risk of damage to property of, or injury including death to the Licensee and the Licensee's contractors, invitees, licensees, employees, agents and servants ("said Licensee") in connection with the exercise of the privileges hereunder.
  - c) The Licensee shall pay for all damage resulting directly or indirectly from any act or omission of the said Licensee, whether negligent or otherwise, and shall reimburse WY for all expenses incurred for fighting fire resulting directly or indirectly from said Licensee's acts or omissions hereunder, whether negligent or otherwise.
  - d) The Licensee shall indemnify and save harmless WY against all claims, damages, costs, suits, actions, expenses or liabilities asserted by third persons resulting directly or indirectly from said Licensee's acts or omissions whether negligent or otherwise.
17. **INSURANCE:** The Licensee shall obtain and maintain during the term hereof
- a) Comprehensive general liability insurance including non-owned automobile, covering bodily injury and property damage including loss of use thereof, and loss of use of tangible property which has not been physically injured or destroyed. The policy shall also include coverage for:
    - i) unlicensed and specially licensed vehicles,
    - ii) contractual liability covering the Licensee's liability under this Licence; and
  - b) Motor vehicle liability covering all said Licensee's licensed vehicles (owned and leased) exercising privileges granted under this Licence. The minimum limits of liability for (a) and (b) shall be \$2,000,000 inclusive. Such insurance shall be issued by an Insurance company acceptable to WY, and shall include an endorsement requiring thirty (30) days notice to WY prior to cancellation. The Licensee shall furnish evidence of the insurance prescribed in sub-paragraphs (a) and (b) above to WY before exercising any privileges granted hereunder.
18. **TERMINATION, SUSPENSION AND RENEWAL:**
- a) Either party may terminate this Licence by giving the other thirty (30) days notice and if WY terminates this Licence for any reason the unearned portion of any prepaid consideration shall be returned to the Licensee, without interest.
  - b) If the Licensee defaults, all privileges hereunder terminate ten (10) days after notice of default is given by WY to the Licensee, if the default is not remedied within such time. WY's termination of this Licence shall not prejudice WY's right to collect damages on account of the Licensee's breach of any term hereof.
  - c) Any failure to exercise WY's right to terminate this Licence in case of default does not constitute a waiver of the Licensee's obligations to perform strictly in accordance with the terms of this Licence. Any such right to terminate shall remain in effect and may be exercised as long as the default continues.
  - d) The privileges granted under this Licence may be suspended or modified as WY, in its sole discretion, thinks advisable.
  - e) If the Licensee requests a renewal of this Licence at least three (3) months before the Expiry Date, WY may, but is not obligated to, grant a renewal on terms satisfactory to it.
19. **NON-ASSIGNMENT:** Neither this Licence nor the privileges hereunder may be assigned in whole or in part by operation of law or otherwise, without the previous written consent of WY.
20. **NOTICES:** All notices shall be written and deemed duly given if delivered by hand or mailed by registered mail, postage prepaid, addressed to the party concerned at the address herein set forth or at such other address as may from time to time be communicated by notice. Notices shall be deemed to have been received, if delivered by hand, on the day delivered, and, if mailed, on the third day after posting unless there is between the time of mailing and actual receipt a mail strike, slowdown or other dispute which might affect delivery of the mail, in which case notice shall be only effective when actually delivered.
21. **INTEREST CHARGES:** The Licensee agrees to pay WY interest at a rate of 1.5% monthly on any overdue amounts payable under this Licence.
22. **OTHER TERMS:**

See attached Schedule 'A'

23. **SIGNED:**

**Weyerhaeuser Company Limited**

Timberlands and Properties Division

Per

Signature

Andrea Williams

Type/Print Name

Property Administrator

Position

September 1, 2004

Dated

**Licensee**

Regional District of Nanaimo (Recreation and Parks)

