

REGIONAL DISTRICT OF NANAIMO
REGULAR BOARD MEETING
AGENDA

Tuesday, May 23, 2017

7:00 P.M.

RDN Board Chambers

This meeting will be recorded

Pages

1. CALL TO ORDER
2. APPROVAL OF THE AGENDA
3. ADOPTION OF MINUTES
 - 3.1 Regular Board Meeting - April 25, 2017 8

(All Directors - One Vote)

That the minutes of the Regular Board meeting held April 25, 2017, be adopted.
4. INVITED PRESENTATIONS
5. DELEGATIONS - AGENDA ITEMS
6. CORRESPONDENCE
7. UNFINISHED BUSINESS
8. COMMITTEE MINUTES AND RECOMMENDATIONS
 - 8.1 Electoral Area Services Committee
 - 8.1.1 Minutes of the Electoral Area Services Committee Meeting - May 9, 2017 22

(All Directors - One Vote)

That the minutes of the Electoral Area Services Committee meeting held May 9, 2017, be received for information.

- 8.1.2 Development Permit Application No. PL2017-033 - 6141 Island Highway West, Electoral Area 'H'** 26
- (Electoral Area Directors, except EA 'B' - One Vote)
- That the Board approve Development Permit No. PL2017-033 to remove an existing lock block retaining wall and permit the construction of a foreshore revetment to protect the property from erosion subject to the conditions outlined in Attachments 2 to 4.
- 8.1.3 Development Permit Application No. PL2017-046 - 1683, 1691 and 1697 Admiral Tryon Boulevard, Electoral Area 'G'** 37
- (Electoral Area Directors, except for EA 'B' - One Vote)
- That the Board approve Development Permit No. PL2017-046 to permit the removal of an existing retaining wall and construction of a riprap revetment on the subject properties subject to the terms and conditions outlined in Attachments 2 to 4.
- 8.1.4 Development Variance Permit Application No. PL2017-050 - 863 Cavin Road, Electoral Area 'G'** 49
- Delegations wishing to speak to Development Variance Permit Application No. PL2017-050 - 863 Cavin Road, Electoral Area 'G'
- (Electoral Area Directors, except for EA 'B' - One Vote)
1. That the Board approve Development Variance Permit No. PL2017-050 to increase the permitted parcel depth for proposed Lot 2 from 40% to 46% subject to the terms and conditions outlined in Attachments 2 to 3.
 2. That the Board approve the request to relax the minimum 10% perimeter frontage requirement for proposed Lot 1 and Lot 2 in relation to Subdivision Application No. PL2017-050.
- 8.1.5 Development Variance Permit Application No. PL2017-032 - 2338 Andover Road, Electoral Area 'E'** 56
- Delegations wishing to speak to Development Variance Permit Application No. PL2017-032 - 2338 Andover Road, Electoral Area 'E'
- (Electoral Area Directors, except for EA 'B' - One Vote)
- That the Board approve Development Variance Permit No. PL2017-032 to reduce the setbacks for a number of retaining walls required in relation to landscaping and the construction of a dwelling unit subject to the terms and conditions outlined in Attachments 2 to 5.

8.1.6	Zoning Amendment Application No. PL2017-015 - 2720 Benson View Road, Electoral Area 'C' - Amendment Bylaw 500.409, 2017 – First and Second Reading	72
	(Electoral Area Directors, except for EA 'B' - One Vote)	
	1. That the Board receive the Summary of the Public Information Meeting held on April 4, 2017.	
	2. That the conditions set out in Attachment 2 of the staff report be completed prior to Amendment Bylaw No. 500.409, 2017 being considered for adoption.	
	3. That “Regional District of Nanaimo Land Use and Subdivision Amendment Bylaw No. 500.409, 2017” be introduced and read two times.	
	4. That the Public Hearing on “Regional District of Nanaimo Land Use and Subdivision Amendment Bylaw No. 500.409, 2017”, be waived in accordance with Section 464(2) of the <i>Local Government Act</i> .	
	5. That staff be directed to proceed with notification in accordance with Section 467 of the <i>Local Government Act</i> of the Board’s intent to consider third reading of “Regional District of Nanaimo Land Use and Subdivision Amendment Bylaw No. 500.409, 2017” at a regular Board meeting to be held on June 27, 2017.	
8.2	Committee of the Whole	
8.2.1	Minutes of the Committee of the Whole Meeting - May 9, 2017	84
	(All Directors - One Vote)	
	That the minutes of the Committee of the Whole meeting held May 9, 2017, be received for information.	
8.2.2	2016 Financial Statements and Audit Findings Report	89
	(All Directors - One Vote)	
	That the consolidated financial statements of the Regional District of Nanaimo for the year ended December 31, 2016 be approved as presented.	
8.2.3	Regional Services Review Update	136
	(All Directors - One Vote)	
	That the selection of the 2018 regional services to be reviewed occur at the Board’s fall 2017 Strategic Plan review session.	

- 8.2.4 2017 Gas Tax – Strategic Priorities Fund Grant Applications** 140
- (All Directors - One Vote)
- That the Board support the following projects for application by the Regional District of Nanaimo to the Gas Tax – Strategic Priorities Fund for the 2017 application intake:
1. Capital Stream:
Nanoose Bay Water Service Pump Station - \$2 million
 2. Capacity Building Stream:
Asset Management Replacement Cost Study - \$150,000
- 8.2.5 Tribal Journeys 2017** 143
- (All Directors - One Vote)
- That the Tribal Journeys 2017 report be received for information and Regional District of Nanaimo Board of Directors and staff be informed of any volunteer opportunities that may arise from the event.
- 8.2.6 Renewal of Agreement for On-Call Electrical Maintenance and Repair for Wastewater Services** 146
- (All Directors - Weighted Vote)
- That the Board renew an agreement for on-call electrical maintenance and repair to Shaw Electrical Services from June 1, 2017 to May 31, 2018, to a maximum expenditure of \$250,000.00. Electrical maintenance services are provided to the Southern Community, Northern Community, Nanoose and Duke Point Wastewater Service Areas.
- 8.2.7 Biosolids Management Program Agreements** 148
- (All Directors - Weighted Vote)
1. That the Regional District of Nanaimo (RDN) enter into a four-year agreement with TimberWest Forest Company (TimberWest) to enable biosolids forest fertilization activities.
 2. That the RDN enter into a four-year agreement with the Nanaimo Mountain Bike Club to coordinate shared land use.
 3. That the Regional District of Nanaimo award SYLVIS Environmental Services (SYLVIS) a four month contract extension from June 1, 2017 to September 30, 2017 for \$162,000 to continue biosolids forest fertilization activities.

8.2.8 Community Works Funds - Electoral Area 'G'

(All Directors - One Vote)

1. That up to \$25,000 of Community Works Funds designated for Electoral Area 'G' be allocated to the design of the San Pareil Water Service Area expansion.
2. That up to \$10,000 of Community Works Funds designated for Electoral Area 'G' be allocated to Surfside Water Service Area well upgrades.

8.3 Northern Community Economic Development Select Committee

8.3.1 Minutes of the Northern Community Economic Development Select Committee Meeting - April 20, 2017

198

(All Directors - One Vote)

That the minutes of the Northern Community Economic Development Select Committee held April 20, 2017, be received for information.

8.3.2 Northern Community Economic Development Committee Funding Request Amounts

(Parksville, Qualicum Beach, Electoral Areas 'E', 'F', 'G', 'H' - Weighted Vote)

That Northern Community Economic Development Select Committee funding requests normally be capped at \$5,000.

8.3.3 Northern Community Economic Development – Spring 2017 Proposals

202

(Parksville, Qualicum Beach, Electoral Areas 'E', 'F', 'G', 'H' - Weighted Vote)

1. That the Echo Players Society – Mural Project be awarded funding of \$5,000 from the Northern Community Economic Development program.
2. That the Qualicum Beach Chamber of Commerce – Entrepreneur’s Toolkit Workshop be awarded funding of \$5,000 from the Northern Community Economic Development program.
3. That the Town of Qualicum Beach – Renovating the Old Fire Hall for Regional Industry Growth be awarded funding of \$5,000 from the Northern Community Economic Development program.
4. That the Mt. Arrowsmith Biosphere Region at Vancouver Island University – An Amazing Places Passport Program be awarded funding of \$3,000 from the Northern Community Economic Development program.
5. That the Central Vancouver Island Job Opportunities Building Society – Blade Runners 2017-2018 be awarded funding of \$10,000 from the Northern Community Economic Development program.
6. That the Parksville and District Chamber of Commerce – Mid Island Tech Forum not be funded from the Northern Community Economic Development program.

8.4 Englishman River Water Service Management Board

8.4.1 Minutes of the Englishman River Water Service Management Board Meeting - May 3, 2017 205

(All Directors - One Vote)

That the minutes of the Englishman River Water Service Management Board meeting held May 3, 2017, be received for information.

8.4.2 ERWS Revised 2017-2021 Financial Plan 207

(Electoral Areas 'E', 'G' - Weighted Vote)

That the Regional District of Nanaimo adopt its portion of the Revised 2017-2021 Financial Plan as outlined in Table 2 attached to the May 3, 2017 report.

8.5 Arrowsmith Water Service Management Board

8.5.1 Minutes of the Arrowsmith Water Service Management Board Meeting - May 3, 2017 220

(All Directors - One Vote)

That the minutes of the Arrowsmith Water Service Management Board meeting held May 3, 2017, be received for information.

9. REPORTS

9.1 Nanaimo Economic Development Strategic Planning Committee 222

(All Directors - One Vote)

That the Board nominate one of the Directors in the Southern Community Economic Development Service to serve on the Nanaimo Economic Development Strategic Planning Committee.

10. BYLAWS - WITH NO ACCOMPANYING REPORT

10.1 Bylaws No. 1049.09, and 867.08 - Nanoose Bay Peninsula Water Service Area Expansion, Electoral Area 'E' 224

(All Directors - One Vote)

1. That "Nanoose Bay Bulk Water Supply Local Service Area Amendment Bylaw No. 1049.09, 2017" be adopted.

2. That "Nanoose Bay Peninsula Water Service Area Amendment Bylaw No. 867.08, 2017" be adopted.

10.2 Bylaw No. 1490.03 - 2017 Service Area Tax Requisition Amendment

228

(All Directors - One Vote)

That "Southern Community Restorative Justice Program Service Requisition Limit Amendment Bylaw No. 1490.03, 2017" be adopted.

- 11. DELEGATIONS - ITEMS NOT ON THE AGENDA**
- 12. BUSINESS ARISING FROM DELEGATIONS**
- 13. NEW BUSINESS**
- 14. ADJOURNMENT**

**REGIONAL DISTRICT OF NANAIMO
MINUTES OF THE REGULAR BOARD MEETING**

**Tuesday, April 25, 2017, 7:00 P.M.
RDN Board Chambers**

In Attendance:	Director W. Veenhof	Chairperson
	Director I. Thorpe	Vice Chair
	Director A. McPherson	Electoral Area A
	Director H. Houle	Electoral Area B
	Director M. Young	Electoral Area C
	Director B. Rogers	Electoral Area E
	Alternate	
	Director J. McLean	Electoral Area F
	Director J. Stanhope	Electoral Area G
	Director B. McKay	City of Nanaimo
	Director B. Bestwick	City of Nanaimo
	Director G. Fuller	City of Nanaimo
	Director J. Hong	City of Nanaimo
	Director J. Kipp	City of Nanaimo
	Director B. Yoachim	City of Nanaimo
	Alternate	
	Director K. Oates	City of Parksville
Director B. Colclough	District of Lantzville	
Director T. Westbroek	Town of Qualicum Beach	
Regrets:	Director J. Fell	Electoral Area F
	Director M. Lefebvre	City of Parksville
Also in Attendance:	P. Carlyle	Chief Administrative Officer
	R. Alexander	Gen. Mgr. Regional & Community Utilities
	G. Garbutt	Gen. Mgr. Strategic & Community Development
	T. Osborne	Gen. Mgr. Recreation & Parks
	D. Trudeau	Gen. Mgr. Transportation & Emergency Planning Services
	J. Harrison	Director of Corporate Services
	W. Idema	Director of Finance
	J. Hill	Mgr. Administrative Services
C. Golding	Recording Secretary	

CALL TO ORDER

The Chair called the meeting to order and respectfully acknowledged the Coast Salish Nations on whose traditional territory the meeting took place.

The Chair welcomed Director Fuller to the Board as member, and welcomed Alternate Directors McLean and Oates to the meeting.

APPROVAL OF THE AGENDA

17-207

It was moved and seconded that the agenda be approved, as amended, to include late items as outlined in the addendum.

CARRIED UNANIMOUSLY

ADOPTION OF MINUTES

REGULAR BOARD MEETING - MARCH 28, 2017

17-208

It was moved and seconded that the minutes of the Regular Board meeting held March 28, 2017, be adopted.

CARRIED UNANIMOUSLY

SPECIAL BOARD MEETING - APRIL 11, 2017

17-209

It was moved and seconded that the minutes of the Special Board meeting held April 11, 2017, be adopted.

CARRIED UNANIMOUSLY

INVITED PRESENTATIONS

Sheila Malcolmson, MP, re Update on Status of Abandoned Vessels Bill and other Federal Matters of Interest.

Sheila Malcolmson updated the Board on the status of Abandoned Vessels Bill C-352 and the associated costs including environmental impact, risk to jobs, impact on tourism, impact on the shellfish, aquaculture and fisheries industries, and costs to the taxpayer, and asked for the Board's support to encourage the Federal Government to adopt Bill C-352.

17-210

It was moved and seconded that:

WHEREAS:

1. Abandoned vessels pose an environmental risk and navigational hazard;
2. No regulations or programs have established effective measures for the removal and disposal of abandoned vessels;
3. Coastal communities in Canada have called on the government to act on abandoned vessels for decades;

Therefore be it resolved that the Regional District of Nanaimo encourage the Federal Government to adopt Bill C-352, "An Act to amend the Canada Shipping Act, 2001 and to provide for the development of a national strategy (abandonment of vessels)", which would prevent abandoned vessels from becoming hazards in the first place, enable rapid Coast Guard response and encourage owners to remove end of life vessels using a vessel turn-in program that will foster recycling markets.

CARRIED UNANIMOUSLY

17-211

It was moved and seconded that the Regional District of Nanaimo's motion regarding Bill C-352 be forwarded to Transport Canada, Environment Canada, Ministry of Forests, Lands and Natural Resource Operations, and local MPs and MLAs.

CARRIED UNANIMOUSLY

DELEGATIONS - AGENDA ITEMS

Jack Peake, re Rail to Trail Board Motion.

Jack Peake shared his views with the Board on preserving and restoring the E&N railway and asked the Board not to support removing the infrastructure and converting the rail line to a trail, but to instead preserve the railway for use by Vancouver Island residents and tourists.

CORRESPONDENCE

Chris Caswell, re E&N Railway.

17-212

It was moved and seconded that the correspondence from Chris Caswell regarding the E&N Railway be received.

CARRIED UNANIMOUSLY

S. Gurrie, City of Nanaimo, re Municipal Director Appointment to the Regional District of Nanaimo Board.

17-213

It was moved and seconded that the correspondence from S. Gurrie, City of Nanaimo, regarding municipal Director appointment to the Regional District of Nanaimo Board be received.

CARRIED UNANIMOUSLY

Michelle MacEwen, Gabriola Island Recycling Organization, re Request for Funding Assistance Towards Roof Replacement.

17-214

It was moved and seconded that the correspondence from Michelle MacEwen, Gabriola Island Recycling Organization, regarding a request for funding assistance towards a roof replacement be received.

CARRIED UNANIMOUSLY

17-215

It was moved and seconded that staff be directed to complete an agreement with the Gabriola Island Recycling Organization for the transfer of Community Works Funds allocated to Electoral Area 'B' for an amount up to \$25,000 for replacement roofing of their facility.

CARRIED UNANIMOUSLY

COMMITTEE MINUTES AND RECOMMENDATIONS

ELECTORAL AREA SERVICES COMMITTEE

Minutes of the Electoral Area Services Committee Meeting - April 11, 2017.

17-216

It was moved and seconded that the minutes of the Electoral Area Services Committee meeting held April 11, 2017, be received for information.

CARRIED UNANIMOUSLY

Development Permit Application No. PL2017-022 – 4004 Gladys Road – Electoral Area 'H'.

17-217

It was moved and seconded that the Board approve Development Permit No. PL2017-022 to permit an accessory building subject to the conditions outlined in Attachments 2 to 4.

CARRIED UNANIMOUSLY

Development Permit with Variance Application No. PL2017-026 – 235 Driftwood Road, Electoral Area ‘H’.

17-218

It was moved and seconded that the Board approve Development Permit with Variance No. PL2017-026 to reduce the interior side lot line setback for a detached garage subject to the terms and conditions outlined in Attachments 3 to 4.

CARRIED UNANIMOUSLY

Development Variance Permit Application No. PL2017-023 – 2925 and 2931 Northwest Bay Road – Electoral Area ‘E’.

17-219

It was moved and seconded that the Board approve Development Variance Permit No. PL2017-023 subject to the conditions outlined in Attachments 2 to 4.

CARRIED UNANIMOUSLY

COMMITTEE OF THE WHOLE

Minutes of the Committee of the Whole Meeting - April 11, 2017.

17-220

It was moved and seconded that the minutes of the Committee of the Whole meeting held April 11, 2017, be received for information.

CARRIED UNANIMOUSLY

Carol Cannon, Bowser Seniors Housing Society, re Lease of Crown Land Lots DL36, PT 1 & 2, PL 2076.

17-221

It was moved and seconded that the correspondence from Carol Cannon, Bowser Seniors Housing Society, regarding the Lease of Crown Land Lots DL36, PT 1 & 2, PL 2076 be received.

CARRIED UNANIMOUSLY

17-222

It was moved and seconded that staff be directed to prepare a letter to the Ministry of Forests, Lands and Natural Resource Operations requesting the revision of the Regional District of Nanaimo’s Crown Lease No. 114348 to amend the boundaries of the lease area in order to allow the Bowser Seniors Housing Society to submit a Sponsored Crown Grant application for the northern portion of the site for the purposes of constructing a not-for-profit seniors housing complex.

CARRIED UNANIMOUSLY

17-223

It was moved and seconded that staff be directed to prepare a letter of support for the Bowser Seniors Housing Society's Sponsored Crown Grant application for the purposes of constructing a not-for-profit seniors housing complex.

CARRIED UNANIMOUSLY

Agricultural Advisory Committee - Volunteer Mileage Reimbursement.

17-224

It was moved and seconded that Agricultural Advisory Committee members receive mileage reimbursement for site visits they are asked to attend.

CARRIED UNANIMOUSLY

2016 Census Impact on Number of Directors and Voting Strength.

17-225

It was moved and seconded that the Board delay consideration of the 2016 Census Impact on Number of Directors and Voting Strength Report until June so that member municipalities can have time to more closely examine the recommendations.

CARRIED UNANIMOUSLY

Qualicum First Nation/Regional District of Nanaimo Collaboration Protocol Update.

17-226

It was moved and seconded that the Regional District of Nanaimo submit a grant application to the Union of British Columbia Municipalities to support community-to-community activities with Qualicum First Nation.

CARRIED UNANIMOUSLY

Horses on the Coombs to Parksville Rail Trail.

17-227

It was moved and seconded that staff continue to pursue equestrian parking in relation to equestrian use of Highway 4A Crown Woodlot.

CARRIED UNANIMOUSLY

17-228

It was moved and seconded that the matter of finding suitable accommodation for equestrians on Regional Trails be referred to the Regional Parks and Trails Select Committee.

CARRIED UNANIMOUSLY

17-229

It was moved and seconded that horses be excluded temporarily from the Coombs to Parksville Trail for two months.

CARRIED UNANIMOUSLY

Bylaw Nos. 1049.09 and 867.08 - Nanoose Bay Peninsula Water Service Area Expansion, Electoral Area 'E'.

17-230

It was moved and seconded that the Board give three readings to “Nanoose Bay Peninsula Water Service Area Amendment Bylaw No. 867.08, 2017”.

CARRIED UNANIMOUSLY

17-231

It was moved and seconded that the Board give three readings to “Nanoose Bay Bulk Water Supply Local Service Area Amendment Bylaw No. 1049.09, 2017”.

CARRIED UNANIMOUSLY

Northern and Southern Communities Wastewater Development Cost Charges.

17-232

It was moved and seconded that the Board give third reading to “Northern Community Sewer Service Area Development Cost Charges Amendment Bylaw No. 1442.03, 2016”.

CARRIED UNANIMOUSLY

17-233

It was moved and seconded that the Board give third reading to “Southern Community Sewer Service Area Development Cost Charges Amendment Bylaw No. 1547.01, 2016”.

CARRIED UNANIMOUSLY

17-234

It was moved and seconded that Bylaw Nos. 1442.03, 2016 and 1547.01, 2016 be forwarded to the Inspector of Municipalities for approval following third reading.

CARRIED UNANIMOUSLY

Friends of Rails to Trails Vancouver Island.

17-235

It was moved and seconded that the Board send a letter to the Island Corridor Foundation in support of converting the railway to trails from Parksville to Courtenay, and that a copy of the letter be sent to the Friends of Rails to Trails Vancouver Island.

Opposed (4): Director McLean, Director Stanhope, Director McKay, and Director Oates

CARRIED

Electoral Area 'H' Community Works Funds.

17-236

It was moved and seconded that up to \$100,000 of Community Works Funds designated for Electoral Area 'H' be allocated to the design and implementation plan for the proposed Bowser Sewer Service.

CARRIED UNANIMOUSLY

SOLID WASTE MANAGEMENT SELECT COMMITTEE

Minutes of the Solid Waste Management Select Committee Meeting - April 13, 2017.

17-237

It was moved and seconded that the minutes of the Solid Waste Management Select Committee meeting held April 13, 2017, be received for information.

CARRIED UNANIMOUSLY

Regional Landfill Land Disposition.

17-238

It was moved and seconded that staff proceed with the Notice of Disposition for:

- a) Granting an easement to Lehigh Hanson Materials (Lehigh) for their sanitary sewer line that crosses the landfill property;
- b) Transfer of the ownership of the newly installed powerlines that service the landfill maintenance shop to BC Hydro and Power Authority (BC Hydro);
- c) Granting a statutory right of way to BC Hydro and Telus Communication Company (Telus) for accommodation of the newly installed powerlines and future communication lines on Regional District of Nanaimo (RDN) property; and,
- d) Assigning a statutory right of way to BC Hydro and Telus, initially granted by Lehigh to the RDN, for accommodation of the power and communication lines on Lehigh's property;

And, that staff action the disposals following publication of the Notice.

CARRIED UNANIMOUSLY

CVRD Request for Contingency Waste Disposal.

17-239

It was moved and seconded that the Board endorse receiving municipal waste controlled by the Cowichan Valley Regional District in the event services at their current disposal facility are temporarily unavailable and that the tip fee be set at a 20% premium over Regional District of Nanaimo rates.

Opposed (1): Director Young

CARRIED

17-240

It was moved and seconded that "Regional District of Nanaimo Solid Waste Management Regulation Amendment Bylaw No. 1531.07, 2017" be introduced and read three times.

Opposed (1): Director Young

CARRIED

17-241

It was moved and seconded that "Regional District of Nanaimo Solid Waste Management Regulation Amendment Bylaw No. 1531.07, 2017" be adopted.

Opposed (1): Director Young

CARRIED

Cedar Road Lift Station Cost Sharing Agreement.

17-242

It was moved and seconded that the Board approve a cost sharing agreement with the City of Nanaimo for the Cedar Road lift station in an amount of \$45,000 per year with the cost share to be renegotiated every five years.

CARRIED UNANIMOUSLY

SUSTAINABILITY SELECT COMMITTEE

Minutes of the Sustainability Select Committee Meeting - March 28, 2017.

17-243

It was moved and seconded that the minutes of the Sustainability Select Committee meeting held March 28, 2017, be received for information.

CARRIED UNANIMOUSLY

2017 Green Building Series - Step Code.

17-244

It was moved and seconded that staff be directed to complete the funding agreement with BC Hydro and endorse using the funds to augment the 2017 Green Building program.

CARRIED UNANIMOUSLY

17-245

It was moved and seconded that staff be directed to research BC Hydro's Sustainable Communities Project Implementation Funding program and report back.

CARRIED UNANIMOUSLY

Overview of the Green Building Incentive Program.

17-246

It was moved and seconded that the existing Regional District of Nanaimo Green Building Incentive Program be maintained for 2017.

CARRIED UNANIMOUSLY

FIRE SERVICES ADVISORY COMMITTEE

Minutes of the Fire Services Advisory Committee Meeting - April 12, 2017.

17-247

It was moved and seconded that the minutes of the Fire Services Advisory Committee meeting held April 12, 2017, be received for information.