Per

Signature

CAROL MASON

Type/Print Name

GENERAL MANAGER, CORPORATE SERVICES

Position

Sept 13/04

Dated

**SCHEDULE "A"**

**Non-exclusive Licence for Maintaining and Managing a Hiking Trail**

**Granted to the Regional District of Nanaimo Recreation and Parks**

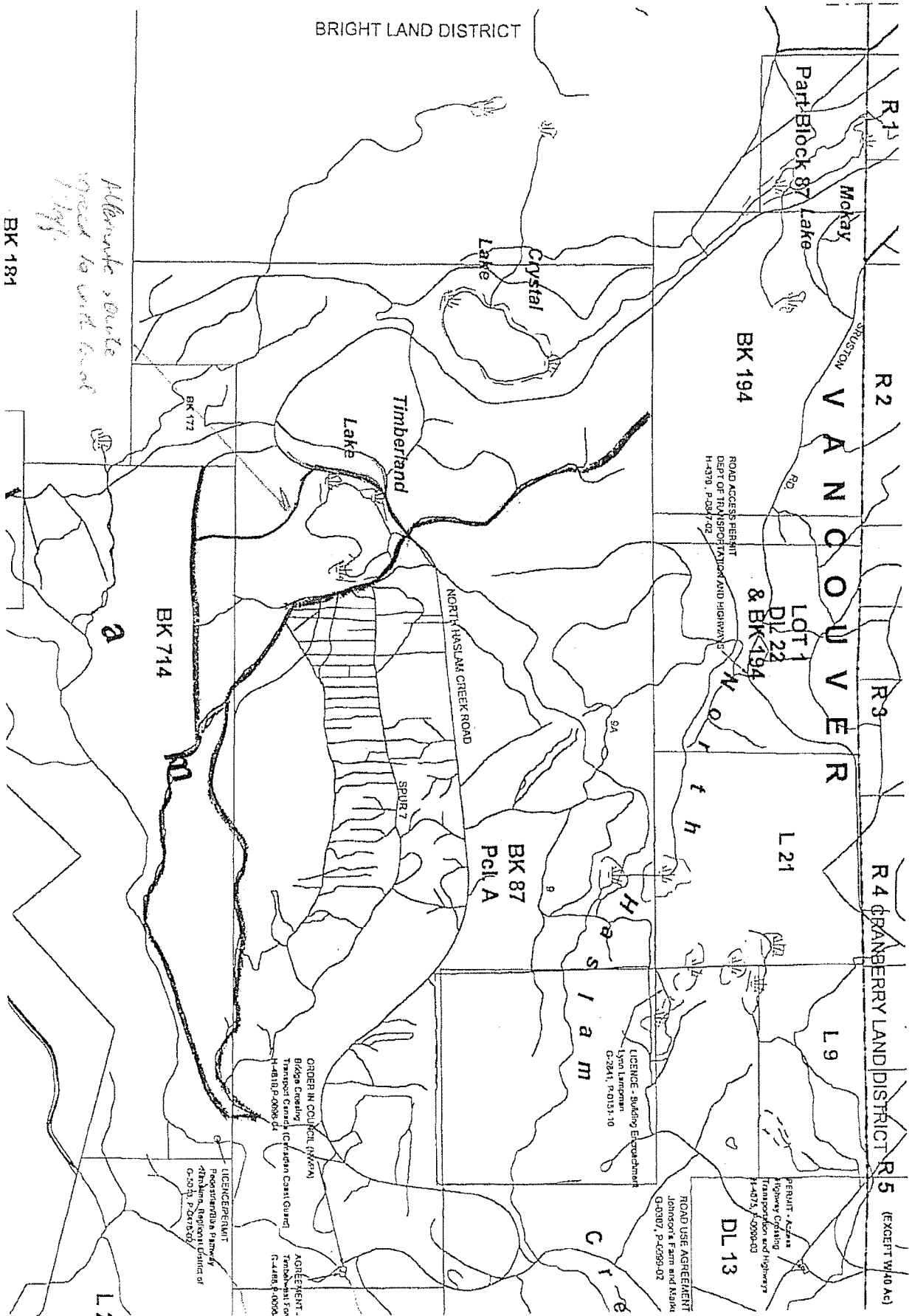
**Effective August 1, 2004**

22. OTHER TERMS:

- i) For greater clarity, Section 18(d) includes, but is not limited to closures for fire hazard, and for operational safety concerns. The Licensee agrees to comply with all Divisional regulations at all times;
- ii) The Licensee acknowledges that this licence shall not restrict the activities of WY in any way, as determined by WY in its sole discretion;
- iii) WY, in its sole discretion, has the right to require the Licensee to relocate the trail or portions of it, at any time, either temporarily or permanently. No compensation or damages shall be due to Licensee in the event that relocation of all or part of the trail is required by WY. Failure to comply with requests to relocate the trail may result in termination of the Licence;

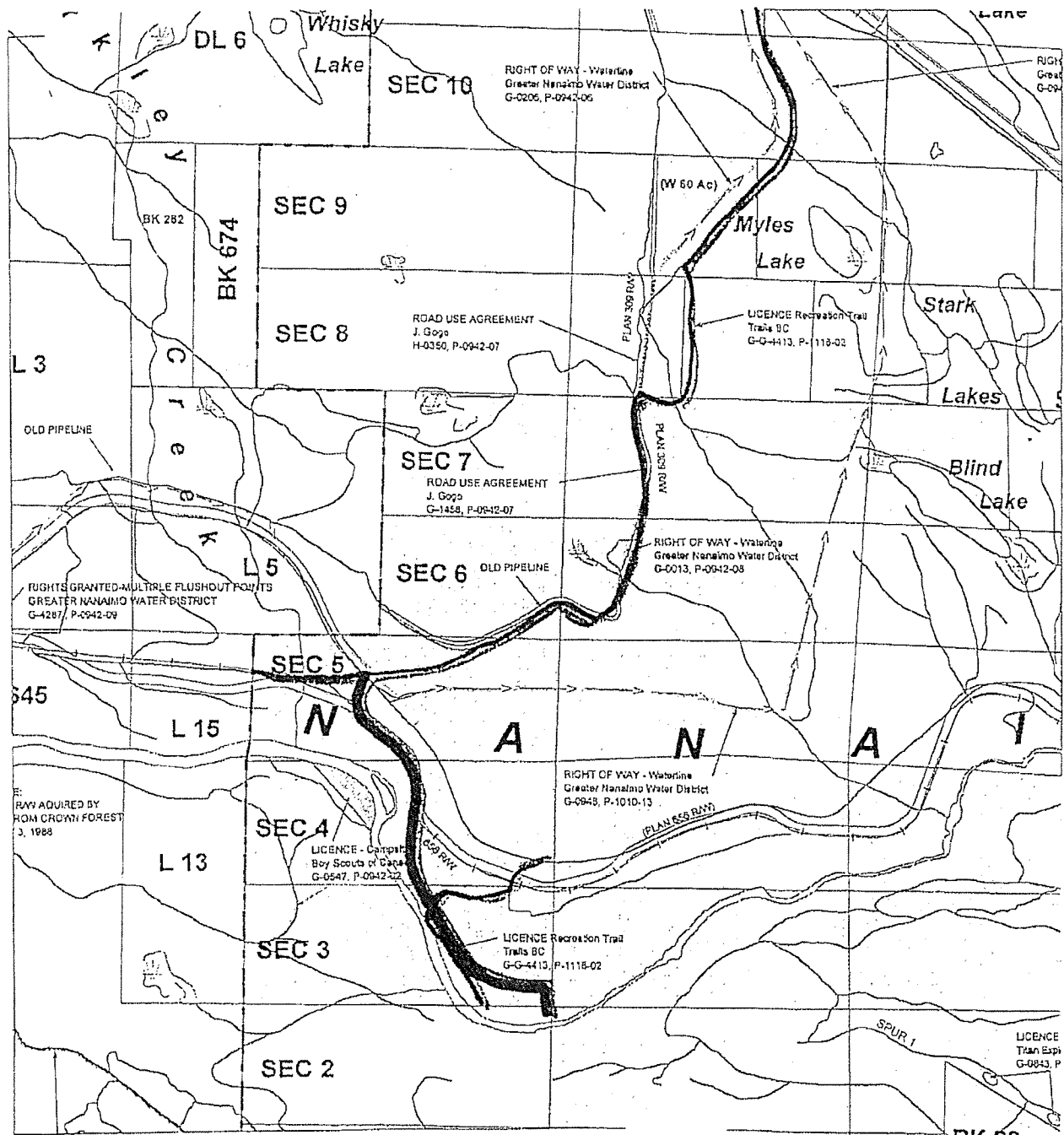
Weyerhaeuser's G.S.T. Registration Number is R103440624

  
INITIAL



BK 181

*Alternate route  
marked to west of  
194/194*



**Weyerhaeuser**

Timberlands & Properties Division

Date: 04 / 30 / 2001

Scale: 1:20,000

Prep. By: RS

File No: P-1118-02

Notes:

TRANS-CANADA TRAIL

ADDITIONAL AREA REQ'D

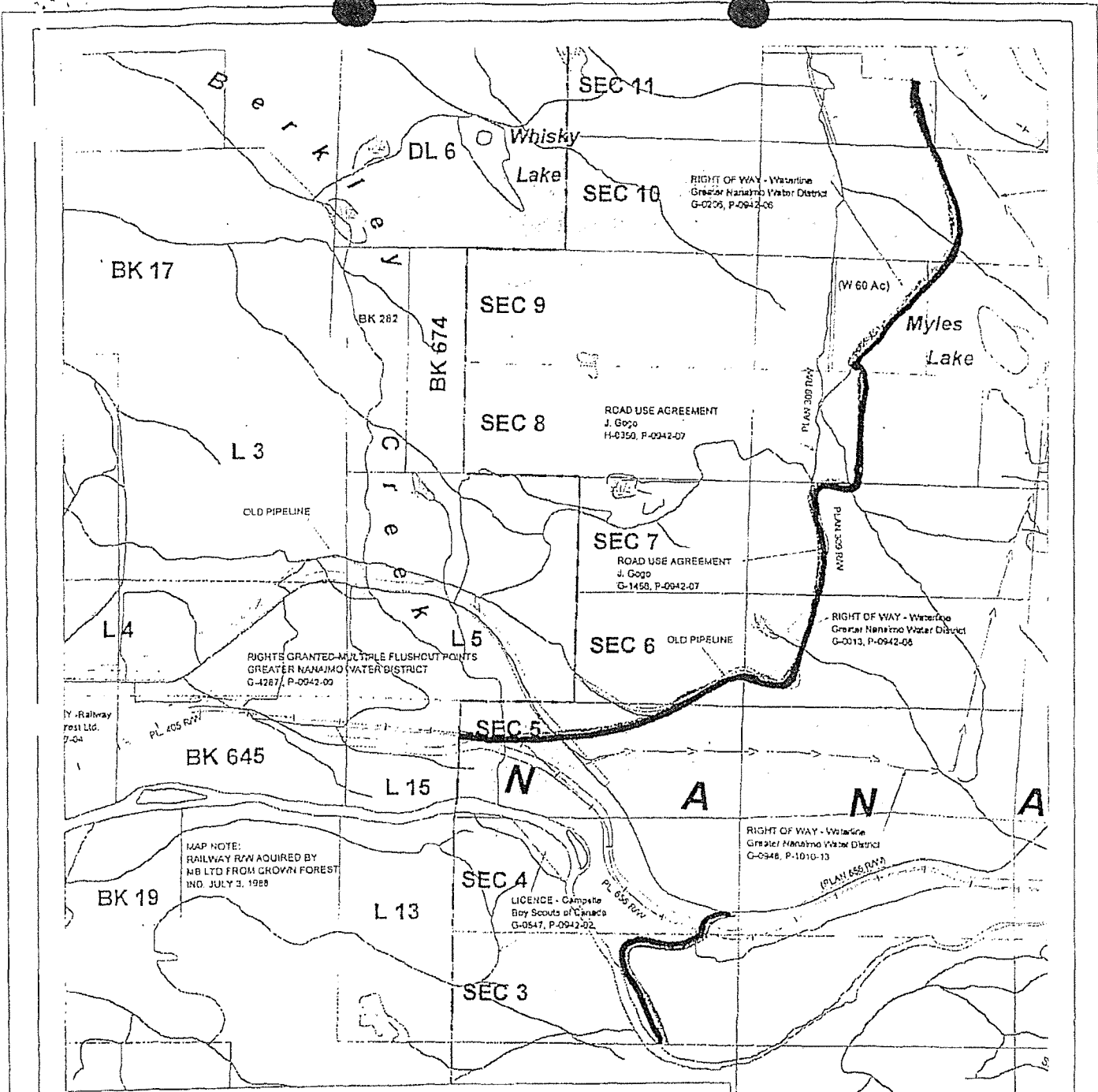
MAP 92G 001

ANCOURV

LOT 1  
DL 22  
& BK 194

ROAD ACCESS PERMIT  
DEPT OF TRANSPORTATION AND HIGHWAYS  
H-1378, P-06-7-02

PL 24702



**Weyerhaeuser**

Timberlands & Properties Division

Date: 01 / 12 / 1999

Notes:

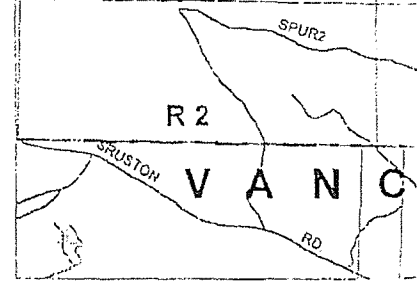
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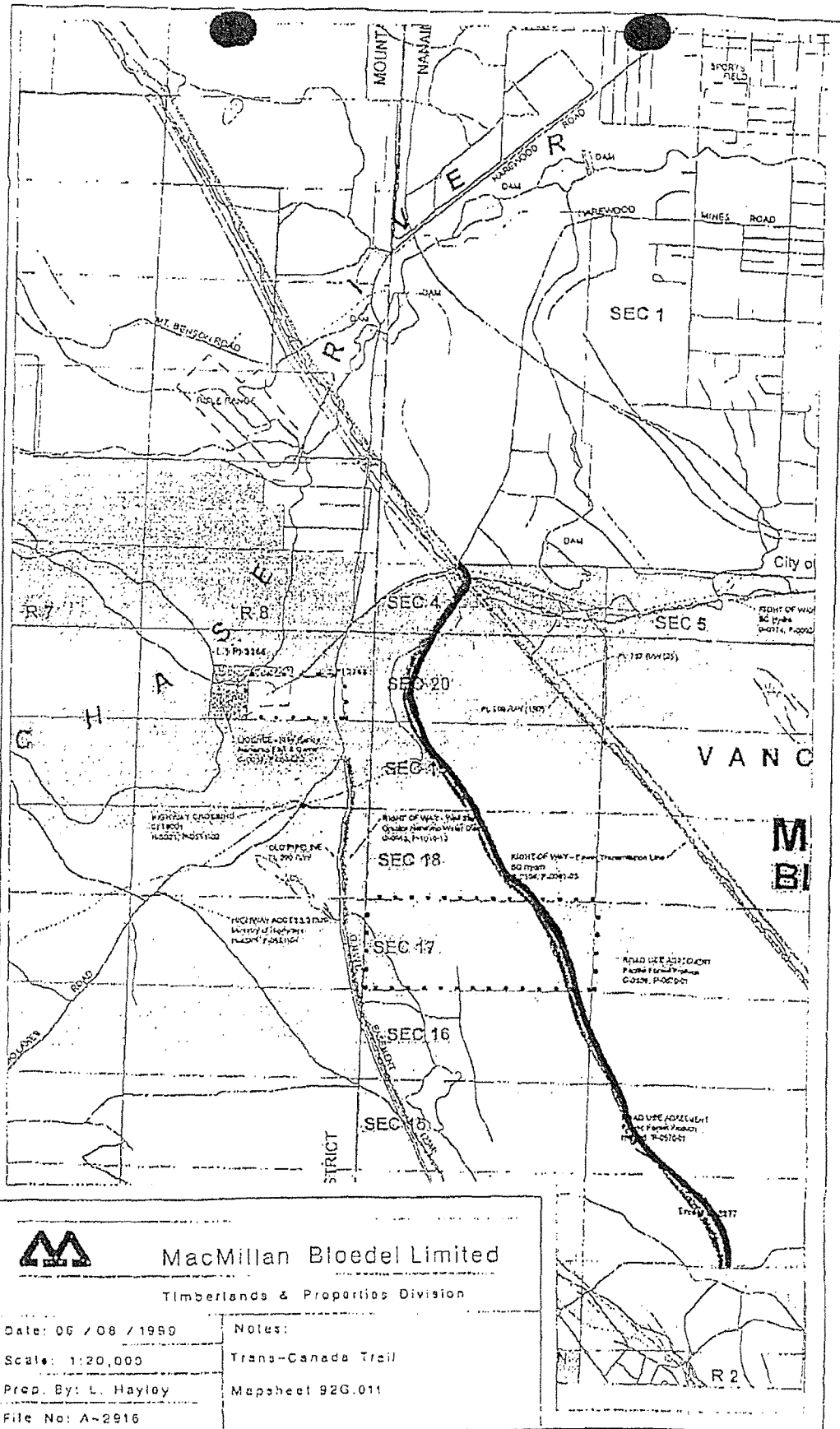
Trans-Canada Trail


Prep. By: allanl

Mapsheet 92g001

File No:





 <b>MacMillan Bloedel Limited</b> Timberlands & Properties Division	
Date: 06 / 08 / 1990 Scale: 1:20,000 Prep. By: L. Hayley File No: A-2916	Notes: Trans-Canada Trail Mapsheet 92G.011

p:\allasdata\vanisland\92g\92g011\ Aug. 06, 1999 09:53:05





Island Timberlands LP  
65 Front Street, 4<sup>th</sup> Floor  
Nanaimo, BC V9R 5H9