CARRIED UNANIMOUSLY

Award of Proposal for Two Single-Axle, Four-Door Fire/Rescue Engines for Errington Volunteer Fire Department.

17-248

It was moved and seconded that staff be directed to award the purchase of two single-axle, four-door fire/rescue engines to Hub Fire Engines & Equipment Ltd for the estimated \$1,437,068 quoted price.

CARRIED UNANIMOUSLY

17-249

It was moved and seconded that staff be directed to release up to \$963,000 from the Errington Fire Service Vehicle and Equipment Reserve Fund for the purchase of two fire/rescue engines.

CARRIED UNANIMOUSLY

17-250

It was moved and seconded that staff be directed to revise the Errington Fire Service 10-year Financial Plan to ensure adequate capital funding is available for future capital requirements.

CARRIED UNANIMOUSLY

17-251

It was moved and seconded that the Board approve borrowing of up to \$475,000 for the purchase of two fire/rescue engines under the Municipal Finance Authority short term equipment financing program with a five-year pay back plan.

CARRIED UNANIMOUSLY

REPORTS

Zoning Amendment Application No. PL2016-060 - 4775 & 4785 Anderson Avenue, Electoral Area 'H' - Amendment Bylaw 500.407, 2017 - Third Reading.

17-252

It was moved and seconded that the Board receive the report of the Public Hearing held on March 30, 2017 for "Regional District of Nanaimo Land Use and Subdivision Amendment Bylaw No. 500.407, 2017".

CARRIED UNANIMOUSLY

17-253

It was moved and seconded that the Board give third reading to "Regional District of Nanaimo Land Use and Subdivision Amendment Bylaw No. 500.407, 2017".

CARRIED UNANIMOUSLY

Zoning Amendment Application No. PL2016-110 - 1682 Cedar Road , Electoral Area 'A'- Amendment Bylaw 500.408, 2017 - Third Reading.

17-254

It was moved and seconded that the Board give third reading to "Regional District of Nanaimo Land Use and Subdivision Amendment Bylaw No. 500.408, 2017".

CARRIED UNANIMOUSLY

Zoning Amendment Application No. PL2011-179 - 2925 Turnbull Road, Electoral Area 'H' - Amendment Bylaw No. 500.382, 2013 – Adoption.

17-255

It was moved and seconded that the Board adopt "Regional District of Nanaimo Land Use and Subdivision Amendment Bylaw No. 500.382, 2013".

CARRIED UNANIMOUSLY

Zoning Amendment Application No. PL2016-108 - Midora Road and Virostko Road, Electoral Area 'C' - Amendment Bylaw No. 500.406, 2017 – Adoption.

17-256

It was moved and seconded that the Board adopt "Regional District of Nanaimo Land Use and Subdivision Amendment Bylaw No. 500.406, 2017".

CARRIED UNANIMOUSLY

Regional Growth Strategy Bylaw 1615.01, 2016 – Minor Amendment Criteria.

17-257

It was moved and seconded that the Board receive the responses from the affected local governments regarding "Regional District of Nanaimo Regional Growth Strategy Bylaw No. 1615.01, 2016" as set out in Attachment 1 of this report.

CARRIED UNANIMOUSLY

17-258

It was moved and seconded that "Regional District of Nanaimo Regional Growth Strategy Bylaw No. 1615.01, 2016", be read a third time.

CARRIED UNANIMOUSLY

17-259

It was moved and seconded that "Regional District of Nanaimo Regional Growth Strategy Bylaw No. 1615.01, 2016", be adopted.

CARRIED UNANIMOUSLY

BYLAWS (with no accompanying report)

Bylaw No. 1655.06.

17-260

It was moved and seconded that "Regional District of Nanaimo Water Services Fees & Charges Amendment Bylaw No. 1655.06, 2017", be adopted.

CARRIED UNANIMOUSLY

Bylaw No. 1752.

17-261

It was moved and seconded that "Regional District of Nanaimo Pump & Haul Local Service Establishment Repeal Bylaw No. 1752, 2017", be adopted.

CARRIED UNANIMOUSLY

IN CAMERA

17-262

It was moved and seconded that pursuant to Section 90 (1) (e) of the *Community Charter* the Board proceed to an In Camera meeting for discussions related to land matters.

CARRIED UNANIMOUSLY

TIME: 8:17 PM

ADJOURNMENT

It was moved and seconded that this meeting be adjourned.

CARRIED UNANIMOUSLY

TIME: 8:26 PM

CHAIR

CORPORATE OFFICER

REGIONAL DISTRICT OF NANAIMO**MINUTES OF THE ELECTORAL AREA SERVICES COMMITTEE MEETING****Tuesday, May 9, 2017****4:00 P.M.****RDN Board Chambers**

In Attendance:	Director J. Stanhope	Chair
	Director A. McPherson	Electoral Area A
	Director H. Houle	Electoral Area B
	Director M. Young	Electoral Area C
	Director B. Rogers	Electoral Area E
	Director J. Fell	Electoral Area F
	Director W. Veenhof	Electoral Area H
Also in Attendance:	P. Carlyle	Chief Administrative Officer
	R. Alexander	Gen. Mgr. Regional & Community Utilities
	T. Osborne	Gen. Mgr. Recreation & Parks
	D. Trudeau	Gen. Mgr. Transportation & Emergency Planning Services
	J. Holm	A/Gen. Mgr. Strategic & Community Development
	J. Harrison	Director of Corporate Services
	W. Idema	Director of Finance
	T. Armet	Mgr. Building and Bylaw Services
	J. Hill	Mgr. Administrative Services
	Bernadette Ritter	Recording Secretary

CALL TO ORDER

The Chairperson called the meeting to order and respectfully acknowledged the Coast Salish Nations on whose traditional territory the meeting took place.

APPROVAL OF THE AGENDA

It was moved and seconded that the agenda be approved as presented.

CARRIED UNANIMOUSLY

ADOPTION OF THE MINUTES**Electoral Area Services Committee Meeting - April 11, 2017**

It was moved and seconded that the minutes of the Electoral Area Services Committee meeting held April 11, 2017, be adopted.

CARRIED UNANIMOUSLY

PLANNING

Development Permit

Development Permit Application No. PL2017-033 - 6141 Island Highway West, Electoral Area 'H'

It was moved and seconded that the Board approve Development Permit No. PL2017-033 to remove an existing lock block retaining wall and permit the construction of a foreshore revetment to protect the property from erosion subject to the conditions outlined in Attachments 2 to 4.

CARRIED UNANIMOUSLY

Development Permit Application No. PL2017-046 - 1683, 1691 and 1697 Admiral Tryon Boulevard, Electoral Area 'G'

It was moved and seconded that the Board approve Development Permit No. PL2017-046 to permit the removal of an existing retaining wall and construction of a riprap revetment on the subject properties subject to the terms and conditions outlined in Attachments 2 to 4.

CARRIED UNANIMOUSLY

Development Variance Permit

Development Variance Permit Application No. PL2017-050 - 863 Cavin Road, Electoral Area 'G'

It was moved and seconded that the Board approve Development Variance Permit No. PL2017-050 to increase the permitted parcel depth for proposed Lot 2 from 40% to 46% subject to the terms and conditions outlined in Attachments 2 to 3.

CARRIED UNANIMOUSLY

It was moved and seconded that the Board direct staff to complete the required notification for Development Variance Permit No. PL2017-050.

CARRIED UNANIMOUSLY

It was moved and seconded that the Board approve the request to relax the minimum 10% perimeter frontage requirement for proposed Lot 1 and Lot 2 in relation to Subdivision Application No. PL2017-050.

CARRIED UNANIMOUSLY

Development Variance Permit Application No. PL2017-032 - 2338 Andover Road, Electoral Area 'E'

It was moved and seconded that the Board approve Development Variance Permit No. PL2017-032 to reduce the setbacks for a number of retaining walls required in relation to landscaping and the construction of a dwelling unit subject to the terms and conditions outlined in Attachments 2 to 5.

CARRIED UNANIMOUSLY

It was moved and seconded that the Board direct staff to complete the required notification for Development Variance Permit No. PL2017-032.

CARRIED UNANIMOUSLY

Zoning Amendment

Zoning Amendment Application No. PL2017-015 - 2720 Benson View Road, Electoral Area 'C' - Amendment Bylaw 500.409, 2017 – First and Second Reading

It was moved and seconded that the Board receive the Summary of the Public Information Meeting held on April 4, 2017.

CARRIED UNANIMOUSLY

It was moved and seconded that the conditions set out in Attachment 2 of the staff report be completed prior to Amendment Bylaw No. 500.409, 2017 being considered for adoption.

CARRIED UNANIMOUSLY

It was moved and seconded that "Regional District of Nanaimo Land Use and Subdivision Amendment Bylaw No. 500.409, 2017" be introduced and read two times.

CARRIED UNANIMOUSLY

It was moved and seconded that the Public Hearing on "Regional District of Nanaimo Land Use and Subdivision Amendment Bylaw No. 500.409, 2017", be waived in accordance with Section 464(2) of the *Local Government Act*.

CARRIED UNANIMOUSLY

It was moved and seconded that staff be directed to proceed with notification in accordance with Section 467 of the *Local Government Act* of the Board's intent to consider third reading of "Regional District of Nanaimo Land Use and Subdivision Amendment Bylaw No. 500.409, 2017" at a regular Board meeting to be held on June 27, 2017.

CARRIED UNANIMOUSLY

BUILDING INSPECTION

Building Permit Activity – First Quarter 2017

It was moved and seconded that the report on building permit activity for the first quarter of 2017 be received for information.

CARRIED UNANIMOUSLY

NEW BUSINESS

Directors' Forum

The Directors' Forum included discussions related to Electoral Area matters.

ADJOURNMENT

It was moved and seconded that the meeting be adjourned.

CARRIED UNANIMOUSLY

TIME: 4:34 PM

CHAIR

CORPORATE OFFICER

TO: Electoral Area Services Committee **DATE:** May 9, 2017
FROM: Stephen Boogaards
Planner **FILE:** PL2017-033
SUBJECT: **Development Permit Application No. PL2017-033**
6141 Island Highway West – Electoral Area ‘H’
Lot A, District Lot 33, Newcastle District, Plan VIP73539

RECOMMENDATION

That the Board approve Development Permit No. PL2017-033 to remove an existing lock block retaining wall and permit the construction of a foreshore revetment to protect the property from erosion subject to the conditions outlined in Attachments 2 to 4.

SUMMARY

The applicant proposes to replace a failing lock block retaining wall with a foreshore revetment on the subject property. The property is subject to the Hazard Lands Development Permit Area (DPA) and Environmentally Sensitive Features DPA for coastal areas. Currently the lock block retaining wall is entirely located on Crown land below the natural boundary of the sea. The proposed revetment will be located entirely on the subject property, and will be constructed using buried riprap with sand, gravel and cobbles to fill in spaces and provide a medium for the growth of native vegetation. Consistent with the DPA guidelines and Board Policy for shoreline protection, the applicant has provided a geotechnical report to establish the necessity for the shoreline protection and provide recommendations for construction. The applicant has also provided an environmental assessment to establish a vegetation plan for the revetment and environmental mitigation measures for construction. Given that DPA guidelines have been met and the applicant has designed the revetment to reduce impact on adjacent properties and the environment, staff recommends that the Board approve the proposed development permit subject to conditions outlined in Attachment 2.

BACKGROUND

The Regional District of Nanaimo (RDN) has received an application from Darren Smith of Smitty Construction Ltd. on behalf of Parker and Crystal Wachter to permit a revetment to protect the foreshore portion of the property from erosion. The subject property is approximately 0.289 hectares in area and is zoned Residential 2 Zone (RS2), pursuant to “Regional District of Nanaimo Land Use and Subdivision Bylaw No. 500, 1987”. The property is located to the northeast of the Island Highway West, adjacent to another residential zoned property, and southwest of the Sunnybeach Road public road access. The RDN has a license of occupation for maintaining public beach access within Sunnybeach Road (see Attachment 1 – Subject Property Map).

The property is currently vacant, however, a lock block retaining wall currently protects the property and is entirely located below the natural boundary of the sea. Portions of the lock block retaining wall have failed, falling onto the foreshore, and the remaining portions show signs of movement.

The proposed development is subject to the following DPAs per the “Regional District of Nanaimo Electoral Area ‘H’ Official Community Plan Bylaw No. 1335, 2003”:

1. Environmentally Sensitive Features for Coastal Areas; and
2. Hazard Lands Development Permit Area.

Proposed Development

The applicant is proposing to remove an existing lock block retaining wall, completely located on Crown land below the natural boundary of the sea, and to construct a foreshore revetment on the subject property above the natural boundary of the sea (see Attachment 3 – Proposed Site Plan and Foreshore Revetment). The project will also involve grading to the shoreline to create a natural slope to dissipate wave energy and reduce further erosion.

Land Use Implications

The removal of the existing lock block retaining wall and construction of the shoreline revetment is subject to the Environmentally Sensitive Features DPA, Hazard Lands DPA and “Board Policy B1.9 Retaining Walls – Marine”. The applicant has submitted a Geotechnical Evaluation – Foreshore Hazard Assessment, prepared by Lewkowich Engineering Associates Ltd., dated April 12, 2017. The report states that the erosion of the foreshore has the potential to undermine the surficial soils on the property and damage the integrity of the foreshore.

The geotechnical engineer recommends that the revetment consist of buried riprap material consistent with the ‘Green Shores for Homes’ principals. While the proposal uses buried riprap, the infill of sand and gravel, and planting of native sea grasses softens the revetment to mimic natural shoreline processes and dissipate wave energy. The benefit of this approach is to reduce the impact on neighboring properties and coastal habitat. Comparatively, the existing lock block retaining wall reflects all wave energy and results in the erosion of both the beach in front of the structure and adjacent unarmored shoreline.

Development Permit Area guidelines and Board Policy also requires that the geotechnical engineer reviews the impacts of the revetment on adjacent properties and the environment. The revetment includes a gentle transition to the neighbouring Sunnybeach Road access in order to reduce potential effects on the neighbouring parcels, including the effect of eddying. For the property to the southeast, the proposed revetment will connect with an existing lock block retaining wall located on the property.

The geotechnical engineer also confirms that the construction of an engineered foreshore revetment will reduce the setback, required under the RDN Floodplain Management Bylaw No. 1469, 2006, from 15.0 metres to 8.0 metres. The setback is to apply to landfill or portion of a landfill slope required to elevate the habitable area of any building on the property. However, the engineer recommends a larger minimum setback of 10.0 metres to help protect the building from any floatsam that may be deposited during high tide events.

This development permit is intended to allow the construction of revetment to address the failure of the existing seawall and protect the property from erosion. The construction of a future dwelling on the property will require a separate development permit at that time, which will include the requirement for a geotechnical report that would be specific to the flood construction level for the dwelling and include specific recommendations appropriate to the construction proposed at that time.

Environmental Implications

The applicant has submitted an Environmentally Assessment and Vegetation Plan, prepared by Aquaparian Environmental Consulting Ltd. and dated February 8, 2017 to address the requirements of the coastal DPA. The report identifies that the replacement of the failed lock block retaining wall with a low slope buried riprap revetment, which is enhanced with infill gravel and native vegetation, will result in an overall improvement to the existing habitat conditions on the site and address shoreline erosion.

The report recommends a vegetation plan to restore native species common to the area, which applies to a seven metre wide area as measured from the toe of slope. The vegetation plan recommends dunegrass at the toe of slope and within the gravel and sand medium between the riprap pieces to mimic a dune habitat. The vegetation plan also recommends a mix of dunegrass and shoreline shrubs for a three metre wide strip at the top of slope to provide erosion control for the interface to the upland area and habitat for insects and birds. Any Douglas-fir removed for the construction of the revetment is also to be replaced. The report includes a cost estimated cost of installation of plants for the seven metre wide revetment area of \$2,592. As a condition of permit, the applicant is required to provide a landscaping security deposit for materials and labour in the amount of \$2,592 (see Attachment 2 – Conditions of Permit). Aquaparian Environmental Consulting Ltd. or a registered professional biologist is to confirm that planting complies with the vegetation plan prior to the release of the deposit.

The Environmental Assessment and Vegetation Plan report also includes environmental protection measures to protect the coastal habitat during construction of the revetment. Potential risks to the environment during construction are from potential runoff of deleterious substances from equipment or sediment. The measures include completing construction during dry summer months; sediment control measures; and ensuring equipment is clean and free of leaks. The report also notes that the works are to be completed in compliance with the *Fisheries Act*, including Fisheries and Oceans Canada's requirements to avoid serious harm to fish. As a condition of approval, the applicant will be required to submit a post construction inspection report to confirm that the construction and planting comply with the conditions of the Environmental Assessment and Vegetation Plan (see Attachment 2 – Conditions of Permit).

Covenant Implication

A geotechnical report titled Geotechnical Evaluation prepared by Lewkowich Engineering and dated September 8, 2000 was submitted at time of subdivision and was registered on the property title as a restrictive covenant (ET37565). At the time, the engineer noted shoreline accretion along the subject property. Despite the findings of the previous assessment, the current geotechnical report and environmental assessment note the potential for erosion to undermine soils and identifies evidence of erosion along the area of seawall failure. The removal of the lock block retaining wall and the construction of the proposed revetment will also reduce potential erosion of neighboring properties and improve habitat.

The geotechnical covenant also notes that ‘vegetation along the foreshore would be warranted as an erosion control measure, so any vegetation removed would require replacement’. The vegetation plan included in the environmental assessment would comply with this covenant requirement by planting native species of dunegrass and shrubs within the low profile revetment to dissipate the wave energy and provide for marine habitat.

Intergovernmental Implications

Since the property is adjacent to the Sunnybeach Road access, the proposed retaining wall removal and revetment was referred to the Ministry of Transportation and Infrastructure and RDN Recreation and Parks Department. The Ministry advised their preference for not using Sunnybeach Road to access the shoreline with equipment; however, a permit will not be required from the Ministry provided the road is returned to the ‘pre-work’ condition. As RDN Parks has a license of occupation for maintaining the Sunnybeach Road access, a permit will be required from the Parks Department if the construction requires the use of the public access (see Attachment 2 – Conditions of Permit). Currently the applicant has advised that they will access the natural boundary through the private property.

As coastal properties may contain archeological sites, the application has been referred to the provincial Archeology Branch. The Archeology Branch has advised that there are no known archeological sites recorded on the subject property. However, if an archeological site is encountered during development, activities must be halted and the Archeology Branch contacted. Qualicum First Nation has also been made aware of the development proposal.

ALTERNATIVES

1. To approve Development Permit No. PL2017-033 subject to the conditions outlined in Attachments 2 to 4.
2. To deny Development Permit No. PL2017-033.

FINANCIAL IMPLICATIONS

Staff have reviewed the proposed development and note that the proposal has no implications related to the Board 2017 – 2021 Financial Plan.

STRATEGIC PLAN IMPLICATIONS

Staff have reviewed the proposed development in relation to the 2016 – 2020 Board Strategic Plan and note that the proposal will be consistent with guidelines in the strategic priority to ‘focus on the environment’. The proposal replaces an existing retaining wall with a low profile revetment that dissipates the impact of wave energy to reduce impact on adjacent properties, and enhances habitat for marine species through the use of native sea grasses and shrubs.



Stephen Boogaards
sboogaards@rdn.bc.ca
April 18, 2017

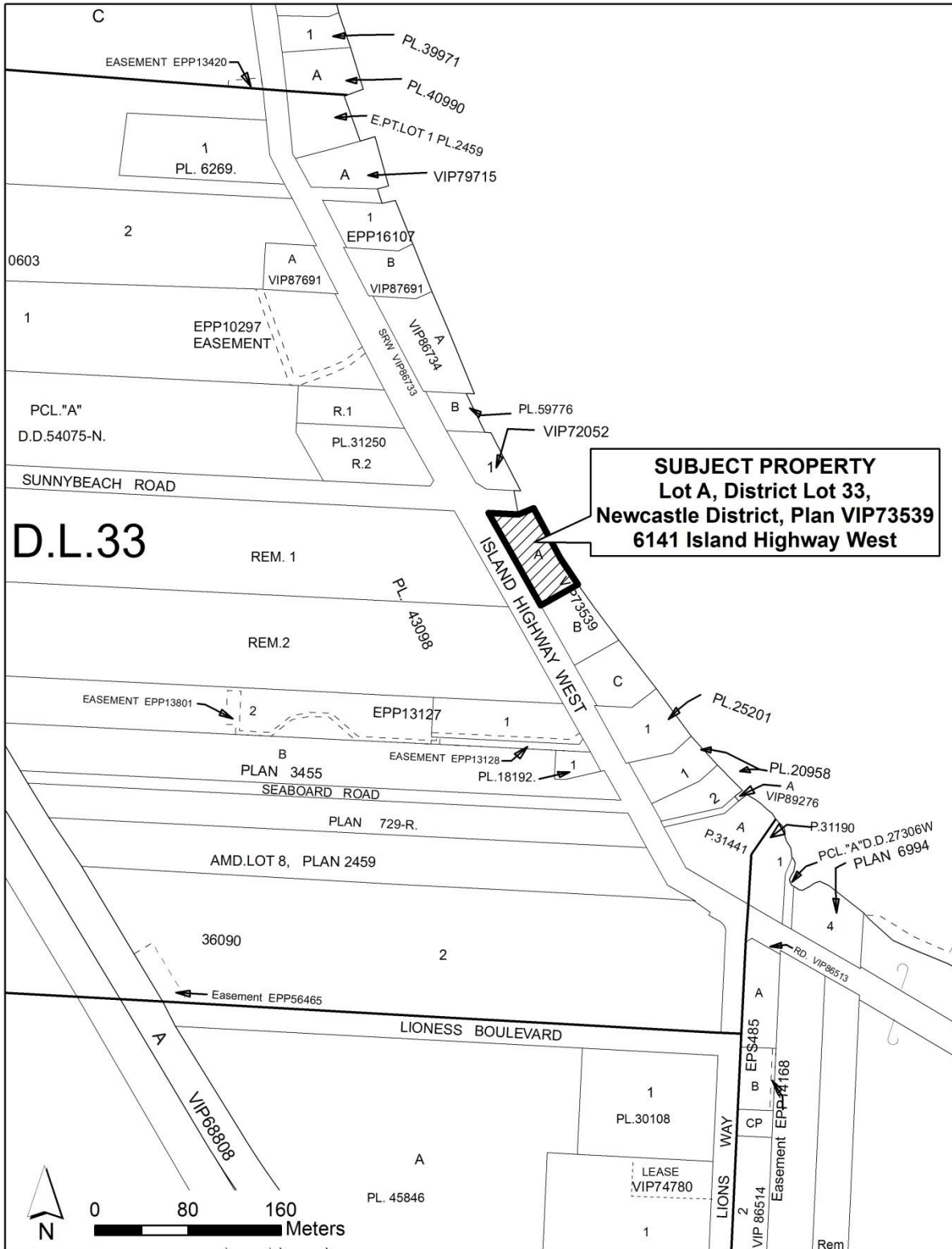
Reviewed by:

- J. Holm, Manager, Current Planning
- G. Garbutt, General Manager, Strategic & Community Development
- P. Carlyle, Chief Administrative Officer