Tel (250) 755-3552  
Fax (250) 755-3540  
Email dsakai@islandtimberlands.com

Our File: G-4413, P-1118-02

July 16, 2014

RDN Recreation and Parks, Oceanside Place  
830 W. Island Highway  
Parksville, B.C  
V9P 2X4

**Attention: Kelsey Cramer**

Dear Kelsey:

**Re: Renewal of Non-Exclusive Licence – Parts of Sections 6, 7, 8, 9, 10, 14, 15 and 16, Range 2. Parts of Sections 3, 4, 5, 6, 16, 17, 18, 19 and 20, Range 1, All Within Cranberry District. Section 4, Range 1, Nanaimo District. Parts of Block 87, Bright, Douglas and Cranberry Districts. Block 714, Bright District Containing approximately 15.99 Kilometers of Trail.**

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1. The term of this renewal shall be for two years commencing August 1, 2014 and expiring July 31, 2016.
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3. The construction of the cable suspension bridge has been completed and now forms part of this Licence.
  - a. The Licensee shall maintain, manage and assume all liabilities for the Western side of a 43 metre clear span cable suspension public pedestrian-cyclist and equestrian bridge over Haslam Creek as part of the Trans Canada Trail;
  - b. The Licensee acknowledges that this licence and the privileges of using the bridge by the general public will not restrict the activities of ITLP in any way;

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Yours truly,  
**Island Timberlands Limited Partnership,**  
by its general partner Island Timberlands GP Ltd.  
Real Estate Group

Agreed to and accepted by:  
**Authorized signatory of**  
RDN Recreation and Parks