Attachments

1. Subject Property Map
2. Conditions of Permit
3. Proposed Site Plan and Foreshore Revetment
4. Planting Plan

Attachment 1
Subject Property Map



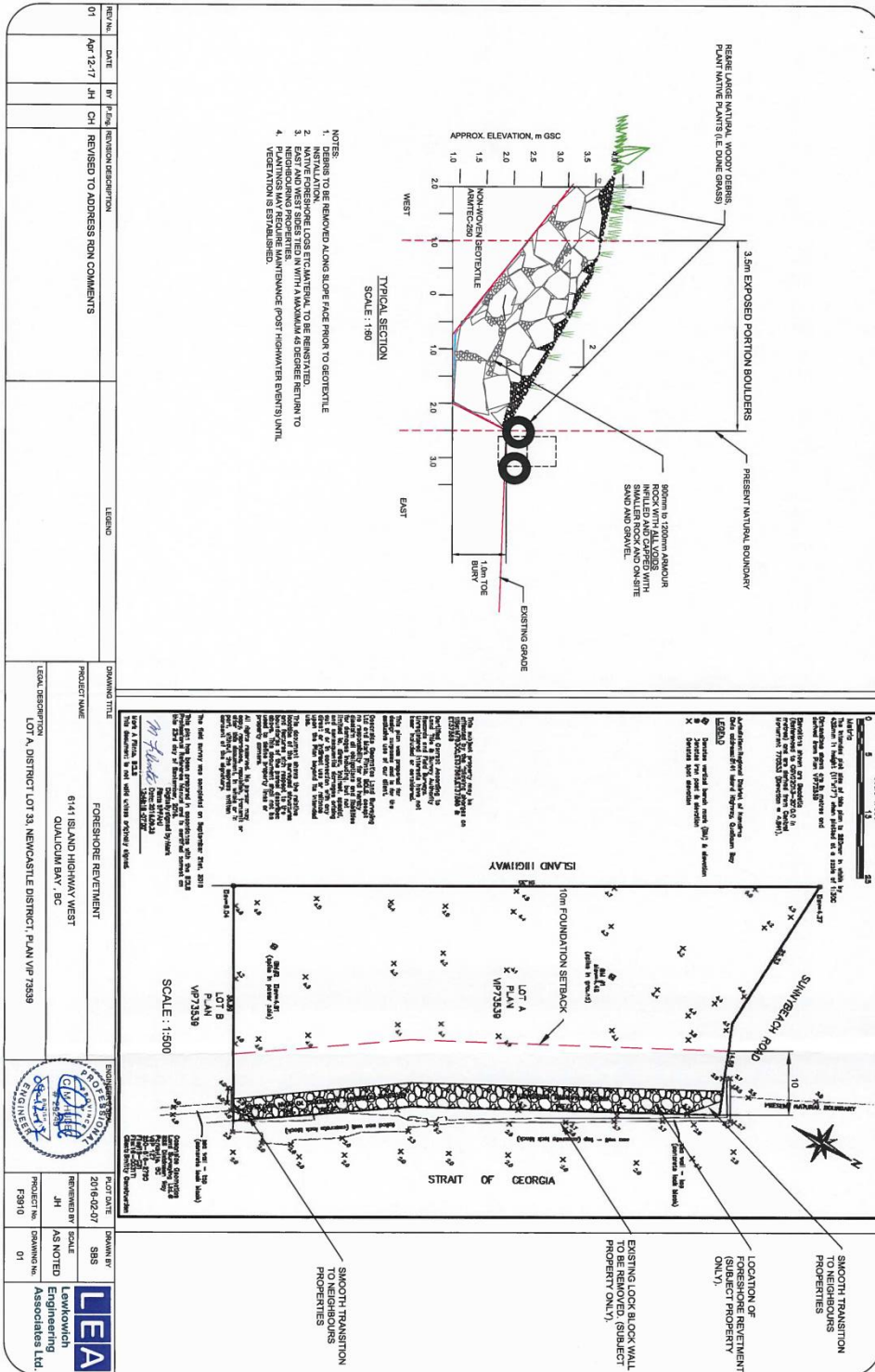
Attachment 2
Conditions of Permit

The following sets out the conditions of Development Permit No. PL2017-033:

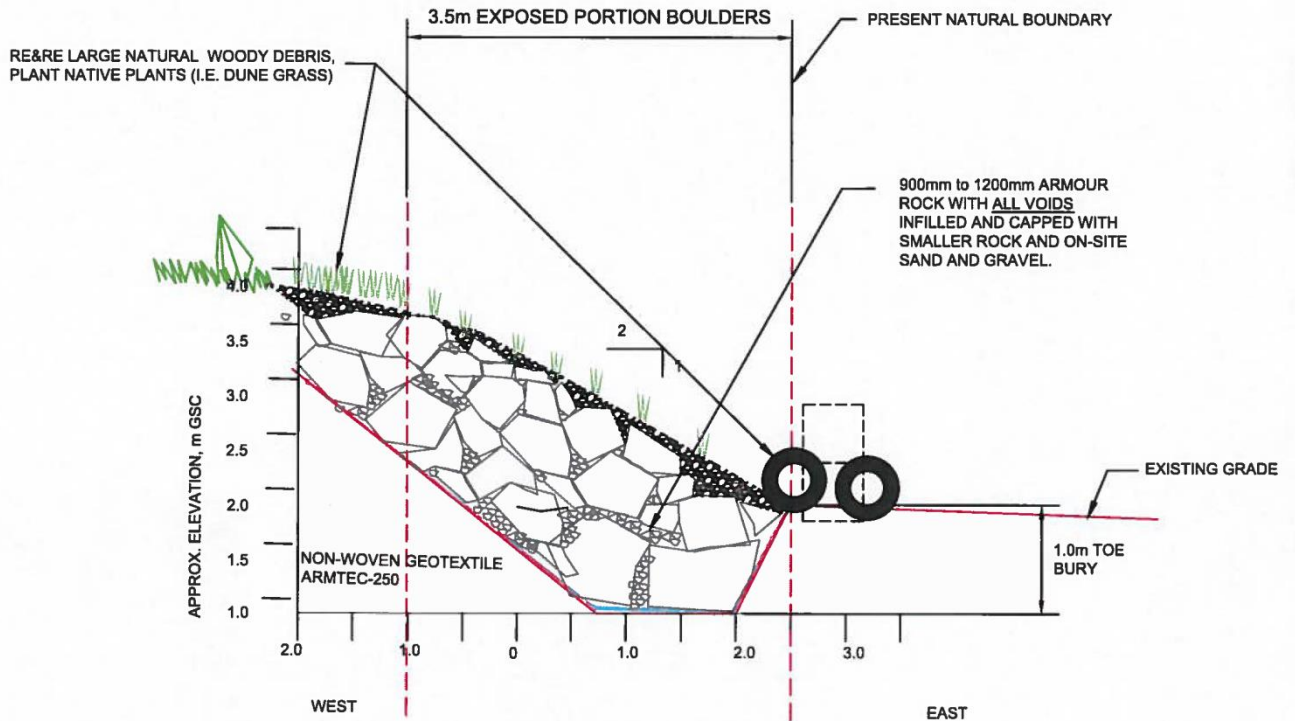
Conditions of Approval

1. The site is developed in accordance with the proposed Site Plan and Foreshore Revetment elevations prepared by Lewkowich Engineering Associates dated February 7, 2016, and attached as Attachment 3.
2. The revetment and associated development shall be constructed in accordance with the Geotechnical Site Observations – Foreshore Hazard Assessment prepared by Lewkowich Engineering Associates Ltd., dated April 12, 2017.
3. The revetment and associated development shall be constructed in accordance with the Environmental Assessment and Vegetation Plan prepared by Aquaparian Environmental Consulting Ltd., dated February 8, 2017.
4. The planting plan and associated work shall be completed and maintained in substantial compliance with the vegetation plan included in the Environmental Assessment and Vegetation Plan prepared by Aquaparian Environmental Consulting Ltd., dated February 8, 2017. The applicant is to provide a security deposit in the amount of \$2,592 for planting in accordance with vegetation plan. A planting plan illustrating the requirements is included as Attachment 4.
5. Aquaparian Environmental Consulting Ltd. or other registered professional biologist shall provide a post construction report to the Regional District of Nanaimo to confirm that construction and planting have been completed in accordance with the Environmental Assessment and Vegetation Plan.
6. The applicant is to obtain a permit from RDN Recreation and Parks Department for any use of the Sunnybeach Road right-of-way.

Attachment 3
Proposed Site Plan and Foreshore Revetment (Page 1 of 3)



Attachment 3
Proposed Site Plan and Foreshore Revetment (Page 2 of 3)

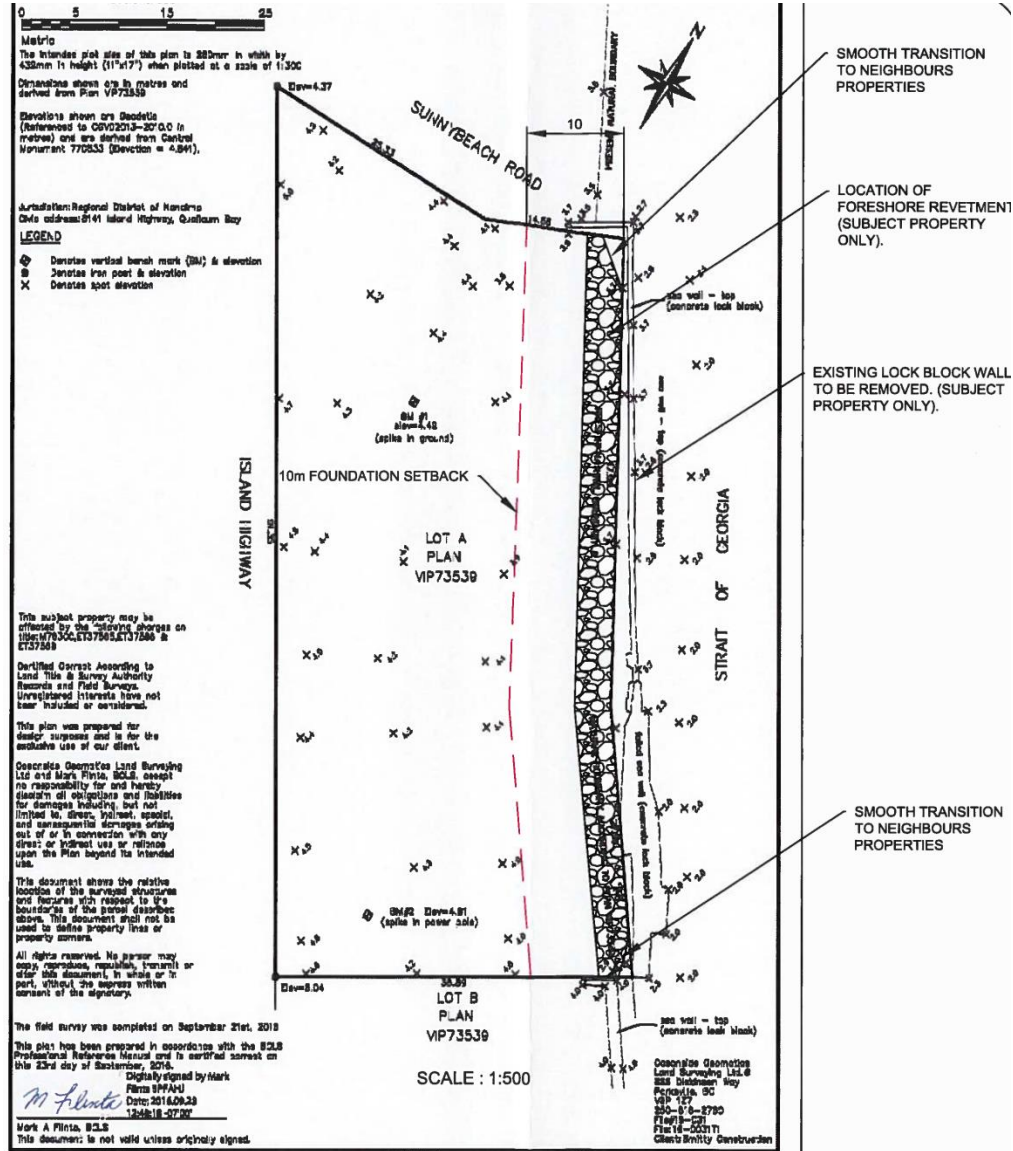


TYPICAL SECTION
 SCALE : 1:60

NOTES:

1. DEBRIS TO BE REMOVED ALONG SLOPE FACE PRIOR TO GEOTEXTILE INSTALLATION.
2. NATIVE FORESHORE LOGS ETC.MATERIAL TO BE REINSTATED.
3. EAST AND WEST SIDES TIED IN WITH A MAXIMUM 45 DEGREE RETURN TO NEIGHBOURING PROPERTIES.
4. PLANTINGS MAY REQUIRE MAINTENANCE (POST HIGHWATER EVENTS) UNTIL VEGETATION IS ESTABLISHED.

Attachment 3
Proposed Site Plan and Foreshore Revetment (Page 3 of 3)



Attachment 4 Planting Plan

PLANTING PLAN ILLUSTRATION
(NOT TO SCALE)



Nootka rose



Snowberry



Dunegrass

Drawing not to scale, for planting illustration purposes only. Slope will be steeper than illustrated.

TO:	Electoral Area Services Committee	DATE:	May 9, 2017
FROM:	Stephen Boogaards Planner	FILE:	PL2017-046
SUBJECT:	Development Permit Application No. PL2017-046 1683, 1691 and 1697 Admiral Tryon Boulevard – Electoral Area ‘G’ Lot 2, District Lot 28, Nanoose District, Plan 33977 Lot 3, District Lot 28, Nanoose District, Plan 33977 Lot 4, District Lot 28, Nanoose District, Plan 33977		

RECOMMENDATIONS

That the Board approve Development Permit No. PL2017-046 to permit the removal of an existing retaining wall and construction of a riprap revetment on the subject properties subject to the terms and conditions outlined in Attachments 2 to 4.

SUMMARY

The applicants propose to relocate an existing foreshore revetment, which protects three properties and currently encroaches on Crown land. The existing revetment is one of several revetments along Admiral Tryon Boulevard that are located below the natural boundary of the sea in the Parksville Qualicum Beach Wildlife Management Area. The Province has advised the property owners of the trespass, and required the removal of the existing revetment from the Crown foreshore. The relocation of the foreshore revetment is subject to the Environmentally Sensitive Features Development Permit Area (DPA) for coastal areas.

The proposal is consistent with relevant DPA guidelines and Board policy B1.9 Retaining Walls – Marine. As such, staff recommend approval of the development permit application subject to the terms and conditions outlined on Attachment 2 to 4.

BACKGROUND

The Regional District of Nanaimo (RDN) has received an application from Ryan Christie of Parksville Heavy Equipment on behalf of Frederick and Arlene Stubbins, Debbie Davis, and Loyce Preston to permit the construction of riprap revetment on the subject properties. The subject properties are each approximately 0.1 of a hectare in area and are zoned Residential 1 Zone. The properties are located on Admiral Tryon Boulevard to the southwest, the Strait of Georgia to the northeast, and are adjacent to other Residential 1 properties (see Attachment 1 – Subject Property Map).

The properties are currently protected by a riprap type revetment in front of an existing concrete seawall, located below the present and titled natural boundary of the sea. As the existing revetment is located on Crown land in the Parksville Qualicum Beach Wildlife Management Area, the Province requires the property owners to remove the portions of the encroaching revetment. The subject properties are one of a series of properties along Admiral Tryon Boulevard with revetments below the natural boundary of the sea that the Province has requested to be removed. Previously development permits have been issued in 2015 and 2016 for three other properties subject to the Provincial requirement to remove existing revetments which trespass on Crown lands.

The proposed removal of the existing revetment and construction of the new revetment is subject to the Environmentally Sensitive Features DPA for Coastal Areas per the “Regional District of Nanaimo Electoral Area ‘G’ Official Community Plan Bylaw No. 1540, 2008”.

Proposed Development

The applicant’s proposal is to remove an existing riprap revetment below the titled and present natural boundary of the sea, and construct a new riprap revetment on the subject properties. The proposed revetment will transition to existing foreshore revetments on neighbouring properties which were constructed in 2016 under development permit. The proposed foreshore revetment does not meet the definition of structure in zoning and, as such, is not subject to zoning bylaw setback requirements.

Land Use Implications

The removal of the existing revetment and construction of a new foreshore revetment is subject to the DPA for the protection of coastal areas and Board Policy B1.9 *Retaining Walls – Marine* B1.9. The applicant has submitted a Geotechnical Site Observations – Foreshore Hazard Assessment, prepared by Lewkowich Engineering Associates Ltd. dated April 7, 2017, in accordance with both the DPA guidelines and Board policy. The assessment identifies that foreshore erosion has the potential to undermine the surficial soils on the properties and damage the integrity of the foreshore slope after removal of the existing riprap boulders. The proposed construction will replace the existing non-engineered riprap with an engineered design. The Geotechnical Site Observations – Foreshore Hazard Assessment includes a cross-section sealed by a professional engineer, which illustrates the proposed revetment (see Attachment 3 – Proposed Site Plan and Revetment Elevations).

The subject property is within an area of archeological potential. The applicant has submitted an Archeological Overview Assessment, prepared by Ursus Heritage Consulting and dated April 8, 2017. The assessment notes that the proposed location of the revetment will be outside of the registered boundary of the known archeological site on the subject properties. The assessment concludes that no cultural deposits were found along the northern limits of the properties, in the location of the proposed revetment. The assessment recommends that no further archeological studies are warranted for the proposed revetment. If any archeological materials are encountered during construction, the developer is responsible to suspend any ground disturbance and inform the Archeology Branch.

Staff have reviewed the development permit application, and have determined that the proposed revetment for the three properties complies with DPA guidelines and Board Policy B1.9.

Environmental Implications

The applicant has submitted a Construction Environmental Management Plan, prepared by D.R. Clough Consulting and dated April 3, 2017, to address the requirements of the coastal development permit area. The proposed revetment follows 'Green Shores' principles which intend to mimic the natural slope of the beach to protect property by dissipating wave energy and improve foreshore habitat. The proposed revetment incorporates buried riprap, and backfilled with sand, gravels, and cobbles that act as a growing medium for native grasses and shoreline vegetation. The approach is consistent with DPA guidelines to only allow 'hard' foreshore protection, such as riprap, where 'soft' approaches, such as vegetation enhancement, are not appropriate as determined by an engineer.

In compliance with direction from MRLNRO and DPA guidelines, the revetment will include planting of native species to enhance the foreshore consistent with 'Green Shores' principles. Green Shores principles are intended to mimic natural shoreline processes and use soft approaches to stabilize the shoreline, such as vegetation enhancement, rather than use of hard surfaces, such as seawalls and riprap, which have a greater impact on the environment and neighbouring properties.

The report also includes a revegetation plan to re-establish native vegetation within the riprap as well as on the top of bank. The existing revetment contains limited vegetation and the upland area consists of lawn area and is absent of naturally occurring tree species, so the revegetation will enhance the site conditions. The proposal is for dune grass to be planted in the voids in the riprap and along the top of bank at a plant spacing of 0.6 m² to establish approximately 473 plants. Due to proximity of the an existing deck on Lot 2 to the natural boundary, the report also recommends that landscaping on this lot extends an additional 1.0 metre into the lot and incorporate a combination of native shrubs.

The report also recommends a work schedule and construction guidelines to reduce impacts of construction on the foreshore. The report also recommends following Fisheries and Oceans Canada's periods of least risk from June 1 to September 1. Staff recommends the applicant be required to follow the recommendations of the plan (see Attachment 2 – Conditions of Permit).

Intergovernmental Implications

The MFLNRO has required numerous property owners along Admiral Tryon Boulevard with foreshore revetments within the Parksville Qualicum Beach Wildlife Management Area to relocate the foreshore revetment upland of the natural boundary. The proposed development permit for the three properties is intended to comply with the Province's requirement in a manner that reduces the impact on the environment and neighbouring properties. Since the construction will require motorized access within the Parksville Qualicum Wildlife Management Area below the natural boundary, the applicant must apply to the MFLNRO for a General Wildlife Act Permit concurrently with their development permit application.

Fisheries and Oceans Canada requires the applicant to complete a standard self-assessment process for projects near water. The property owner and agent are responsible to ensure they comply with the Fisheries Act, and are required to complete the self-assessment. The qualified environmental professional has completed the self-assessment and has advised that Fisheries and Oceans Canada approval is not required.

The application has also been referred to the provincial Archeology Branch. The Archeology Branch has advised that the proposed revetment should not result in the disturbance of archeological deposits and that a Heritage Alteration Permit is not required. Qualicum First Nation has also been made aware of the development proposal.

ALTERNATIVES

1. To approve Development Permit with Variance No. PL2017-046 subject to the terms and conditions outlined in Attachments 2 to 4.
2. To deny Development Permit with Variance No. PL2017-046.

FINANCIAL IMPLICATIONS

Staff have reviewed the proposed development and note that the proposal has no implications related to the Board 2017 – 2021 Financial Plan.

STRATEGIC PLAN IMPLICATIONS

Staff have reviewed the proposed development in relation to the 2016 – 2020 Board Strategic Plan and note that the proposal will be consistent with guidelines in the strategic priority to ‘focus on the environment’. The proposal replaces an existing retaining wall with a low profile revetment that dissipates the impact of wave energy to reduce impact on adjacent properties, and enhances habitat for marine species through the use of native sea grasses and shrubs.



Stephen Boogaards
sboogaards@rdn.bc.ca
April 19, 2017

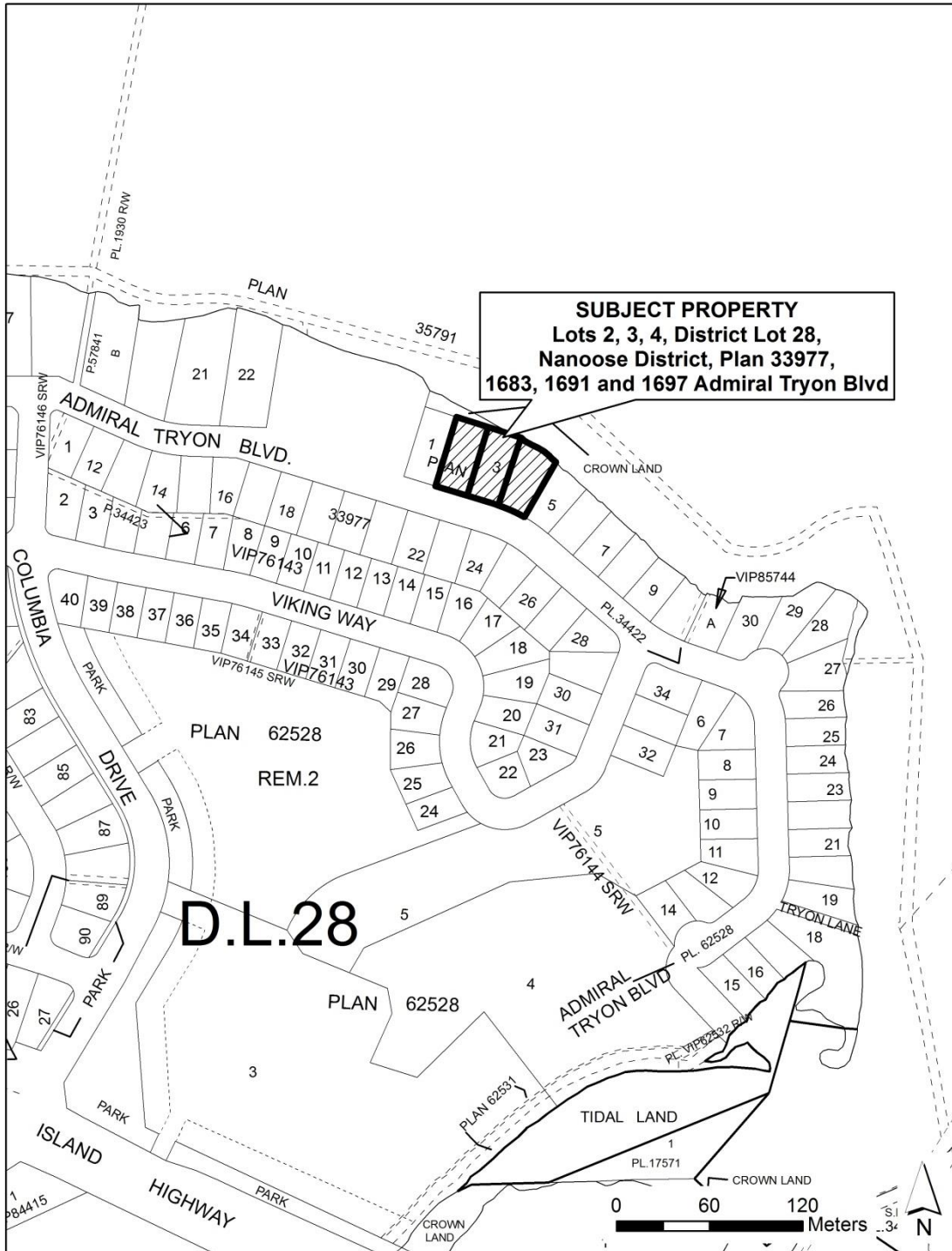
Reviewed by:

- J. Holm, Manager, Current Planning
- G. Garbutt, General Manager, Strategic & Community Development
- P. Carlyle, Chief Administrative Officer

Attachments

1. Subject Property Map
2. Terms and Conditions of Permit
3. Proposed Site Plan and Foreshore Revetment
4. Survey of Existing Revetment

Attachment 1
Subject Property Map

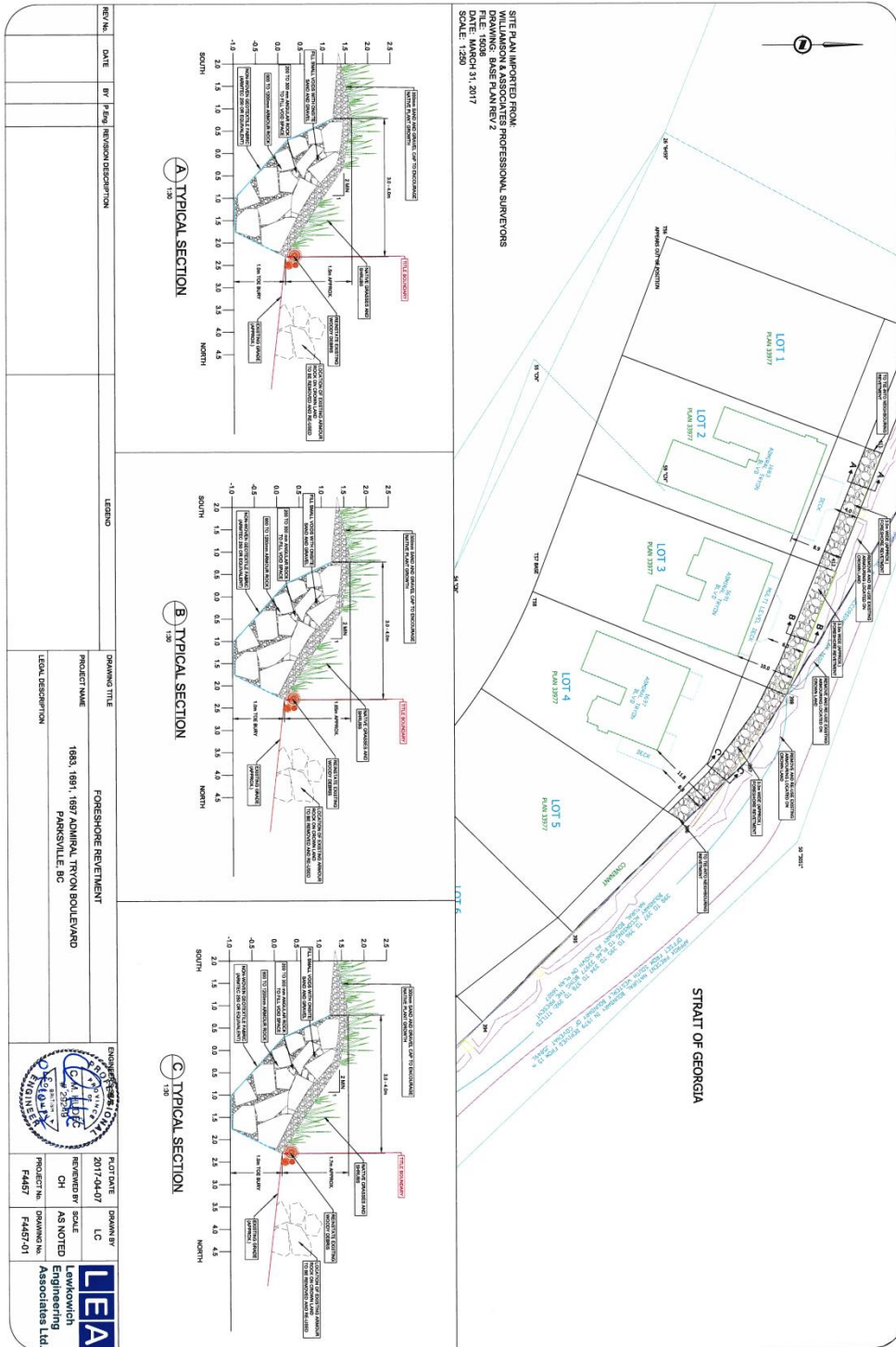


Attachment 2
Conditions of Permit

Conditions of Approval

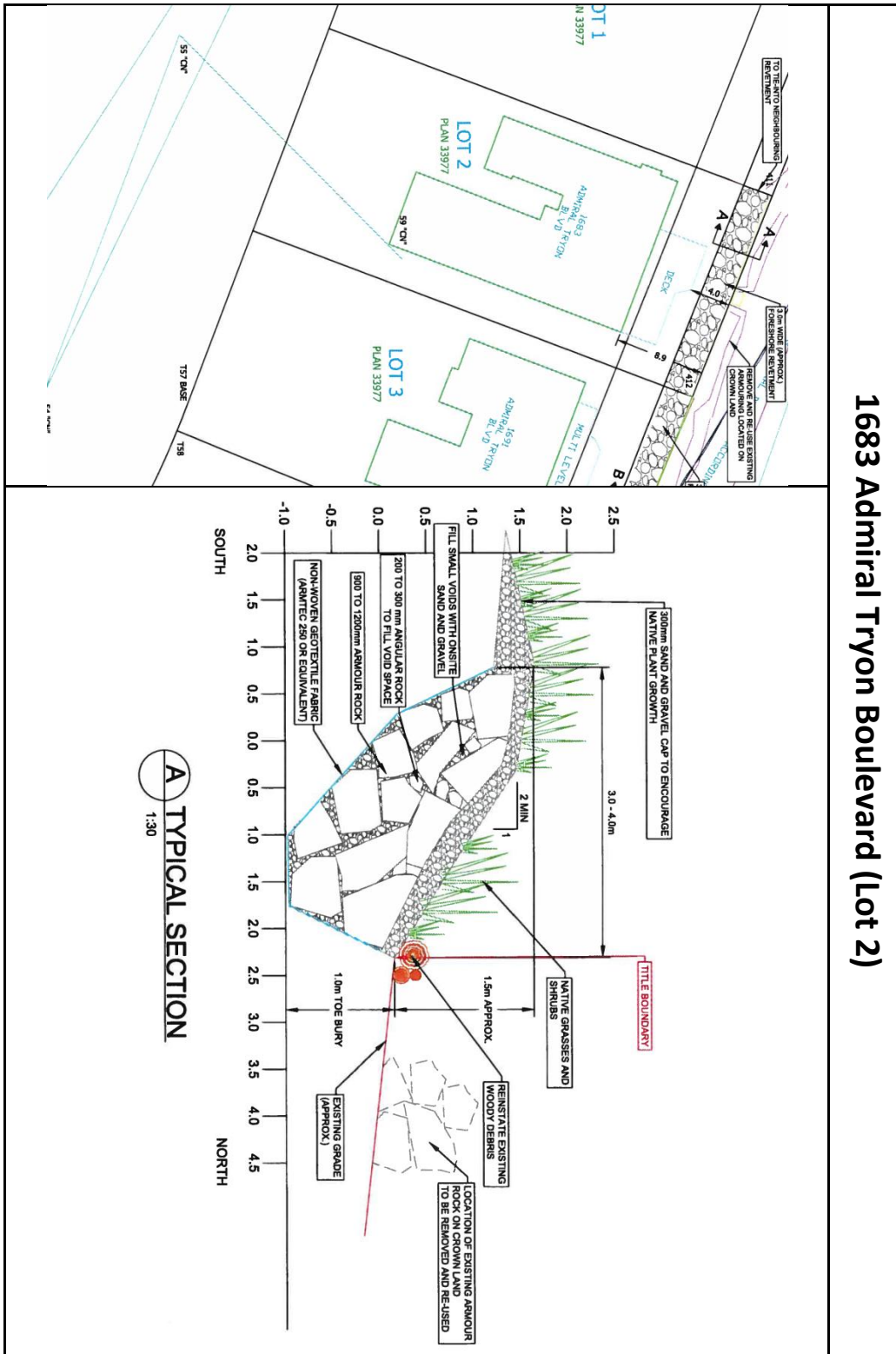
1. The site is developed in accordance with the Site Plan prepared by Lewkowich Engineering Associates Ltd., dated April 7, 2017 and attached as Attachment 3.
2. The foreshore revetment will adhere to the following requirements:
 - a. All works are to be upland of the natural boundary identified on Plan 33977;
 - b. All works to be upland of the present natural boundary identified by on the Site Plan prepared by Williamson & Associates Professional Surveyors and dated March 26, 2015 and attached as Attachment 4;
 - c. Construction of the revetment is to remove temporary transitions located below natural boundary from neighbouring revetments.
3. The revetment shall be constructed in compliance with the Geotechnical Site Observations – Foreshore Hazard Assessment prepared by Lewkowich Engineering Associates Ltd., dated April 7, 2017.
4. The revetment and all associated works shall be completed in accordance with the recommendations contained in the Construction Environmental Management Plan prepared by D.R. Clough Consulting, dated April 3, 2017.
5. D.R. Clough Consulting or other registered professional biologist, at the applicant's expense, shall provide a post construction report to the Regional District of Nanaimo to confirm that construction and planting have been completed in accordance with the Construction Environmental Management Plan.
6. The applicant shall obtain a General Wildlife Permit from the Ministry of Forests, Lands and Natural Resource Operations, if any development activities are to occur on Crown land, including the operation of machinery.
7. All machine operators and developers are to be notified of the potential for undiscovered archeological remains and that:
 - a. Archeological resources are protected under the Heritage Conservation Act;
 - b. Any development activities in the vicinity of archeological material are to be halted so as not to threaten those materials and the BC Archeology Branch is to be notified immediately of any potential material.
8. Upon completion of the revetment, a British Columbia Land Surveyor is to confirm, at the applicant's expense, that the revetment is located upland of the natural boundary identified on Plan 33977 and present natural boundary. The applicant must provide an updated post-construction survey to the Regional District of Nanaimo.

Attachment 3
Proposed Site Plan and Foreshore Revetment (Page 1 of 4)



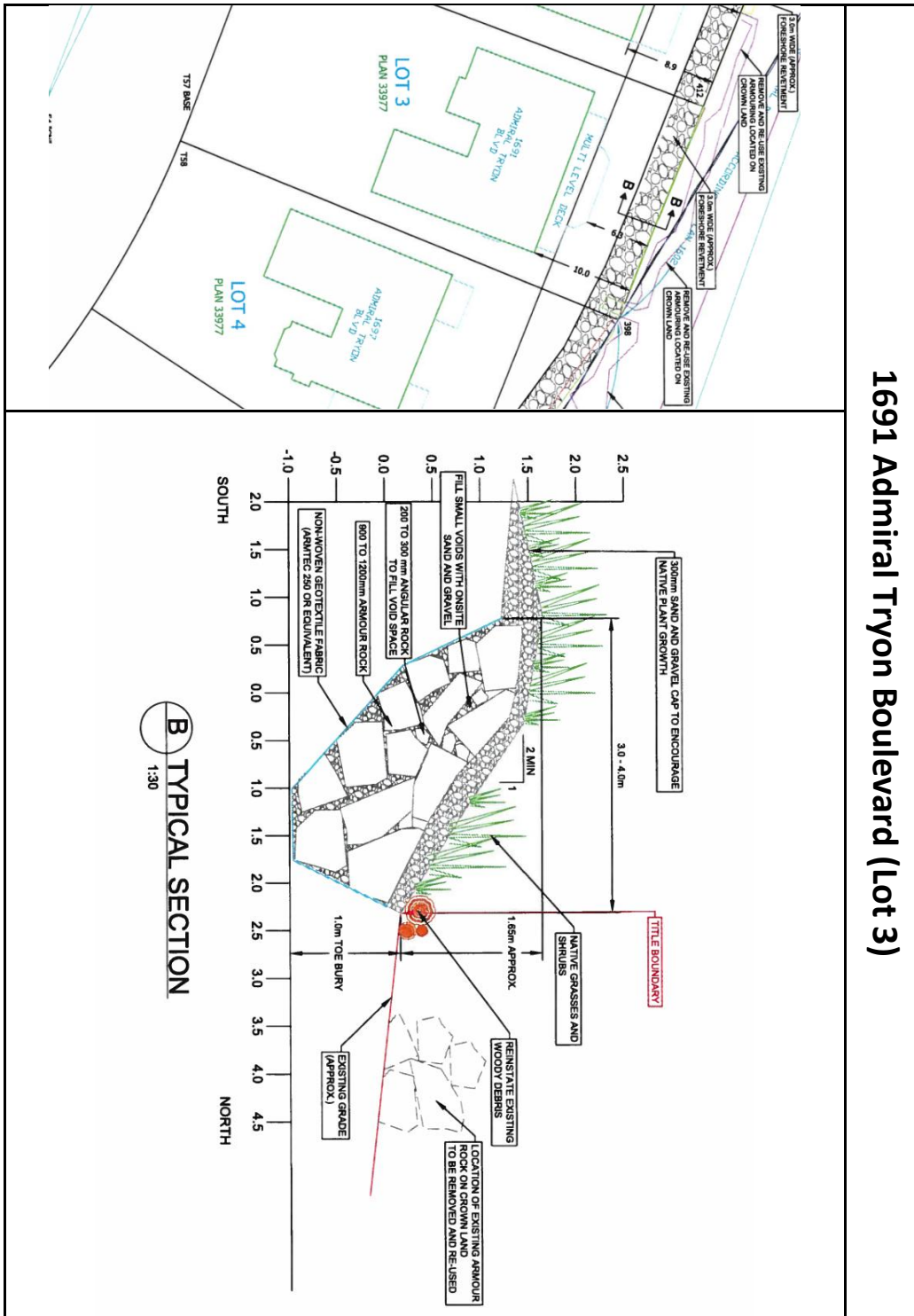
Attachment 3
Proposed Site Plan and Foreshore Revetment (Page 2 of 4)

1683 Admiral Tryon Boulevard (Lot 2)



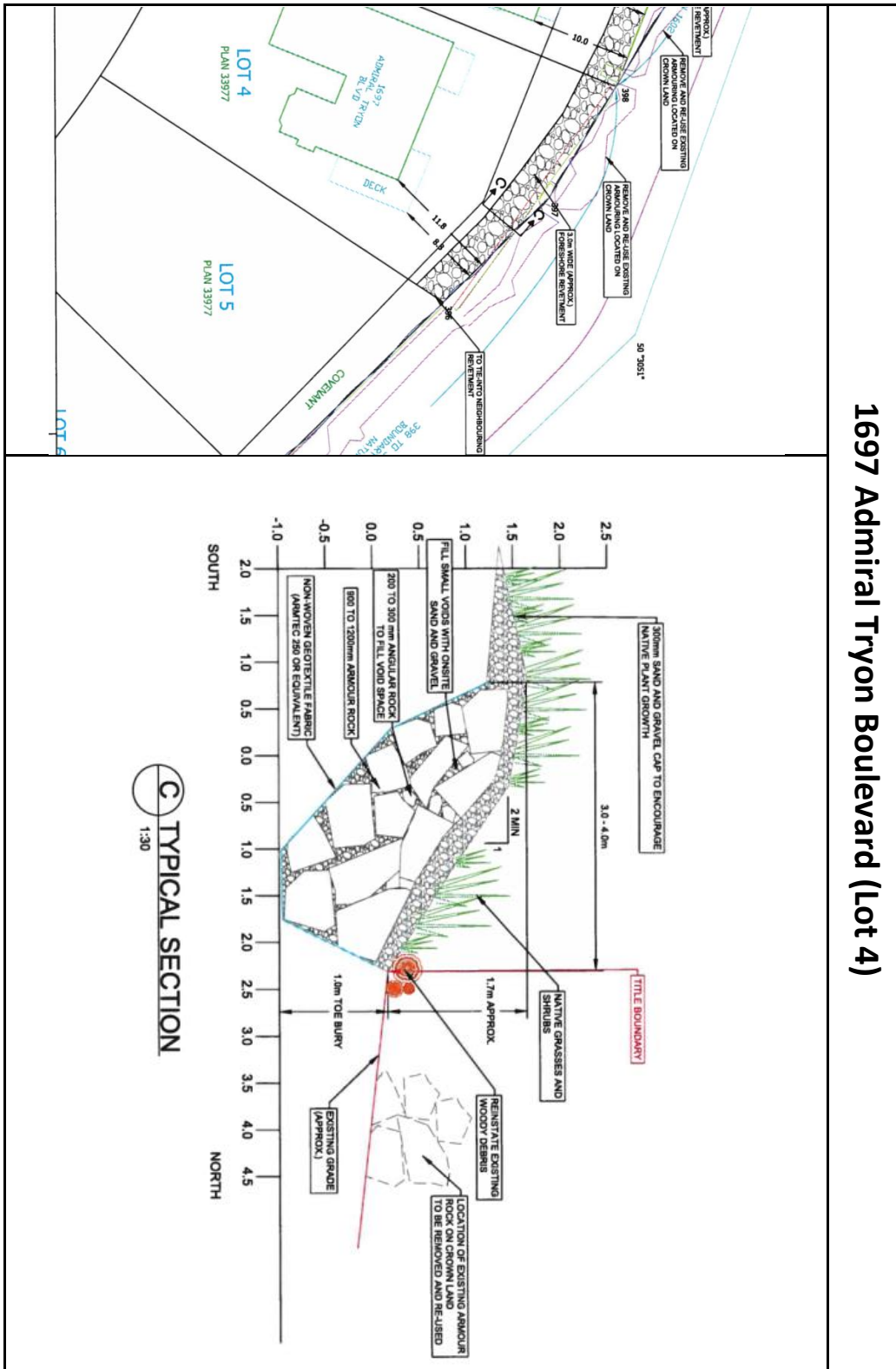
Attachment 3
Proposed Site Plan and Foreshore Revetment (Page 3 of 4)

1691 Admiral Tryon Boulevard (Lot 3)

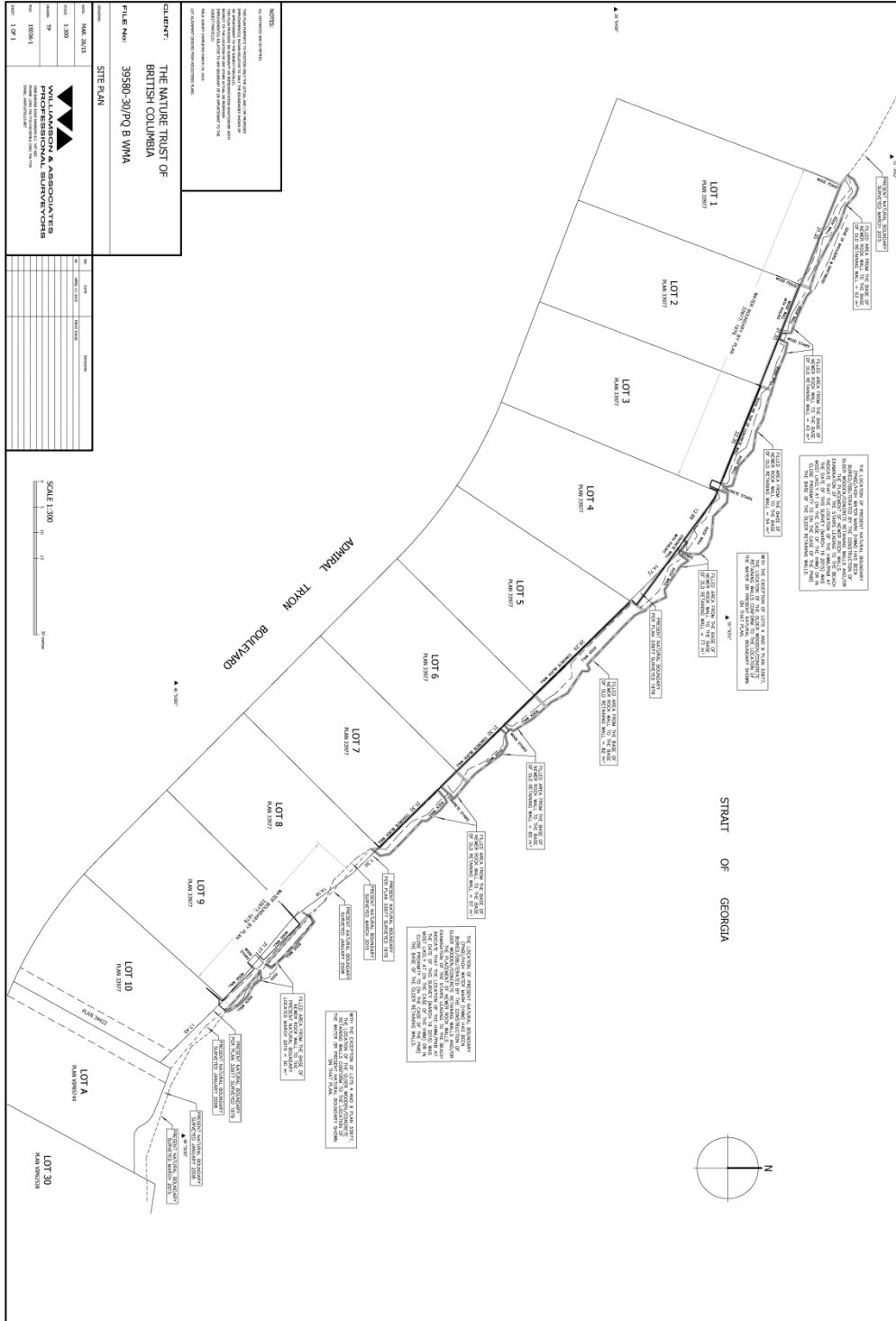


Attachment 3
Proposed Site Plan and Foreshore Revetment (Page 4 of 4)

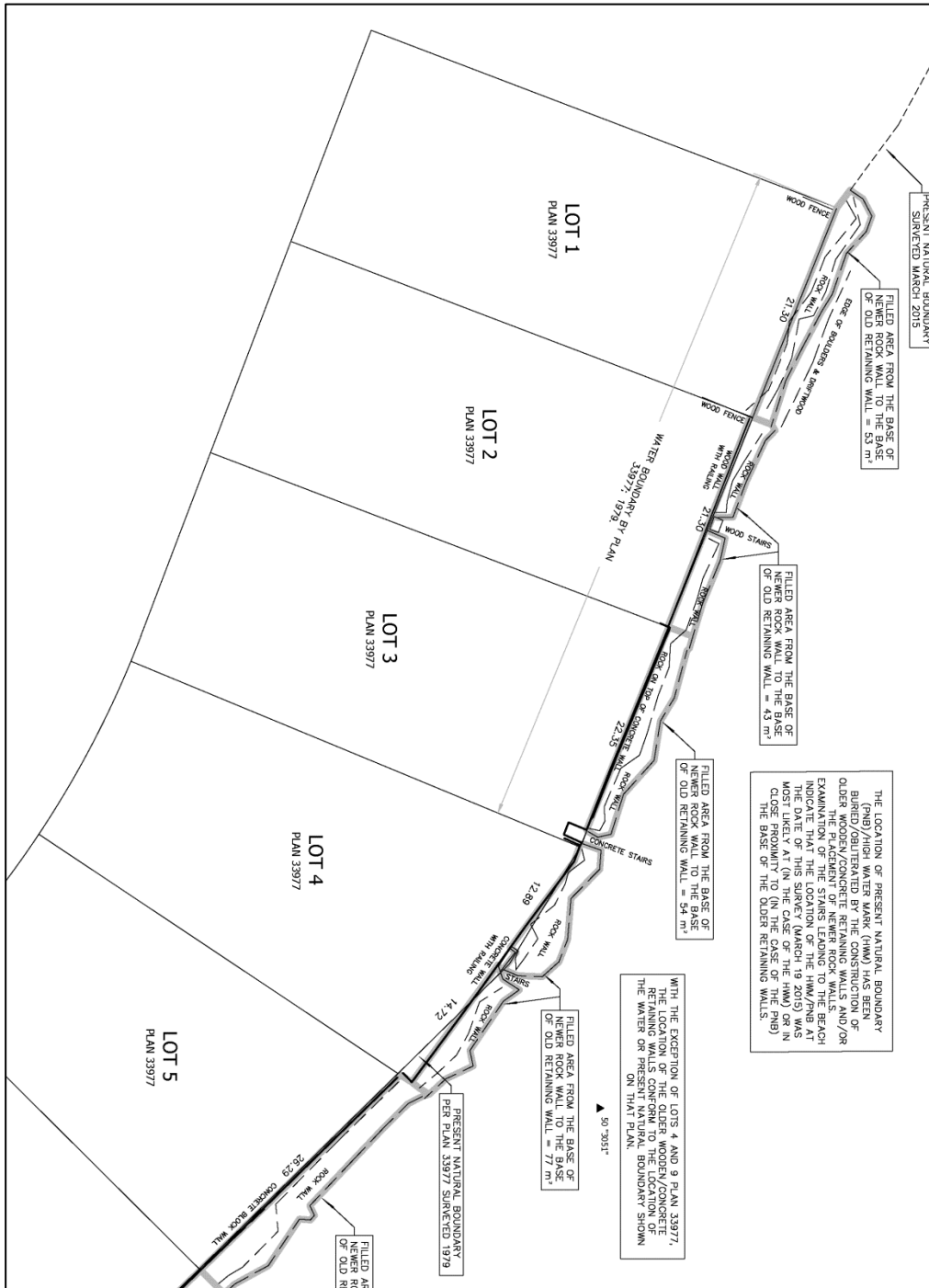
1697 Admiral Tryon Boulevard (Lot 4)



Attachment 4
Survey of Existing Revetment (Page 1 of 2)



Attachment 4
Survey of Existing Revetment (Page 2 of 2)



TO: Electoral Area Services Committee **DATE:** May 9, 2017

FROM: Angela Buick
Planning **FILE:** PL2017-050

**SUBJECT: Development Variance Permit Application No. PL2017-050.
863 Cavin Road – Electoral Area ‘G’.
Lot A District Lot 29 Nanoose District Plan VIP88467**

RECOMMENDATIONS

1. That the Board approve Development Variance Permit No. PL2017-050 to increase the permitted parcel depth for proposed Lot 2 from 40% to 46% subject to the terms and conditions outlined in Attachments 2 to 3.
2. That the Board direct staff to complete the required notification for Development Variance Permit No. PL2017-050.
3. That the Board approve the request to relax the minimum 10% perimeter frontage requirement for proposed Lot 1 and Lot 2 in relation to Subdivision Application No. PL2017-050.