per: *Denise Sakai*

Denise Sakai,  
Property Administrator

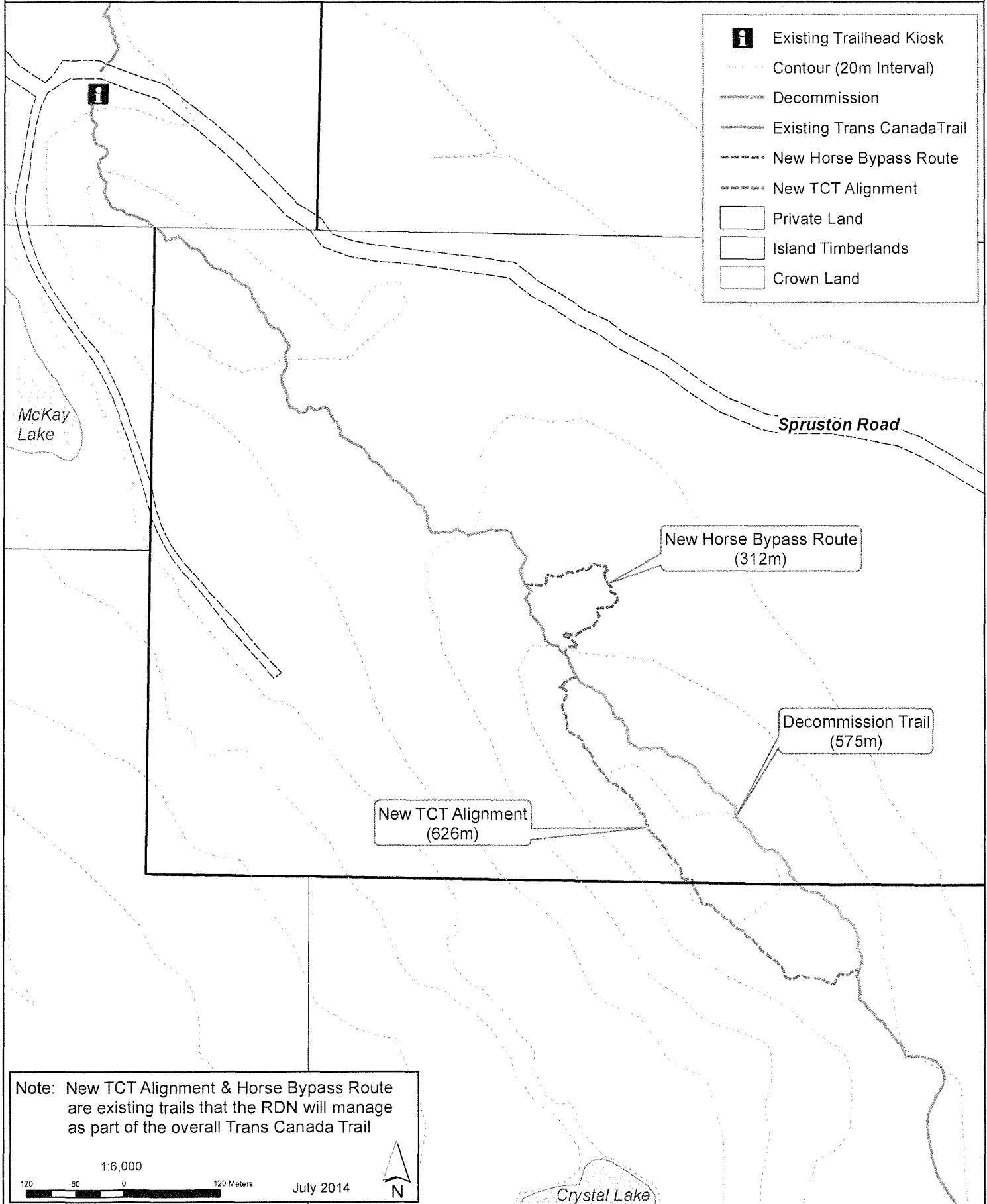
\_\_\_\_\_  
Print Name

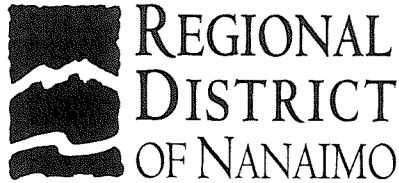
\_\_\_\_\_  
Date



# TRANS CANADA TRAIL RE-ALIGNMENT

## Map 3 - Specific Location Map





RDN REPORT		
CAO APPROVAL <del>HA</del>		
EAP		
COW		
JUL 21 2014		
RHD		
BOARD	<input checked="" type="checkbox"/>	
		<b>DATE:</b>

**MEMORANDUM**

**TO:** Paul Thorkelsson  
Chief Administrative Officer

**FROM:** Randy Alexander  
GM, Regional and Community Utilities

**SUBJECT:** Englishman River Water Service – Grant Funding

**DATE:** July 21, 2014

**FILE:** 5620-01-ERWS

**PURPOSE**

To obtain Board approval to direct staff to participate in developing a joint application with City of Parksville, to the New Building Canada Fund, for a financial contribution toward construction of the Englishman River Water System drinking water treatment infrastructure and distribution system.

**BACKGROUND**

The Englishman River Water System (ERWS) is a joint venture between the City of Parksville (74% interest) and the Regional District of Nanaimo (26% interest) for provision of a regional water supply system. Both partners require improved surface water treatment and additional water intake capacity by 2016 to meet new drinking water standards and demand.

Regional coordination of drinking water provision between the City of Parksville and the RDN has been in place for many years. Drinking water supply to Parksville and Nanoose Bay is currently provided from a combination of ground water wells, and surface water from the Englishman River. In 1999, the Arrowsmith Dam was built through the Arrowsmith Water Service (AWS) partnership between the RDN (Areas E and G), Town of Qualicum Beach and City of Parksville. The dam provides “bulk water” to the Englishman River, ensuring adequate water flows for drinking water needs and protection and enhancement of fisheries.

In 2009, the Englishman River drinking water license was amended by Island Health to require higher levels of treatment by 2016. The ERWS project will meet those requirements, and will provide a reliable source of drinking water to meet current and future needs. The project includes a new river water supply intake, new water treatment plant and distribution system. The project is also investigating the potential of utilizing an aquifer storage and recovery system to balance seasonal water supply and demand and reduce river water extraction. These new initiatives will mitigate our current risks and ensure a safe, secure drinking water source for the next forty years.

The most recent cost estimates for construction of the ERWS water intake, treatment plant and associated distribution system upgrades total approximately \$37 million. Costs will be spread over the period 2015 through 2018 with most of the expenditures expected in 2015 and 2016. The RDN (Nanoose Bay Bulk Water Service Area) portion of the project (including intake, treatment, ASR, and distribution upgrades) is estimated to be approximately \$10 million.

In preparation for seeking voter assent for future borrowing required to fund the project, the City of Parksville and the RDN have approached federal and provincial ministries regarding potential funding assistance for the project. Industry Canada has requested a more detailed submission, which is being prepared in the format of a New Building Canada Fund grant application.