SUMMARY

The applicant has requested a variance to increase the permitted parcel depth for proposed Lot 2 from 40% to 46% of the length of the perimeter of the parcel. The applicant is also requesting a relaxation to the minimum 10% parcel frontage requirement for proposed Lot 1 and Lot 2. The variance request and the request for relaxation to the minimum 10% frontage requirement are to permit subdivision of the existing parcel into two lots.

Given that Board Policy B1.5 has been satisfied, the proposed parcels meet the minimum site area requirement and provides adequate site area to support the permitted uses, staff recommends that the proposed development permit with variance be approved pending the outcome of public notification and subject to the Terms and Conditions outlined in Attachment 2.

BACKGROUND

The Regional District of Nanaimo (RDN) has received an application from Kevin and Wendy May to permit a two-lot subdivision. The subject property is approximately 0.411 hectares in area and is zoned Residential 1 (RS1), Subdivision District ‘Q’ pursuant to “Regional District of Nanaimo Land Use and Subdivision Bylaw No. 500, 1987”. The property is bound by Cavin Road to the south, the Strait of

Georgia to the north and RS1 zoned parcels to the east and west (see Attachment 1 – Subject Property Map).

The property contains an existing dwelling unit and a detached garage. The proposed lots are to be serviced by EPCOR community water and RDN community waste water.

Proposed Development and Variance

The proposed subdivision of the subject property would result in two lots, Lot 1 and Lot 2, being 0.2 hectares and 0.211 hectares in area respectively. Due to the configuration of the proposed lots, the applicant requires a variance for parcel depth. The applicant proposes to vary the following regulation of the “Regional District of Nanaimo Land Use and Subdivision Bylaw No. 500, 1987”:

- **Section 4.5.1 - Parcel Shape and Dimensions** - to increase the parcel depth as a percentage of the length of the parcel perimeter from 40% to 46% for Lot 2.

A summary of the proposed variance is as follows:

Proposed Lot	Perimeter	Permitted Maximum Parcel Depth (40%)	Proposed Parcel Depth	Proposed Parcel Depth as a % of Parcel Perimeter
2	250.1 metres	98.6 metres	106.1 metres	46%

Minimum 10% Perimeter Frontage Requirement

Proposed Lot 1 and Lot 2 do not meet the minimum 10% perimeter frontage requirement, pursuant to Section 512 of the *Local Government Act*. Therefore, approval of the RDN Board is required to allow exemption from the requirements of Section 512. The applicant has requested approval from the Board to reduce the frontage requirement as follows:

Proposed Lot	Perimeter	Required Frontage (10%)	Total Proposed Frontage	Approximate % of Perimeter
Lot 1	250.1 metres	25.01 metres	17.74 metres	7.09 %
Lot 2	246.6 metres	24.66 metres	17.74 metres	7.19 %

Land Use Implications

The subject property is designated within the Environmentally Sensitive Features Development Permit Area, pursuant to the “Regional District of Nanaimo Electoral Area ‘G’ Official Community Plan Bylaw No. 1540, 2008”. The proposed plan of subdivision, as shown in Attachment 3, meets the exemption provision from requiring a development permit as the proposed Lots 1 and Lot 2 will meet the a minimum lot size exclusive of the development permit area.

Board Policy B1.5 “Development Variance Permit, Development Permit with Variance & Floodplain Exemption Application Evaluation”, provides guidance as to acceptable land use justification for evaluating development permit with variance applications. While the existing parcel has more than adequate area to support this subdivision based on minimum parcel size, the narrow width and depth of the subject property would result in two relatively deep narrow parcels as a result of the subdivision. In order to maintain the minimum parcel size of 700 square metres exclusive of the development permit area and retain significant developable lands for each lot, the parent parcel is limited to the configuration as proposed (see Attachment 3 – Proposed Plan of Subdivision and Variances).

Given the above and that there are no negative land use implications anticipated as a result of the proposed variance, the applicant has satisfied Board Policy B1.5.

Intergovernmental Implications

The application was referred to the Ministry of Transportation and Infrastructure, who expressed no concern with the proposed request for variance and frontage relaxation. The Provincial Approving Officer has issued Preliminary Layout Approval (PLA) and the subdivision approval will be subject to the terms and conditions of the PLA.

Public Consultation Implications

Pending the Electoral Area Services Committee’s recommendation and pursuant to the *Local Government Act* and the “Regional District of Nanaimo Development Approvals and Notification Procedures Bylaw No. 1432, 2005”, property owners and tenants of parcels located within a 50.0 metre radius of the subject property will receive a direct notice of the proposal and will have an opportunity to comment on the proposed variance prior to the Board’s consideration of the application.

ALTERNATIVES


1. To approve Development Variance Permit No. PL2017-050 subject to the conditions outlined in Attachments 2 to 3.
2. To deny Development Variance Permit No. PL2017-050.

FINANCIAL IMPLICATIONS

Staff have reviewed the proposed development and note that the proposal has no implications related to the Board 2017 – 2021 Financial Plan.

STRATEGIC PLAN IMPLICATIONS

Staff have reviewed the proposed development and note that the proposal has no implications for the 2016 – 2020 Board Strategic Plan.



Angela Buick
abuick@rdn.bc.ca
April 19, 2017

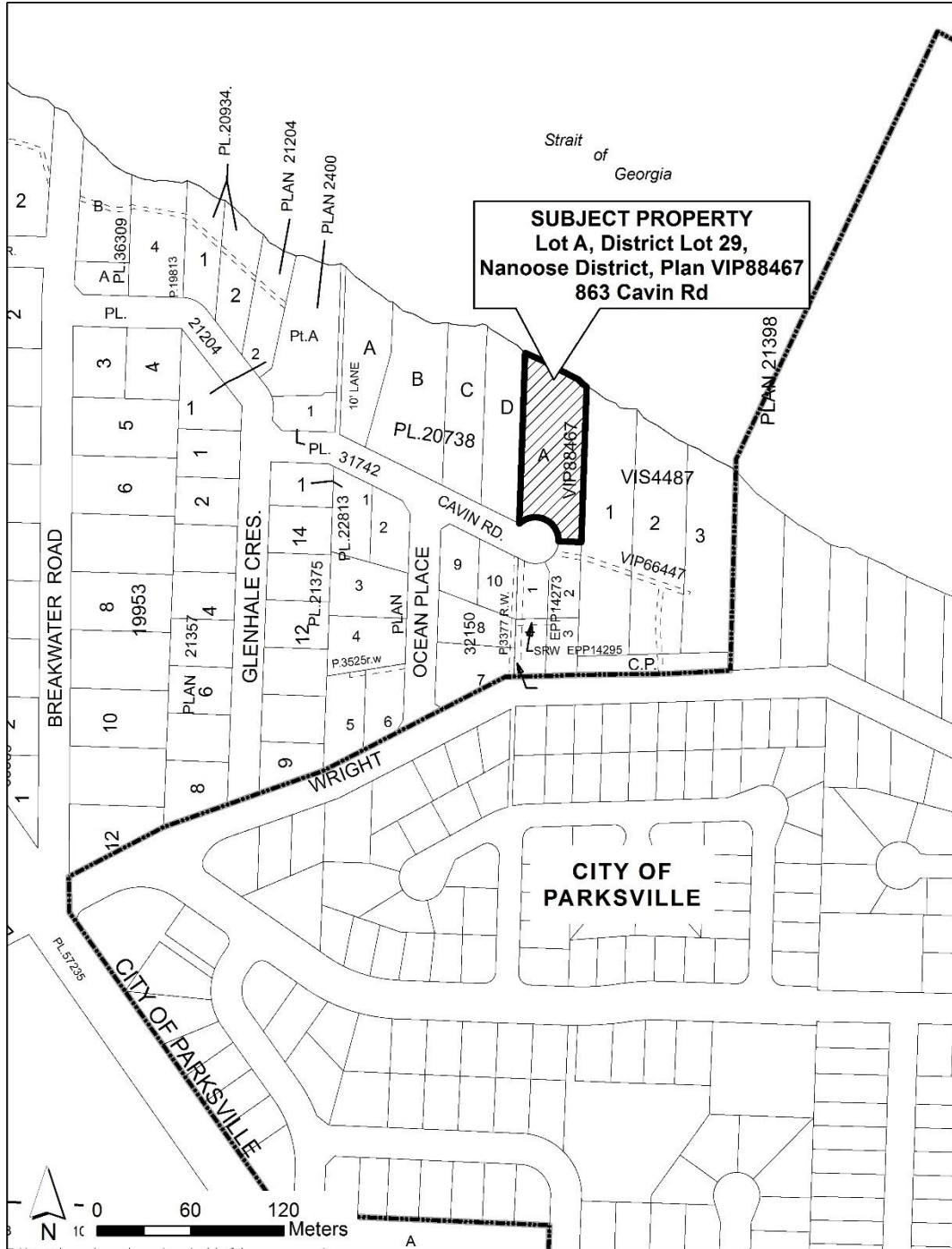
Reviewed by:

- J. Holm, Manager, Current Planning
- G. Garbutt, General Manager, Strategic & Community Development
- P. Carlyle, Chief Administrative Officer

Attachments

1. Subject Property Map
2. Terms and Conditions of Permit
3. Proposed Plan of Subdivision and Variances

Attachment 1
Subject Property Map



Attachment 2
Terms and Conditions of Permit

The following sets out the terms and conditions of Development Variance Permit No. PL2017-050:

Conditions of Approval

1. The site is developed in accordance with the Survey Plan prepared by J.E. Anderson & Associates dated April 18, 2017 (see Attachment 3).
2. The property owner shall obtain the necessary permits for construction in accordance the “Regional District of Nanaimo Building Regulations and Fees Bylaw No. 1250, 2001” as replaced or amended.

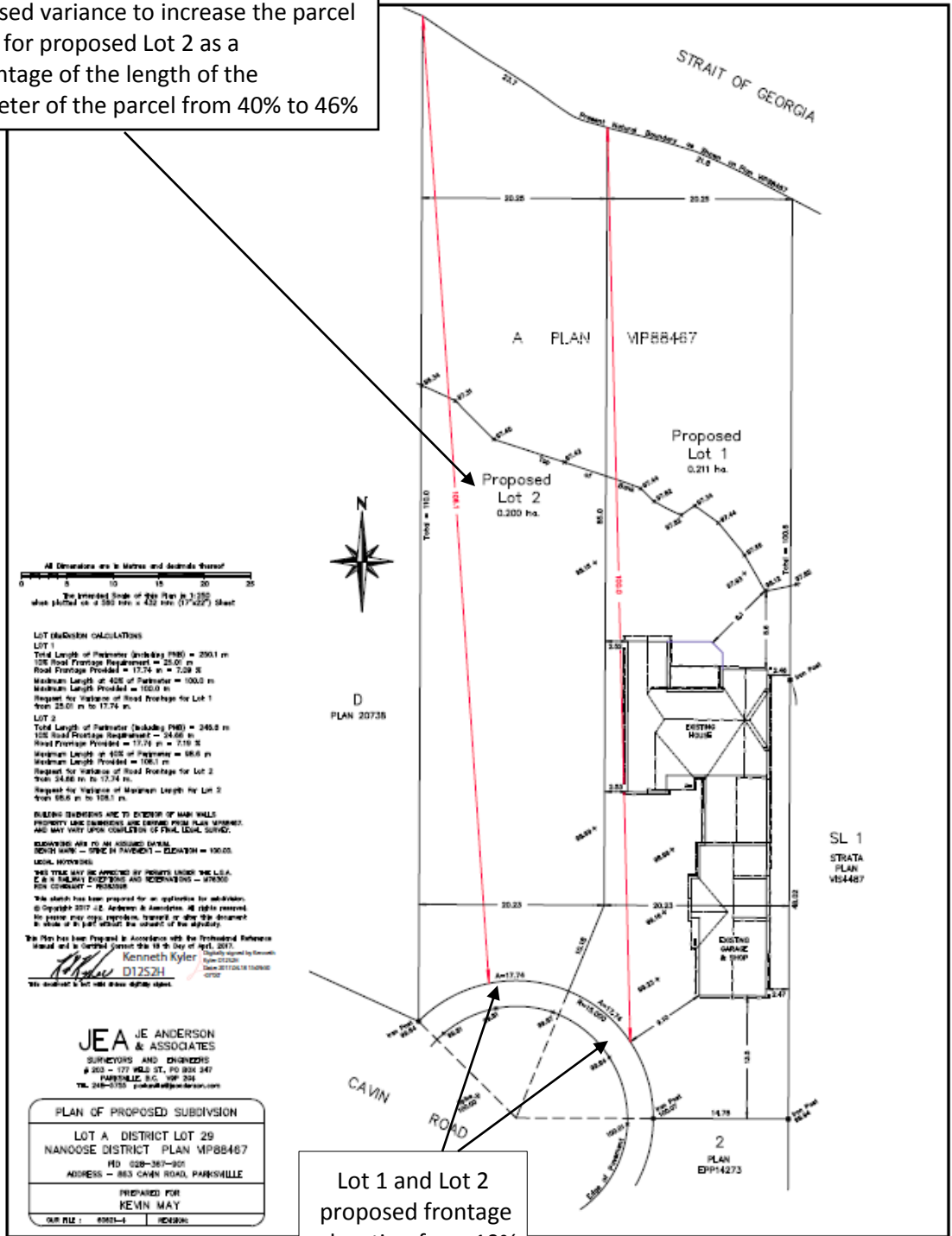
Bylaw No. 500, 1987 Variances

With respect to the lands, “Regional District of Nanaimo Land Use and Subdivision Bylaw No. 500, 1987” is varied as follows:

- **Section 4.5.1 – Parcel Shape and Dimensions** to increase the parcel depth as a percentage of the length of the perimeter of the parcel from 40% to 46% for proposed Lot 2.

Attachment 3
Proposed Plan of Subdivision and Variances

Proposed variance to increase the parcel depth for proposed Lot 2 as a percentage of the length of the perimeter of the parcel from 40% to 46%



Lot 1 and Lot 2 proposed frontage relaxation from 10% to 7.1% and 7.2% respectively

TO: Electoral Area Services Committee **DATE:** May 9, 2017

FROM: Kristy Marks
Planner **FILE:** PL2017-032

**SUBJECT: Development Variance Permit Application No. PL2017-032
2338 Andover Road – Electoral Area ‘E’
Lot 20, District Lot 78, Nanoose District, Plan 47638**

RECOMMENDATIONS

1. That the Board approve Development Variance Permit No. PL2017-032 to reduce the setbacks for a number of retaining walls required in relation to landscaping and the construction of a dwelling unit subject to the terms and conditions outlined in Attachments 2 to 5.
2. That the Board direct staff to complete the required notification for Development Variance Permit No. PL2017-032.

SUMMARY

This is an application to allow the construction of a number of retaining walls on the subject property with variances to setback requirements of “Regional District of Nanaimo Land Use and Subdivision Bylaw No. 500, 1987”. Given that the applicant has provided a rationale for the proposed variances and no negative impacts are anticipated as a result of the proposed variances, staff recommends that the Board approve the development variance permit pending the outcome of public notification and subject to the terms and conditions outlined in Attachment 2.

BACKGROUND

The Regional District of Nanaimo (RDN) has received an application from JE Anderson and Associates on behalf of Penggui Yan to permit the construction of a number of retaining walls required in relation to landscaping and the construction of a dwelling unit. Development Variance Permit PL2016-163 was approved by the RDN Board on December 6, 2016 to vary the setbacks to the front and exterior side (other) lot line to permit the construction of a dwelling unit. At that time the applicant did not anticipate that any variances would be required for the proposed retaining walls. The subject property is approximately 0.16 hectares in area and is zoned Residential 1 Zone, Subdivision District ‘P’, pursuant to “Regional District of Nanaimo Land Use and Subdivision Bylaw No. 500, 1987”. The property is vacant and is bound by developed residential parcels to the north, the Strait of Georgia to the east, an

unconstructed road rights-of-way to the south and Andover Road to the west (see Attachment 1 – Subject Property Map).

Proposed Development and Variance

Variations to the setbacks are required for the retaining walls along three property boundaries. The applicant proposes to vary the following regulations from the “Regional District of Nanaimo Land Use and Subdivision Bylaw No. 500, 1987”:

- **Section 3.4.61 – Minimum Setback Requirements** to reduce the setback from the Front Lot Line from 8.0 metres to 0.0 metres for a retaining wall.
- **Section 3.4.61 – Minimum Setback Requirements** to reduce the setback from the Other Lot Line 5.0 metres to 0.6 metres for a retaining wall.
- **Section 3.4.61 – Minimum Setback Requirements** to reduce the setback from the Interior Side Lot Line 8.0 metres to 0.0 metres for a retaining wall.

Land Use Implications

The applicant is proposing to construct a number of retaining walls in conjunction with the construction of a dwelling unit and landscaping on the subject property. Development Variance Permit PL2016-163 was approved by the RDN Board on December 6, 2016 to permit the siting of a proposed dwelling unit within the setback from the top of the slope adjacent to the sea and within the setback from the Other Lot Line adjacent to the unconstructed road right-of-way. The location of the proposed retaining walls is shown on Attachment 3 and the landscape plan and retaining wall elevations are shown on Attachments 4 and 5.

Board Policy B1.5 Development Variance Permit, Development Permit with Variance & Floodplain Exemption Application Evaluation for evaluation of development variance permit applications requires that there is an adequate demonstration of an acceptable land use justification prior to the Board’s consideration. In this case the applicant has indicated that due to the steep slope of the lot and that the proposed dwelling unit has been sited significantly below the existing road grade to meet the maximum permitted height, a series of retaining walls are required within the setbacks to retain the road, boulevard and shared driveway access and to support proposed landscaping within the subject property. No aesthetic or view implications are anticipated as a result of the requested variances because the lot slopes down towards the water from the road and the proposed retaining walls are all located below the existing grade, with the exception of the retaining wall at the northwest corner of the driveway access. The applicant has provided a landscape plan and several cross sections of the proposed retaining walls showing how they relate to Andover Road and the existing grade of the subject property. The landscape plan and street elevation are shown on Attachment 4 and the retaining wall elevations are shown on Attachment 5. Given that the applicant has provided sufficient rationale and the variances will not result in negative view implications for adjacent properties, the applicants have made reasonable efforts to address Policy B1.5 guidelines.

Intergovernmental Implications

Staff have confirmed that the Ministry of Transportation and Infrastructure does not consider the retaining walls to be structures and therefore does not have any concerns with the siting of these structures.

Public Consultation Implications

Pending the Electoral Area Services Committee's recommendation and pursuant to the *Local Government Act* and the "Regional District of Nanaimo Development Approvals and Notification Procedures Bylaw No. 1432, 2005", property owners and tenants of parcels located within a 50.0 metre radius of the subject property will receive a direct notice of the proposal and will have an opportunity to comment on the proposed variance prior to the Board's consideration of the application.

ALTERNATIVES

1. To approve Development Variance Permit No. PL2017-032 subject to the conditions outlined in Attachments 2 to 5.
2. To deny Development Variance Permit No. PL2017-032.

FINANCIAL IMPLICATIONS

Staff have reviewed the proposed development and note that the proposal has no implications related to the Board 2017 – 2021 Financial Plan.

STRATEGIC PLAN IMPLICATIONS

Staff have reviewed the proposed development and note that the proposal has no implications for the 2017 – 2021 Board Strategic Plan.



Kristy Marks
kmarks@rdn.bc.ca
April 20, 2017

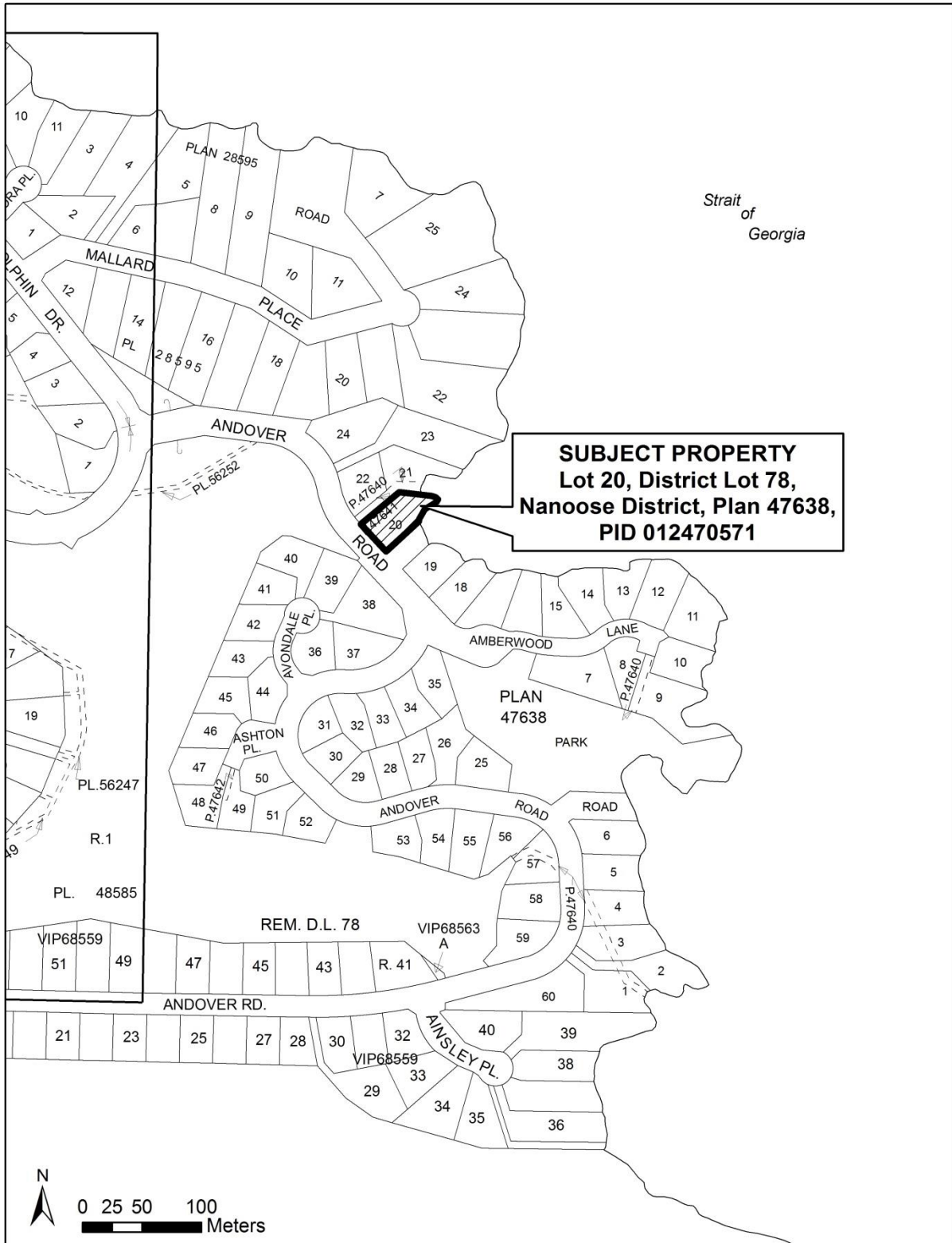
Reviewed by:

- J. Holm, Manager, Current Planning
- G. Garbutt, General Manager, Strategic & Community Development
- P. Carlyle, Chief Administrative Officer

Attachments

1. Subject Property Map
2. Terms and Conditions of Permit
3. Proposed Site Plan and Variances
4. Landscape Plan and Street Elevation
5. Retaining Wall Elevations and Plans

Attachment 1
Subject Property Map



Attachment 2 Terms and Conditions of Permit

The following sets out the terms and conditions of Development Variance Permit No. PL2017-032:

Bylaw No. 500, 1987 Variances

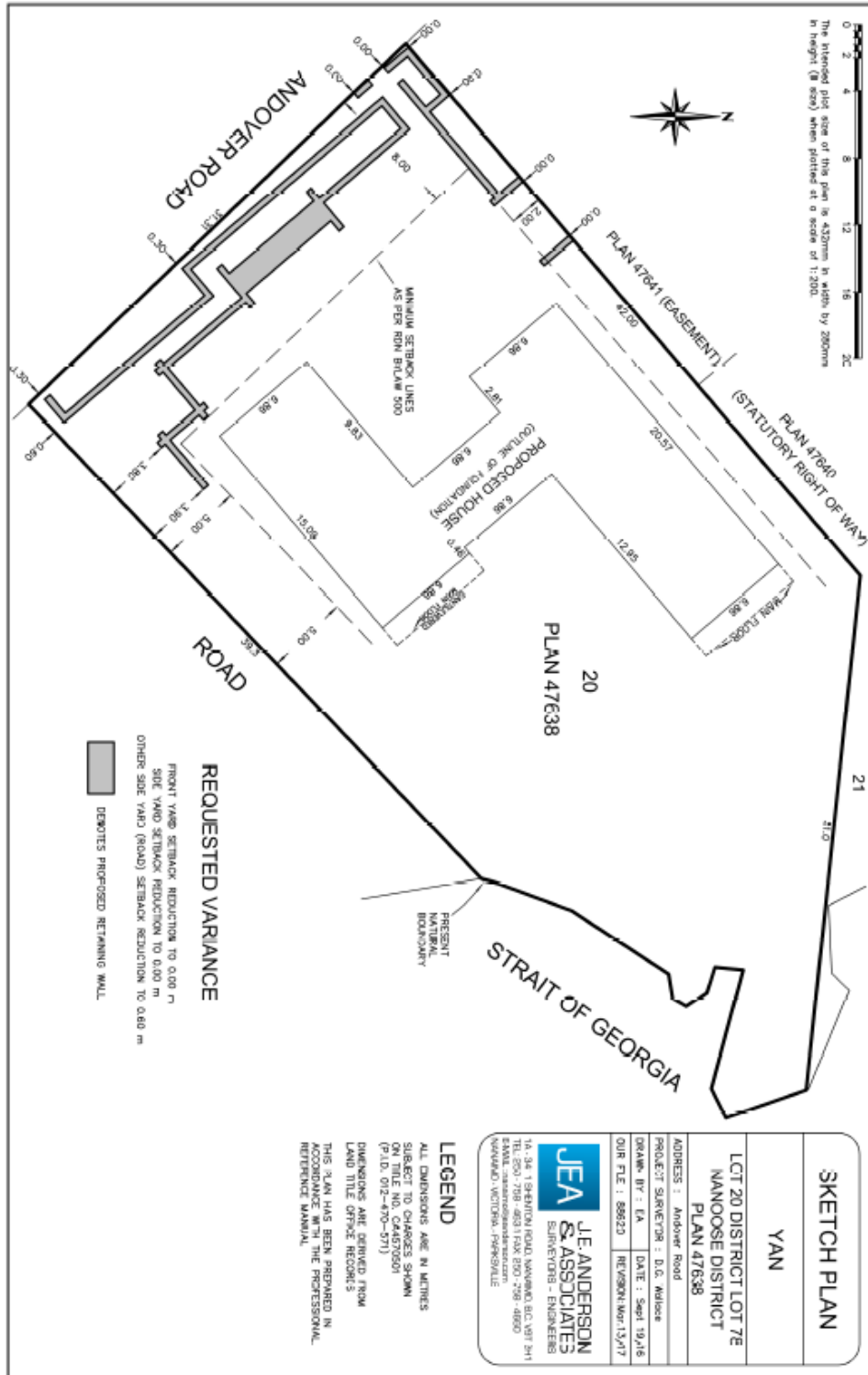
With respect to the lands, “Regional District of Nanaimo Land Use and Subdivision Bylaw No. 500, 1987” is varied as follows:

1. **Section 3.4.61 – Minimum Setback Requirements** to reduce the setback from the Front Lot Line from 8.0 metres to 0.0 metres for a series of retaining walls.
2. **Section 3.4.61 – Minimum Setback Requirements** to reduce the setback from the Other Lot Line 5.0 metres to 0.6 metres for a retaining wall.
3. **Section 3.4.61 – Minimum Setback Requirements** to reduce the setback from the Interior Side Lot Line 2.0 metres to 0.0 metres for a series of retaining walls.

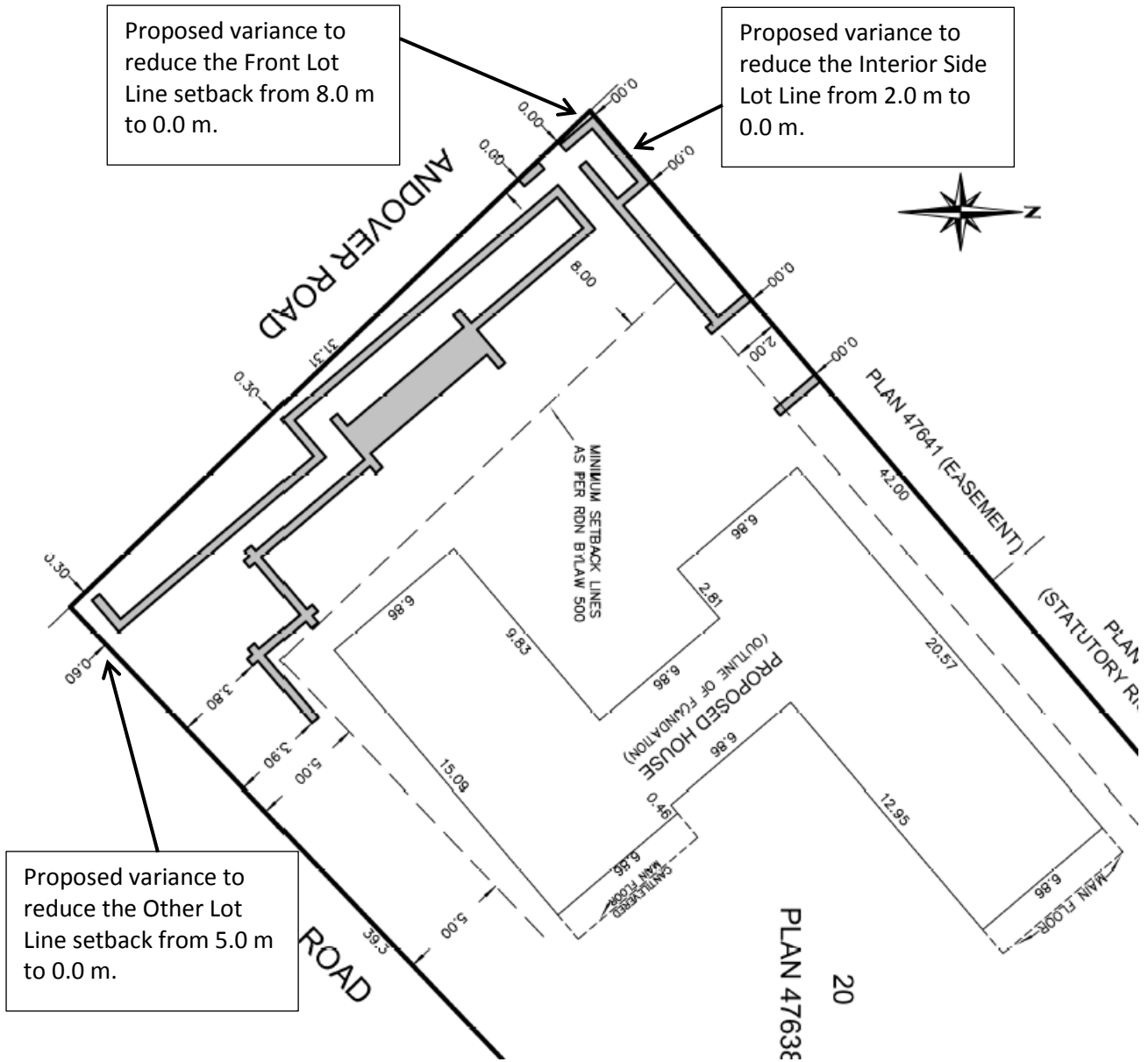
Conditions of Approval

1. The site is developed in accordance with the Site Plan prepared by J.E. Anderson Associates, dated March 13, 2017 and attached as Attachment 3.
2. The proposed development is in general compliance with the plans and elevations prepared by Paul Sangha Landscape Architecture, January 1, 2017 and attached as Attachments 4 and 5.
3. The property owner shall obtain the necessary permits for construction in accordance the Regional District of Nanaimo Building Regulations.

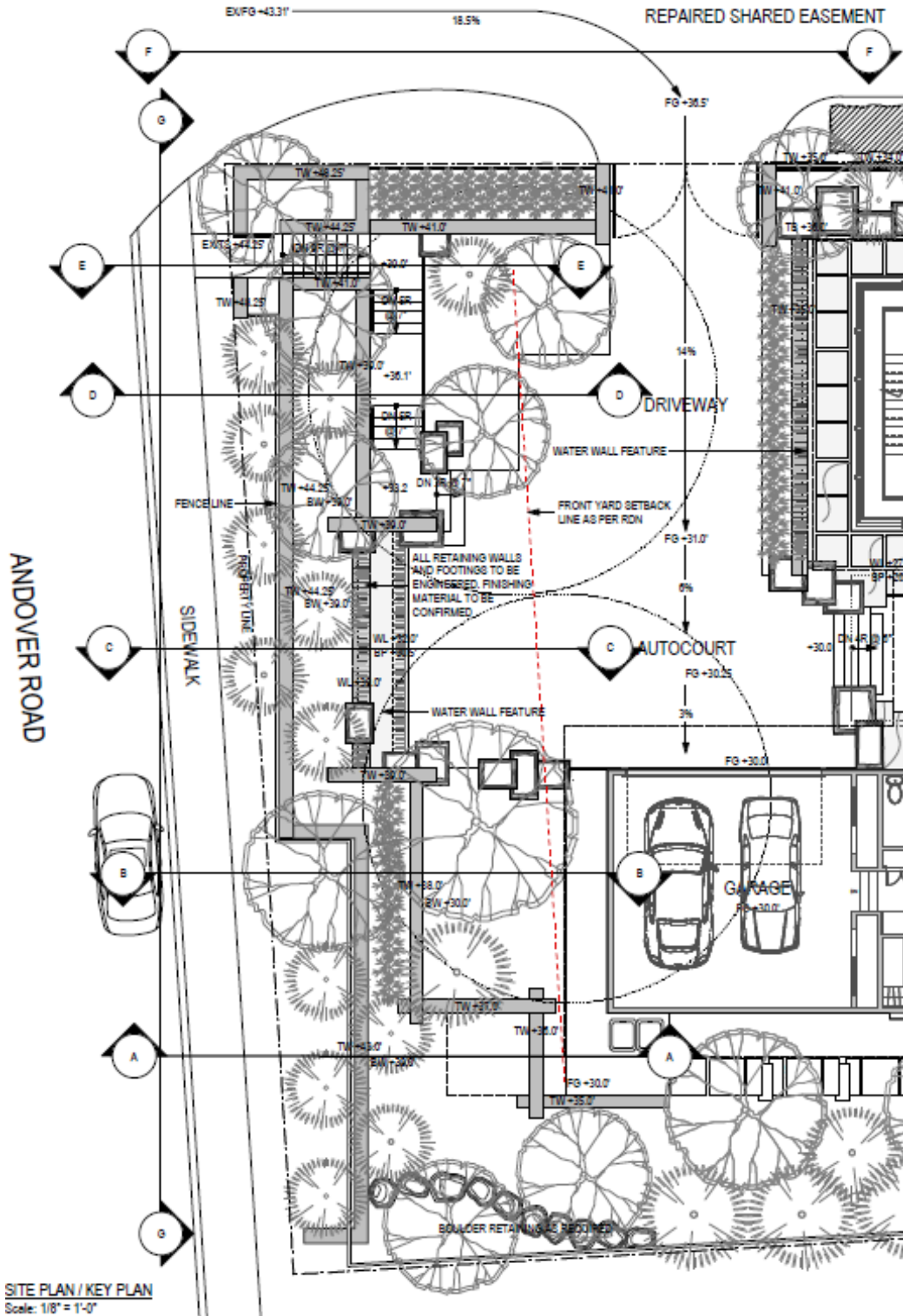
Attachment 3
Proposed Site Plan and Variances
 (Page 1 of 2)



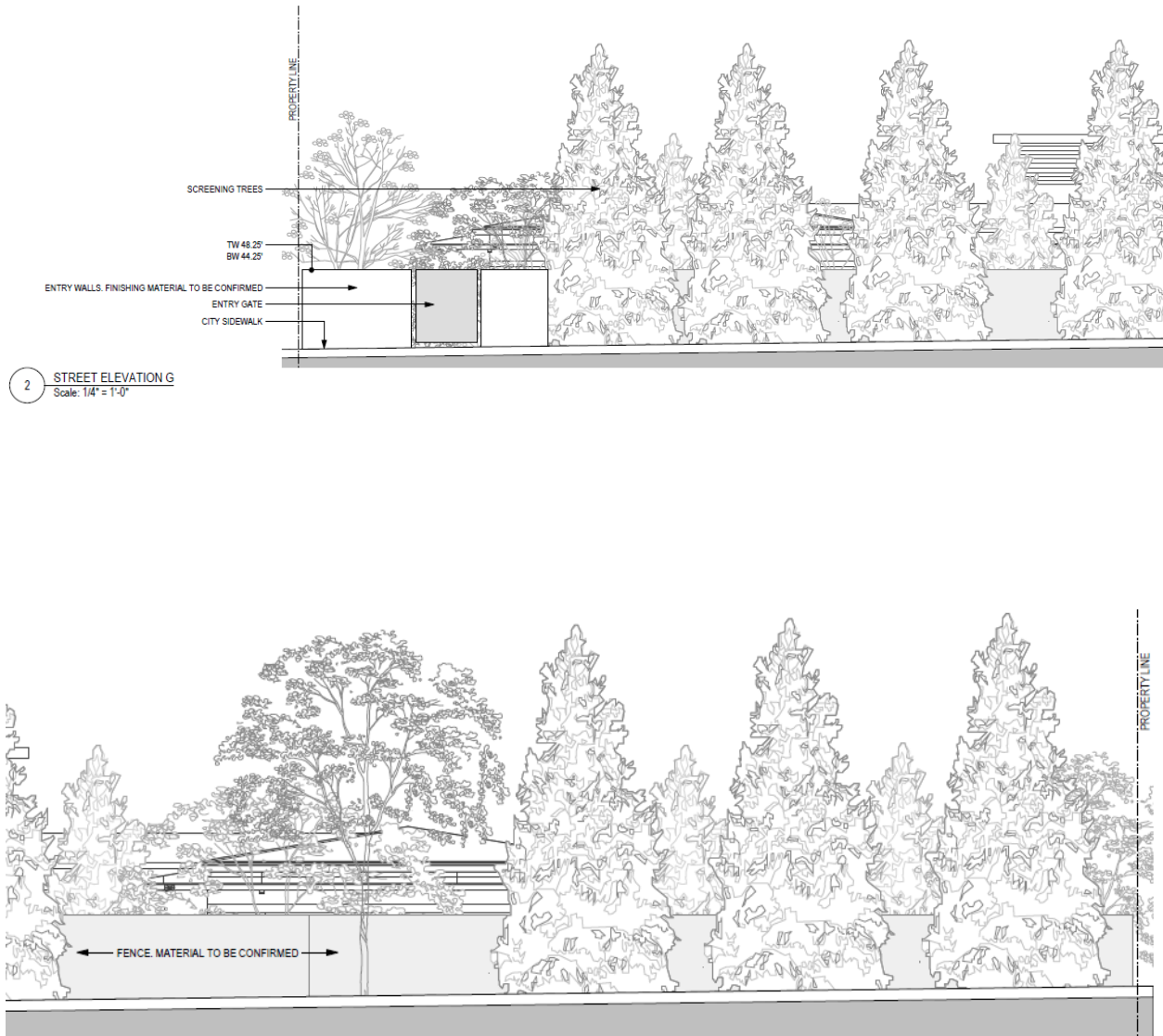
Attachment 3
Proposed Site Plan and Variances
(Page 2 of 2)



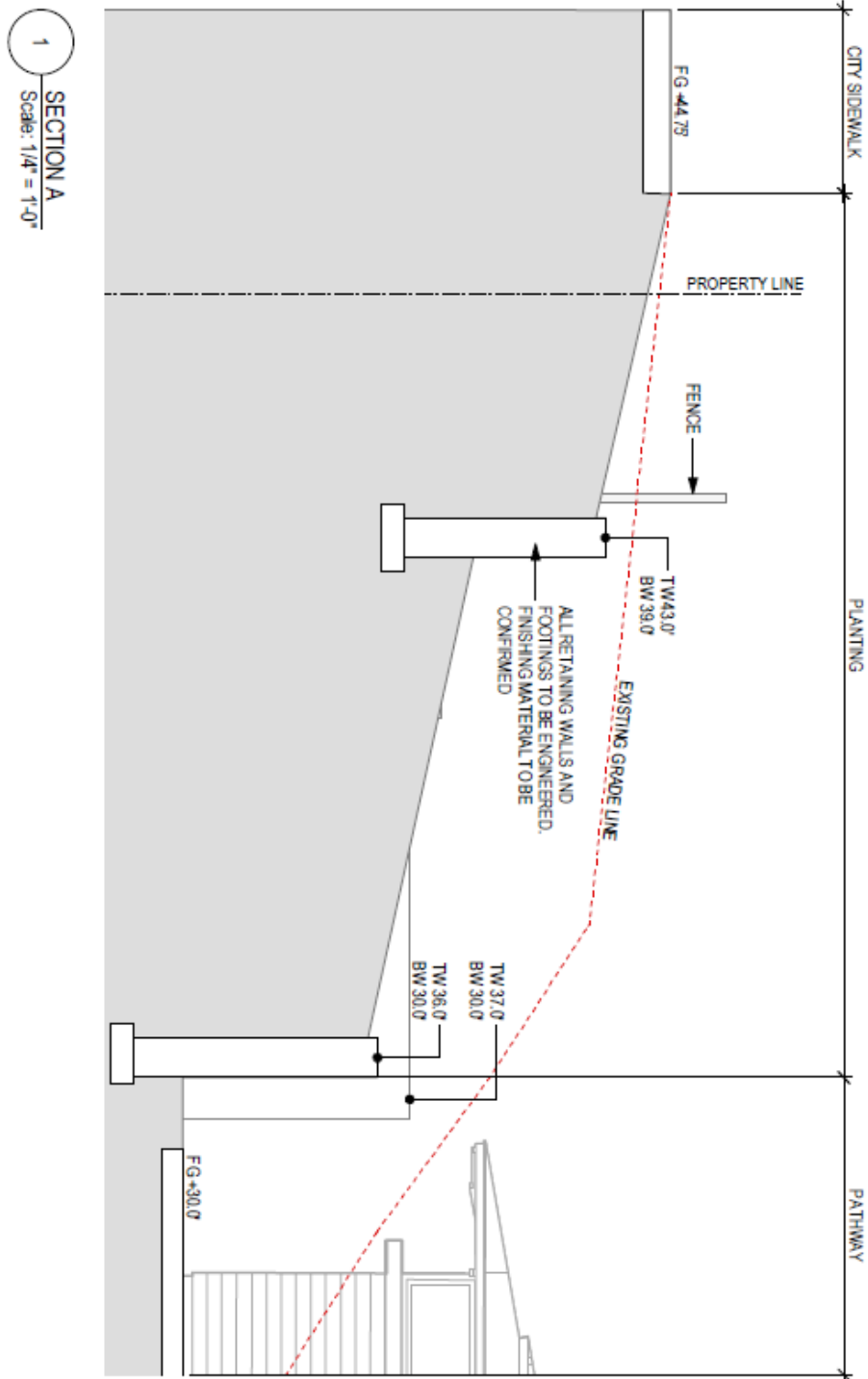
Attachment 4
Landscape Plan and Street Elevation
(Page 1 of 2)



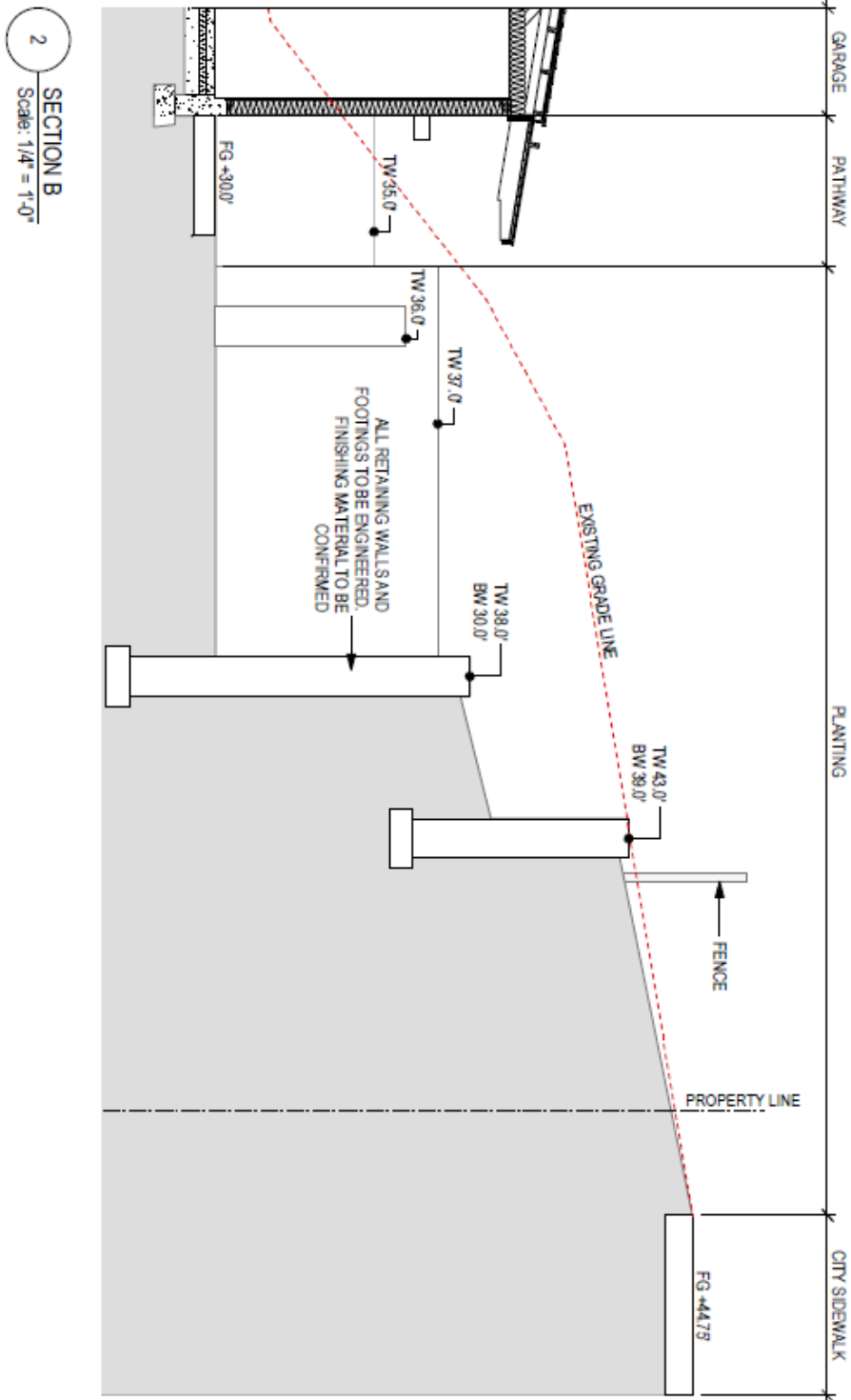
Attachment 4
Landscape Plan and Street Elevation
(Page 2 of 2)