**ALTERNATIVES**

1. Direct staff to participate with the City of Parksville in submission of a New Building Canada Fund grant application.
2. Provide alternate direction to staff.

**FINANCIAL IMPLICATIONS:**

The RDN’s contribution to the ERWS joint venture is funded through the Nanoose Bay Bulk Water Service parcel tax. In 2014, this parcel tax is \$310.00 which includes payment towards existing debt for the Arrowsmith Dam and contributions towards the current bulk water project costs. As well, parcels in this area pay a parcel tax for the Nanoose Bay Peninsula water service of \$290 in 2014 for their water distribution system.

Based on the estimated construction costs of \$36,984,494 for the total project with the allocation of an estimated \$10,046,023 to the RDN/Nanoose Bulk Water service, with no senior level government funding attributed to the project, the RDN would have to borrow up to approximately \$7.5 to \$8 million to fund the project. The remainder of the cost would be funded through reserves and development cost charges. This would result in a very preliminary estimated increase to the parcel tax of between \$225 to \$300 per parcel based on the current number of properties and depending on timing of borrowing, interest rates, how fast development occurs and a variety of other factors that could impact the cost of construction, etc.

With senior level grant funding at 2/3 of project costs, RDN borrowing could be reduced to somewhere between \$2.5 to \$3 million again dependent on many factors, which would reduce the estimated parcel tax increase to between \$75 and \$100 per parcel based on the current number of properties in the service.

Summary of possible increases in 2014 dollars:

Current Nanoose Bay Bulk Water Parcel Tax 2014	\$310
Current Nanoose Peninsula Water Service Parcel Tax	\$290
Estimated increase to Bulk Water Parcel Tax with no Senior Government grant funding	\$225 to \$300 based on existing number of parcels
Estimated increase to Bulk Water Parcel Tax with 2/3 grant funding	\$75 to \$100 based on existing number of parcels

## STRATEGIC PLAN IMPLICATIONS

Provision of a safe, reliable water supply to RDN residents is fundamental to achieving the vision and mission of the Strategic Plan. The joint venture ERWS project supports directly the four strategic priorities of the Plan: Self-Sufficiency (more efficient infrastructure); Economic Vitality (supports development and stability); Regional Collaboration (joint venture with municipalities); and monitoring and adaptation (conservation, protection and enhancement of resources into the future). Pursuing senior government funding opportunities will help to manage the financial burden of this project to the residents of Nanoose Bay Bulk Water Service Area.

## SUMMARY/CONCLUSIONS

The Englishman River Water System (ERWS) is a joint venture between the City of Parksville (74% interest) and the Regional District of Nanaimo (26% interest) for provision of a regional water supply system. The ERWS project will provide a reliable source of drinking water to Nanoose Bay Bulk Water Service Area residents required to meet new standards imposed by Island Health, as well as current and future demand. The project includes a new river water supply intake, new water treatment plant, and distribution system. The project is also investigating the potential of utilizing an aquifer storage and recovery system to balance seasonal water supply and demand and reduce river water extraction. These new initiatives will mitigate our current risks and ensure a safe, secure drinking water source for the next forty years.

In preparation for seeking voter assent for future borrowing required to fund the project, the City of Parksville and the RDN have approached federal and provincial ministries regarding potential funding assistance for the project. Industry Canada has requested a more detailed submission, which is being prepared in the format of a New Building Canada Fund grant application.

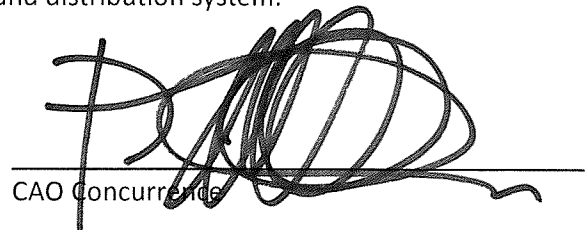
The RDN (Nanoose Bay Bulk Water Service Area) portion of the project (including intake, treatment, ASR, and distribution upgrades) is estimated to be approximately \$10 million. The increase to the Bulk Water Parcel Tax, required to fund the project without senior government funding, is estimated to be \$225 to \$300 annually. With 2/3 senior government funding, the increase is expected to be \$75 to \$100 annually.

## RECOMMENDATIONS

That the Board direct staff to participate in developing a joint application with City of Parksville, to the New Building Canada Fund, for a financial contribution toward construction of the Englishman River Water System drinking water treatment infrastructure and distribution system.



Report Writer/General Manager



CAO Concurring