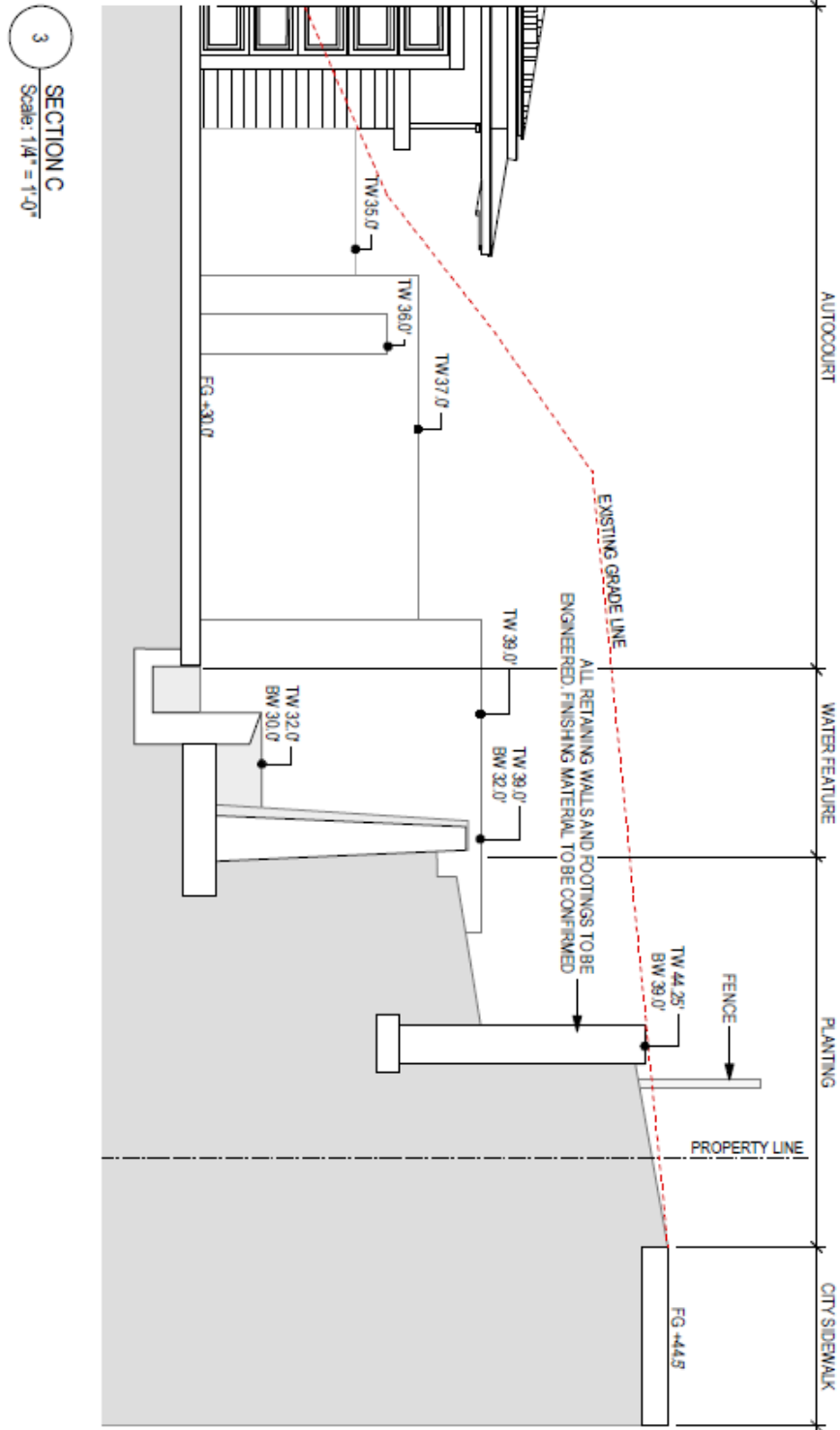
Attachment 5
Retaining Wall Elevations
(Page 1 of 6)



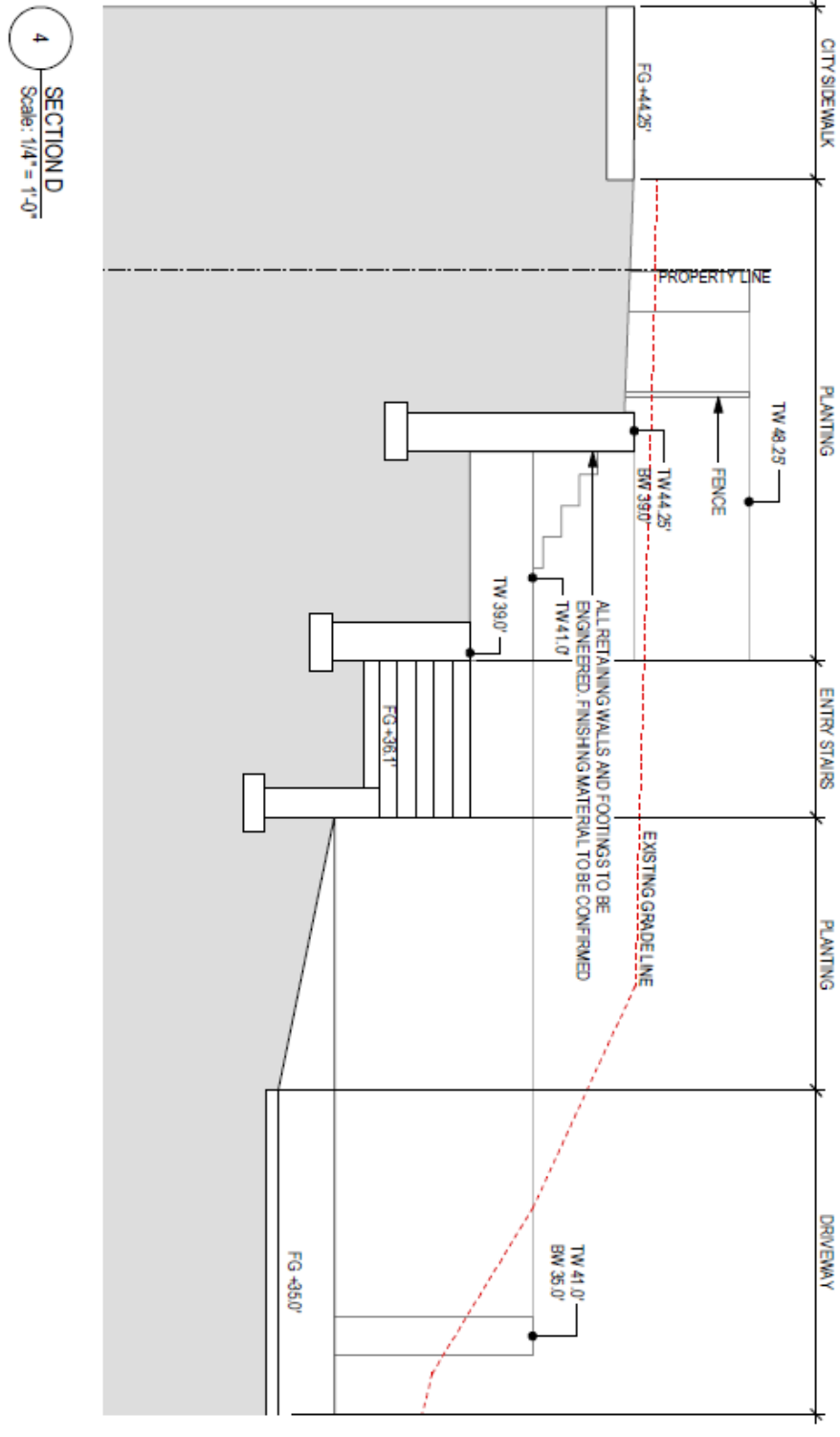
Attachment 5
Retaining Wall Elevations
(Page 2 of 6)



Attachment 5
Retaining Wall Elevations
(Page 3 of 6)

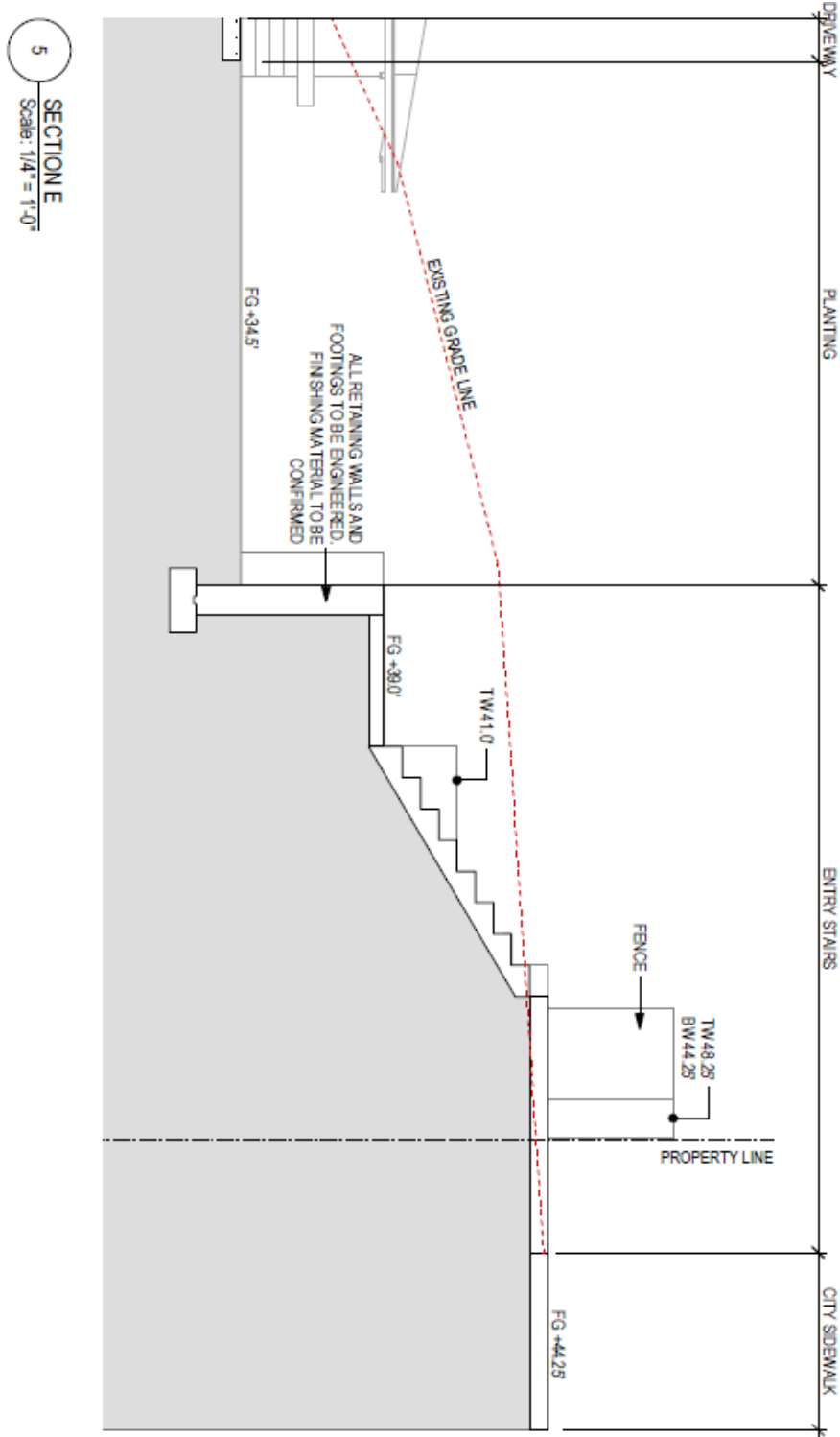


Attachment 5
Retaining Wall Elevations
(Page 4 of 6)



4 SECTION D
Scale: 1/4" = 1'-0"

Attachment 5
Retaining Wall Elevations
(Page 5 of 6)



TO: Electoral Area Services Committee **DATE:** May 9, 2017

FROM: Stephen Boogaards
Planner **FILE:** PL2017-015

SUBJECT: **Zoning Amendment Application No. PL2017-015.
2720 Benson View Road – Electoral Area ‘C’.
Amendment Bylaw 500.409, 2017 – First and Second Reading.
Lot 2, Sections 9 and 10, Ranges 4 and 5, Mountain District, Plan 35684**

RECOMMENDATIONS

1. That the Board receive the Summary of the Public Information Meeting held on April 4, 2017.
2. That the conditions set out in Attachment 2 of the staff report be completed prior to Amendment Bylaw No. 500.409, 2017 being considered for adoption.
3. That “Regional District of Nanaimo Land Use and Subdivision Amendment Bylaw No. 500.409, 2017 be introduced and read two times.
4. That the Public Hearing on “Regional District of Nanaimo Land Use and Subdivision Amendment Bylaw No. 500.409, 2017”, be waived in accordance with Section 464(2) of *The Local Government Act*.
5. That staff be directed to proceed with notification in accordance with Section 467 of *The Local Government Act* of the Board’s intent to consider third reading of “Regional District of Nanaimo Land Use and Subdivision Amendment Bylaw No. 500.409, 2017” at a regular Board meeting to be held on June 27, 2017.

SUMMARY

The applicant proposes to amend the zoning for the property from Rural 1 (RU1), Subdivision District ‘D’ to RU1 Zone, Subdivision District ‘F’, to allow the subdivision of the subject property into two lots. A Public Information Meeting was held on April 4, 2017. The requirements set out in the Conditions of Approval are to be completed by the applicant prior to the Board’s consideration of the Bylaw for adoption (see Attachment 4). Staff recommends that Amendment Bylaw No. 500.409, 2017 be granted first and second reading. Staff also recommends that the public hearing for the Bylaw be waived in accordance with Section 464(2) of the Local Government Act given that the proposal is consistent with the applicable Official Community Plan (OCP) policies and no members of the public expressed an interest in the proposal at the Public Information Meeting (PIM).

BACKGROUND

The Regional District of Nanaimo (RDN) has received an application from Joanne Van Rensburg to rezone the subject property from Rural 1 Zone (RU1), Subdivision District 'D' to RU1 Zone, Subdivision District 'F' in order to permit the subdivision of the property into two 1.0 hectare lots. The subject property is approximately 2.024 hectares in area and contains an existing dwelling. The property is bordered by Benson View Road to the South and Northeast, and is surrounded by other RU1 properties (see Attachment 1 – Subject Property Map). The topography of the property slopes toward the north, becoming a steep slope on the northeast side of the lot. An ephemeral stream crosses the subject property and drains down the steep slope.

Proposed Development

The applicant proposes to rezone the subject property from RU1 Zone, Subdivision District 'D' to RU1 Zone, Subdivision District 'F' to allow the subdivision of the property into two 1.0 hectare lots (see Attachment 3 – Site Plan). Proposed Lot A will be serviced by an existing well and an on-site septic system, while proposed Lot B will be serviced with a new well and on-site septic system. Although access will be formally addressed through subdivision application pending adoption of the zoning amendment bylaw, access to proposed Lot B is anticipated to be within 6.0 metre easement over proposed Lot A.

Official Community Plan Implications

The subject property is designated as Rural Residential pursuant to the “Regional District of Nanaimo Electoral East Wellington – Pleasant Valley Official Community Plan Bylaw No. 1055, 1997”. The Rural Residential designation supports the subdivision of a parcel that existed prior to the adoption of the Official Community Plan (OCP); however, the parcel cannot be smaller than 1.0 hectare. As Bylaw 500 allows parcel averaging, to ensure both parcels are greater than 1.0 hectares in size, the applicant will be required to register a Section 219 covenant requiring all parcels within the subdivision to be greater than 1.0 hectare (see Attachment 2 – Conditions of Approval). The OCP also requires a Section 219 covenant to prevent further subdivision under the *Land Title Act* or *Strata Property Act*. Since the proposed plan of subdivision shows each parcel of land with more than 1.0 hectare in area the proposed amendment is consistent with the OCP policies.

Land Use Implications

The existing RU1 zoning of the subject property allows agriculture, aquaculture, home-based business, produce stand, silviculture, secondary suite, and residential use. Currently two dwelling units are permitted on the property, as the parcel area is greater than 2.0 hectares. The subdivision of the parcel into two parcels will be consistent OCP policy for one dwelling unit per hectare and will not increase residential density more than is currently allowed under zoning (see Attachment 5 – Proposed Amendment Bylaw 500.409, 2017).

The applicant has submitted a proposed plan of subdivision to show the potential parcel shape and dimensions (see Attachment 3 – Proposed Subdivision Plan). The proposed plan was prepared to comply with the 1.0 hectare minimum parcel size requirement while also incorporating existing improvements into proposed Lot A, including the existing driveway, garden and apple orchard. Due to the steep topography on much of the property, the parcel configuration also accounts for including an appropriate building site on the new lot. As the proposed lot design and dimensions do not comply with

Bylaw 500 subdivision standards for parcel depth and lot line orientation, it is anticipated that a development variance permit will be required at the time of subdivision.

Due to the steep slopes on the property, the applicant has provided a Preliminary Slope Setback Assessment prepared by Lewkowich Engineering Associates Ltd. and dated January 30, 2017. The report concludes that the slopes on the property are considered stable and the soil is considered resistant to erosion; however, the report notes it may be subject to raveling due to uncontrolled surface water runoff. An existing Section 219 covenant (EG109433) includes a Geotechnical Evaluation dated July 7, 1993 and prepared by Levelton Associates for the purposes of a building permit for the existing dwelling. The report at the time identified safe building setback of 3.0 metres from the original ground surface of the slope and recommended maintaining the existing alignment of the ephemeral stream for the stability of the lot. A safe and suitable building envelope for proposed Lot B will be addressed through subdivision application pending adoption of the zoning amendment bylaw.

As per “Board Policy B1.21 Groundwater – Application requirements for rezoning un-serviced lands” and OCP policy for verification of on-site septic disposal capability and potable water sources for proposed development, the applicant has submitted a Preliminary Hydrological Assessment prepared by Lewkowich Engineering Associates Ltd and dated April 10, 2017. The report explains that the existence of the ephemeral stream on the property suggests that the fractured bedrock aquifer will likely contain sufficient water to support a new dwelling unit. As the groundwater is flowing from the bedrock fractures into the ephemeral stream, the water quality is also likely good since the water is not exposed to leeching from bedrock for long periods of time.

The Lewkowich report concludes that the groundwater well on proposed Lot B would be able to meet the minimum required volume of 3.5 m³ / day, consistent with Board Policy B1.21. The report also concludes that the hydrologic regime of the aquifer will not be affected by the additional groundwater well, as there will be no net groundwater withdrawal from the aquifer with water being used treated and disposed on the property. Prior to the Board’s consideration of adoption of the amendment bylaw, staff recommend that the applicant be required to register the Preliminary Hydrological Assessment as a Section 219 covenant with a clause to ensure the wells are constructed and tested at subdivision stage, consistent with Board Policy B1.21.

As per OCP policy, the Lewkowich report also reviews the on-site septic disposal capability of the proposed lot. In the engineer’s opinion, the 1.0 hectare site area of the new parcel is sufficient to accommodate septic treatment and disposal system; however, due to low infiltration capacity of the surficial soil and slopes on the property, a Type 2 advanced treatment system may be required. At the time of subdivision, the applicant will be required to construct a septic disposal system according to the design standards and approval of Island Health. The report states, that a properly designed and installed septic field will not impact surface water quality.

Environmental Implications

An ephemeral stream crosses the property originating from the west side of the parcel, and empties into the road side ditch on the northeastern side of the parcel. From the roadside ditch, the Preliminary Hydrological Assessment determines that water discharges through several culverts and other road side ditches eventually reaching Westwood Lake. As property is subject to the Fish Habitat Development Permit Area per the “Regional District of Nanaimo Electoral East Wellington – Pleasant Valley Official

Community Plan Bylaw No. 1055, 1998”, a development permit application will likely be required prior to the subdivision to determine if the *Riparian Area Regulations* apply to the ephemeral stream on the property.

The Preliminary Hydrological Assessment report addresses the potential for the proposed development to affect ground and surface water quality. The Preliminary Hydrological Assessment determines that, as McGarrigle Creek is within a different catchment area, the risk of this development negatively affecting the groundwater aquifer or sensitive water features would be considered ‘very low’.

Intergovernmental Implications

The application was referred to the Ministry of Transportation and Infrastructure and note they have no objections to the rezoning application; however, all comments pertaining to the subdivision would be provided at the time of subdivision. Island Health has also commented that a subdivision application will require septic approval at the time of subdivision, which will need to be witnessed by the Environmental Health Officer.

Public Consultation Implications

A PIM was held on April 4, 2017. No members of the public attended and no written submissions were received prior to the PIM (see Attachment 4 – Summary of Minutes of the Public Information Meeting).

In accordance with Section 464 of *The Local Government Act*, the Board may waive the holding of a Public Hearing if the proposed amendment bylaw is consistent with the Official Community Plan. In staff’s assessment, the proposed development is consistent with the Official Community Plan and no interest has been expressed by the community with respect to the proposed amendment. Therefore, staff recommends that the Board waive the Public Hearing and direct staff to proceed with the notification requirements outlined in Section 467 of the *Local Government Act*.

ALTERNATIVES

1. To proceed with Zoning Amendment Application No. PL2017-015, consider first and second reading of the Amendment Bylaw and waive the Public Hearing.
2. To proceed with Zoning Amendment Application No. PL2017-015, consider first and second reading of the Amendment Bylaw and proceed to Public Hearing
3. To not proceed with the Amendment Bylaw readings and public hearing.

FINANCIAL IMPLICATIONS

Staff have reviewed the proposed development and note that the proposal has no implications related to the Board 2017 – 2021 Financial Plan.

STRATEGIC PLAN IMPLICATIONS

Staff have reviewed the proposed development and note that the proposal has no implications for the 2016 – 2020 Board Strategic Plan.



Stephen Boogaards
sboogaards@rdn.bc.ca
April 25, 2017

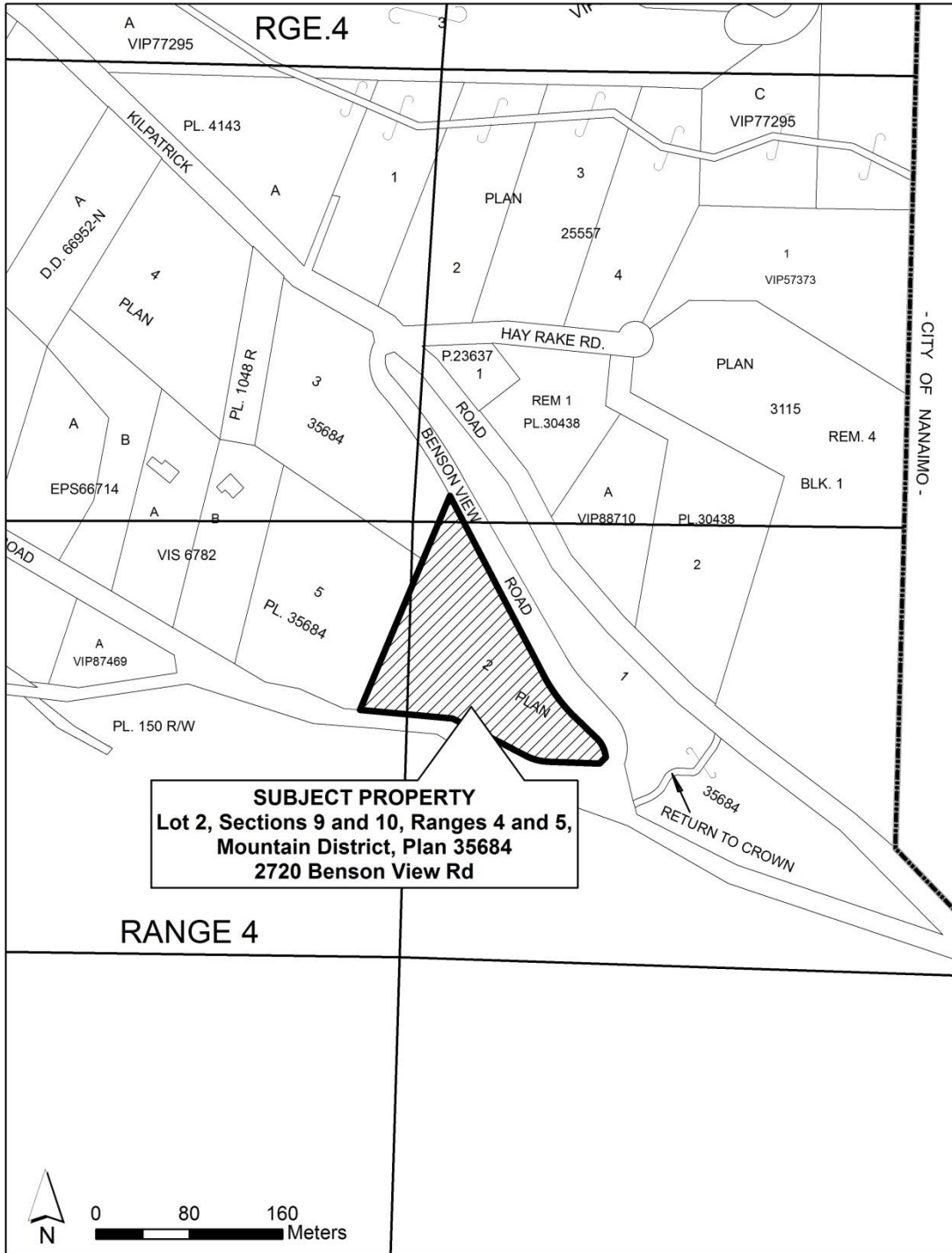
Reviewed by:

- J. Holm, Manager, Current Planning
- G. Garbutt, General Manager, Strategic & Community Development
- P. Carlyle, Chief Administrative Officer

Attachments

1. Subject Property Map
2. Conditions of Approval
3. Proposed Subdivision Plan
4. Summary of Minutes of the Public Information Meeting
5. Proposed Amendment Bylaw No. 500.409, 2017

Attachment 1
Subject Property Map



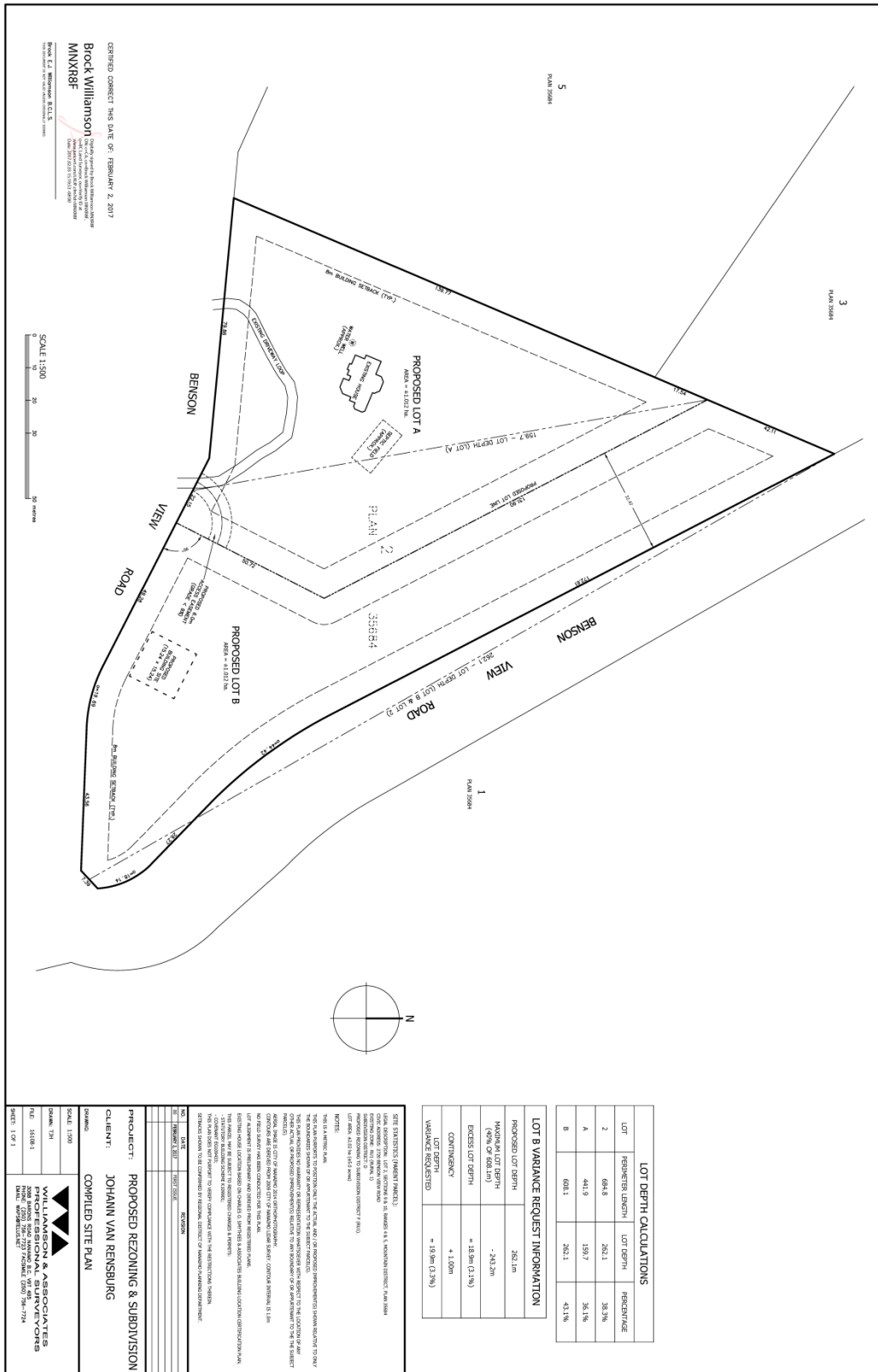
Attachment 2 Conditions of Approval

The following is required prior to the “Regional District of Nanaimo Land Use and Subdivision Amendment Bylaw No. 500.409, 2017” being considered for adoption:

Conditions of Approval

1. The applicant shall register, at the applicant’s expense, a Section 219 restrictive covenant on the property title requiring any new parcel created through subdivision to be greater than 1.0 hectare in area.
2. The applicant to register, at the applicant’s expense, a Section 219 covenant on the property title to prohibit the subdivision of the new parcels.
3. The applicant shall register, at the applicant’s expense, a Section 219 Covenant on the property title requiring the development of the land occur in a manner consistent with the Preliminary Hydrological Assessment report prepared by Lewkowich Engineering Associates Ltd., dated April 10, 2017.
4. The applicant is required to register, at the applicant’s expense, a Section 219 Covenant on the property title stating that the wells be constructed and tested, and a report from a Professional Engineer (registered in BC) be submitted to the Regional District of Nanaimo prior to final approval of subdivision in accordance with “Board Policy B1.21 – Groundwater – Application requirements for rezoning of un-serviced lands”. 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 wells has been pump tested and certified including well head protection, and that the water meets Canadian Drinking Water Standards.

Attachment 3
Proposed Subdivision Plan



Attachment 4
Summary of Minutes of a Public Information Meeting
Held at Nanaimo Christian School
198 Holland Road
Tuesday, April 4, 2017 at 6:30 pm
RDN Application PL2017-015

Note: This summary of the meeting is not a verbatim recording of the proceedings, but is intended to summarize the comments and questions of those in attendance at the Public Information Meeting.

There were no members of the public in attendance at this meeting.

Present for the Regional District of Nanaimo:

Director Young, Electoral Area 'C' (the Chair)
Stephen Boogaards, Planner handling the development application
Sarah Preston, Planning Technician

Present for the Applicant:

Johanus Van Rosenberg, Subject Property Owner

The Chair opened the meeting at 6:35 pm, outlined the evening's agenda, and introduced the RDN staff and the applicant in attendance. The Chair then stated the purpose of the Public Information Meeting and asked RDN staff to provide background information concerning the development application.

Stephen Boogaards provided a brief summary of the proposed zoning amendment, supporting documents provided by the applicant, and the application process.

The Chair invited the applicant to give a presentation of the development proposal.

Johanus Van Rosenberg presented an overview of the proposal.

Following the presentation, the Chair invited questions and comments from the audience.

The Chair asked if there were any further questions or comments.

Being none, the Chairperson thanked those in attendance and announced that the Public Information Meeting was closed.

The meeting was concluded at 6:40 pm.

Sarah Preston
Recording Secretary

Attachment 5
Proposed Amendment Bylaw No. 500.409, 2017

**REGIONAL DISTRICT OF NANAIMO
BYLAW NO. 500.409**

**A Bylaw to Amend Regional District of Nanaimo
Land Use and Subdivision Bylaw No. 500, 1987**

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

- A. This Bylaw may be cited as “Regional District of Nanaimo Land Use and Subdivision Amendment Bylaw No. 500.409, 2017”.
- B. The “Regional District of Nanaimo Land Use and Subdivision Bylaw No. 500, 1987”, is hereby amended as follows:
 - 1. By rezoning the lands shown on the attached Schedule ‘1’ and legally described as

Lot 2, Sections 9 and 10, Ranges 4 and 5, Mountain District, Plan 35684

from Rural 1 Zone Subdivision District ‘D’ to Rural 1 Zone Subdivision District ‘F’

Introduced and read two times this ___ day of _____ 20XX.

Public Hearing held this ___ day of _____ 20XX.

Read a third time this ___ day of _____ 20XX.

Approved by the Minister of Transportation and Infrastructure pursuant to the *Transportation Act* this ___ day of _____ 20XX.

Adopted this ___ day of _____ 20XX.

Chairperson

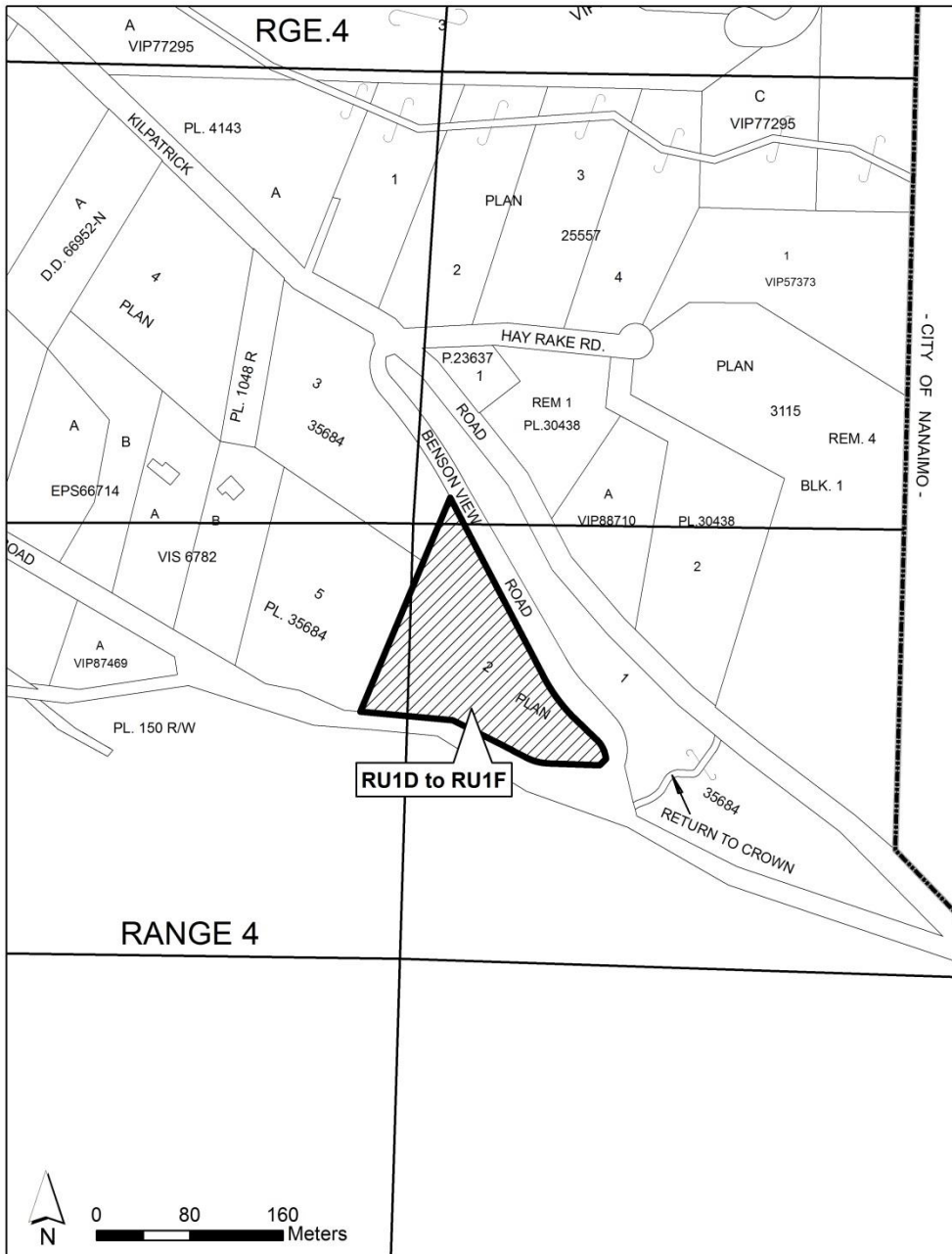
Corporate Officer

Schedule '1' to accompany "Regional District of Nanaimo Land Use and Subdivision Amendment Bylaw No. 500.409, 2017".

Chairperson

Corporate Officer

Schedule '1'



REGIONAL DISTRICT OF NANAIMO

MINUTES OF THE REGULAR COMMITTEE OF THE WHOLE MEETING

Tuesday, May 9, 2017

7:05 P.M.

RDN Board Chambers

In Attendance:	Director W. Veenhof	Chair
	Director I. Thorpe	Vice Chair
	Director A. McPherson	Electoral Area A
	Director H. Houle	Electoral Area B
	Director M. Young	Electoral Area C
	Director B. Rogers	Electoral Area E
	Director J. Fell	Electoral Area F
	Director J. Stanhope	Electoral Area G
	Director B. McKay	City of Nanaimo
	Director B. Bestwick	City of Nanaimo
	Director G. Fuller	City of Nanaimo
	Director J. Hong	City of Nanaimo
	Director J. Kipp	City of Nanaimo
	Director B. Yoachim	City of Nanaimo
	Director M. Lefebvre	City of Parksville
	Director B. Colclough	District of Lantzville
	Director T. Westbroek	Town of Qualicum Beach
Also in Attendance:	P. Carlyle	Chief Administrative Officer
	R. Alexander	Gen. Mgr. Regional & Community Utilities
	J. Holm	A/Gen. Mgr. Strategic & Community Development
	T. Osborne	Gen. Mgr. Recreation & Parks
	D. Trudeau	Gen. Mgr. Transportation & Emergency Planning Services
	J. Harrison	Director of Corporate Services
	W. Idema	Director of Finance
	J. Hill	Mgr. Administrative Services
	C. Golding	Recording Secretary

CALL TO ORDER

The Chair called the meeting to order and respectfully acknowledged the Coast Salish Nations on whose traditional territory the meeting took place.

APPROVAL OF THE AGENDA

It was moved and seconded that the agenda be approved, as amended, to include Board appointment member information under New Business and item 5.2.1 Delegation Supplementary Background Information.

CARRIED UNANIMOUSLY

DELEGATIONS

Guy Dauncey, Melissa McConville, and Cayle McConville, Yellow Point Community Forests group, re 60-acre parcel of forested, undeveloped land in Electoral Area 'A'

Melissa and Cayle McConville expressed their feelings on the importance of the forest. Guy Dauncey shared his concerns regarding the potential impact to the Yellow Point Ecological Corridor and aquifer if the newly purchased 60-acre parcel of land is logged and asked the Board to ground-truth the wetlands on the site and encourage the new owner to protect the corridor.

Motion to bring forward item 9.1 – 2016 Financial Statements and Audit Findings Report

It was moved and seconded that item 9.1 – 2016 Financial Statements and Audit Findings Report be brought forward.

CARRIED UNANIMOUSLY

2016 Financial Statements and Audit Findings Report

Corey Vanderhorst provided a visual presentation and overview of the Audit Findings Report, consolidated financial statements, and outlined potential future changes to accounting standards.

It was moved and seconded that the audit findings report and the consolidated financial statements of the Regional District of Nanaimo for the year ended December 31, 2016 be received.

CARRIED UNANIMOUSLY

It was moved and seconded that the consolidated financial statements of the Regional District of Nanaimo for the year ended December 31, 2016 be approved as presented.

CARRIED UNANIMOUSLY

DELEGATIONS

Monica Shore, Dr. Pam Shaw and Dr. David Witty, Mount Arrowsmith Biosphere Region & Vancouver Island University, Re Memorandum of Understanding between RDN & VIU for MABR Roundtable

Dr. Pam Shaw and Monica Shore provided a slide presentation covering the history, organizational structure and Roundtable governance of the Mount Arrowsmith Biosphere Region, and asked the Board to consider signing a Memorandum of Understanding for the co-management and co-stewardship of the MABR and appointing a representative of the Regional District of Nanaimo to the MABR Roundtable.

ADOPTION OF MINUTES

Regular Committee of the Whole Meeting - April 11, 2017

It was moved and seconded that the minutes of the Regular Committee of the Whole meeting held April 11, 2017, be adopted.

CARRIED UNANIMOUSLY

CORRESPONDENCE

Sheila Gurrie, City of Nanaimo, re Municipal Director Appointment to the Regional District of Nanaimo Board

It was moved and seconded that the correspondence from Sheila Gurrie, City of Nanaimo, regarding Municipal Director appointment to the Regional District of Nanaimo Board be received.

CARRIED UNANIMOUSLY

ADMINISTRATION

Regional Services Review Update

It was moved and seconded that the selection of the 2018 regional services to be reviewed occur at the Board's fall 2017 Strategic Plan review session.

CARRIED UNANIMOUSLY

FINANCE

2017 Gas Tax – Strategic Priorities Fund Grant Applications

It was moved and seconded that the Board support the following projects for application by the Regional District of Nanaimo to the Gas Tax – Strategic Priorities Fund for the 2017 application intake:

1. Capital Stream:
Nanoose Bay Water Service Pump Station - \$2 million
2. Capacity Building Stream:
Asset Management Replacement Cost Study - \$150,000

CARRIED UNANIMOUSLY

RECREATION AND PARKS

Tribal Journeys 2017

It was moved and seconded that the Tribal Journeys 2017 report be received for information and Regional District of Nanaimo Board of Directors and staff be informed of any volunteer opportunities that may arise from the event.

CARRIED UNANIMOUSLY

REGIONAL AND COMMUNITY UTILITIES

Renewal of Agreement for On-Call Electrical Maintenance and Repair for Wastewater Services

It was moved and seconded that the Board renew an agreement for on-call electrical maintenance and repair to Shaw Electrical Services from June 1, 2017 to May 31, 2018, to a maximum expenditure of \$250,000.00. Electrical maintenance services are provided to the Southern Community, Northern Community, Nanoose and Duke Point Wastewater Service Areas.

CARRIED UNANIMOUSLY

Biosolids Management Program Agreements

It was moved and seconded that the Regional District of Nanaimo (RDN) enter into a four-year agreement with TimberWest Forest Company (TimberWest) to enable biosolids forest fertilization activities.

CARRIED UNANIMOUSLY

It was moved and seconded that the Regional District of Nanaimo enter into a four-year agreement with the Nanaimo Mountain Bike Club to coordinate shared land use.

CARRIED UNANIMOUSLY

It was moved and seconded that the Regional District of Nanaimo award SYLVIS Environmental Services (SYLVIS) a four-month contract extension from June 1, 2017 to September 30, 2017 for \$162,000 to continue biosolids forest fertilization activities.

CARRIED UNANIMOUSLY

NEW BUSINESS

Community Works Funds - Electoral Area 'G'

It was moved and seconded that up to \$25,000 of Community Works Funds designated for Electoral Area 'G' be allocated to the design of the San Pareil Water Service Area expansion.

CARRIED UNANIMOUSLY

It was moved and seconded that up to \$10,000 of Community Works Funds designated for Electoral Area 'G' be allocated to Surfside Water Service Area well upgrades.

CARRIED UNANIMOUSLY

Board Appointments

The Chair confirmed appointments to committees as distributed to the Board.

Directors' Roundtable

Directors provided updates to the Board.

ADJOURNMENT

It was moved and seconded that this meeting be adjourned.

TIME: 8:28 PM

CHAIR

CORPORATE OFFICER

TO: Committee of the Whole **MEETING:** May 9, 2017
FROM: Manvir Manhas **FILE:** 1870-20
 Manager, Capital Accounting & Financial
 Reporting
SUBJECT: 2016 Financial Statements and Audit Findings Report

RECOMMENDATIONS

1. That the audit findings report and the consolidated financial statements of the Regional District of Nanaimo for the year ended December 31, 2016 be received.
2. That the consolidated financial statements of the Regional District of Nanaimo for the year ended December 31, 2016 be approved as presented.

SUMMARY

The MNP LLP audit of the Regional District of Nanaimo for the year ended December 31, 2016 is unqualified, assuring readers that based on the audit procedures conducted; the financial statements are considered to be free of material errors. MNP LLP has submitted their audit findings report to the Board to ensure the Board is informed of the audit results and the important issues and decisions that were made during the audit and financial statement preparation process. The audit findings report confirms the statements present fairly the financial position of the Regional District of Nanaimo as at December 31, 2016

The 2016 Consolidated Financial Statements have been prepared and audited within the framework of the accounting policies applicable to local governments in BC. The 2016 final operating results are as expected with no major variances. The Regional District remains in sound financial health with a good balance of assets to liabilities and highly liquid cash reserves to meet annual costs.

BACKGROUND

Canadian auditing standards require that audit firms communicate the results of the audit process to the organization's board of directors for approval as well as to management staff. The Independent Auditors' draft report included in the Audit Findings Report will be signed after final approval of the financial statements by the Board.

The audit findings report from MNP LLP (Attachment 1) summarizes key elements of the audit procedures, the roles and responsibilities of the auditors, and contains a discussion of their conclusions on the information included in the financial statements. There were no items requiring adjustment in 2016. As in prior years, the auditor's draft report is unqualified, assuring readers that based on the audit procedures conducted; the financial statements are considered to be free of material errors.

The consolidated financial statements (Attachment 2) present the financial position of the Regional District as a whole incorporating the operating, reserve and capital funds based on Public Sector Accounting Board standards for governments as legislated under the *Local Government Act*. The consolidated financial statements allow the Board, the management team, and the public to assess the overall results of all of our activities for the fiscal year ending December 31, 2016.

The approved financial statements will be incorporated into the Regional District's Annual Report and Statement of Financial Information to be presented to the Board in June.

ALTERNATIVES

1. Receive the audit findings report and 2016 consolidated financial statements and approve the 2016 consolidated financial statements of the Regional District of Nanaimo for final signatures.
2. Receive the audit findings report and provide alternate direction to staff.

FINANCIAL IMPLICATIONS

The annual audit fee of \$26,250 is included in the Finance Department's 2016 budget. The post-employment benefit calculation was performed by an independent actuary which cost \$8,000 for 2016. There are no additional costs at this time.

STRATEGIC PLAN IMPLICATIONS

The Public Sector Accounting Board Standards for financial reporting and auditing require Board approval of final consolidated financial statements prior to the signing of the audit report. Compliance with this requirement directly supports the Board governing principle to *Be Transparent and Accountable*, which demands transparency in financial reporting and that Directors are accountable to the public. Based on feedback from MNP LLP, who have formally acknowledged the excellent cooperation of staff through the audit process, it is evident that this Board value has trickled through the organization, influencing how staff conduct themselves in their work. In addition, the auditors conclude that the financial sustainability of the RDN is healthy and trending in a positive direction.



Manvir Manhas
mmanhas@rdn.bc.ca
April 20, 2017

Reviewed by:

- W. Idema, Director of Finance
- P. Carlyle, Chief Administrative Officer

Attachments:

1. 2016 RDN Audit Findings Report
2. 2016 RDN Consolidated Financial Statements

**Regional District Of Nanaimo
Report to the Board of Directors**

For the Year Ending December 31, 2016

For presentation at the Board of Directors meeting May 9, 2017

May 9, 2017

Members of the Board of Directors of Regional District Of Nanaimo

Dear Members of the Board of Directors:

We are pleased to submit to you this report for discussion of our audit of the consolidated financial statements of Regional District Of Nanaimo (the "Regional District") as at December 31, 2016 and for the year then ended. In this report we cover those significant matters which, in our opinion, you should be aware of as members of the Board of Directors.

We have completed our audit of the consolidated financial statements of the Regional District which has been carried out in accordance with Canadian generally accepted auditing standards.

Our Independent Audit Report will provide an unqualified opinion to the Board of Directors of the Regional District. A draft copy of our proposed Independent Auditors' Report is attached at the end of this report.

This report is intended solely for the information and use of the Board of Directors and management and should not be distributed to or used by any other parties than these specified parties.

The matters raised in this and other reports that will flow from the audit are only those which have come to our attention arising from or relevant to our audit that we believe need to be brought to your attention. They are not a comprehensive record of all the matters arising, and in particular we cannot be held responsible for reporting all risks in your business or all control weaknesses. This report has been prepared solely for your use and should not be quoted in whole or in part without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared for, and is not intended for, any other purpose.

We would like to express our appreciation for the excellent cooperation we have received from management and employees with whom we worked.

We appreciate having the opportunity to meet with you and to respond to any questions you may have about our audit, and to discuss any other matters that may be of interest to you.

Sincerely,

A handwritten signature in black ink that reads "MNP LLP". The letters are stylized and slanted to the right.

MNP LLP
Chartered Professional Accountants

CAV/mb

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INTRODUCTION

As auditors, we report to the Board of Directors on the results of our examination of the consolidated financial statements of Regional District Of Nanaimo (the "Regional District") as at and for the year ended December 31, 2016. The purpose of this Audit Findings Report is to assist you, as members of the Board of Directors, in your review of the results of our audit. To facilitate in your understanding of our findings, Appendix A to this report summarizes our audit process.

Our report will discuss the status of our engagement, as well as communicate to you significant audit, accounting and reporting matters arising from our procedures. We hope that this report is of assistance to you, and we look forward to discussing our findings and answering your questions.

ENGAGEMENT STATUS

We have completed our audit of the consolidated financial statements of the Regional District and are prepared to sign our Independent Auditors' Report subsequent to completion of the following procedure:

- The Board of Directors's review and approval of the consolidated financial statements.

We expect to have the above procedure completed and to release our Audit Report on May 10, 2017. Our draft report, which will provide an unqualified opinion, is attached at the end of this report.

SIGNIFICANT AUDIT, ACCOUNTING AND REPORTING MATTERS

CHANGES FROM AUDIT SERVICE PLAN

There were no deviations from the Audit Service Plan previously presented to you.

AREAS OF AUDIT EMPHASIS

The following lists the key areas of our audit emphasis for your Regional District:

- The reasonableness of the estimate of the liability for landfill closure and post-closure maintenance costs.

Detailed information on Areas of Audit Emphasis is included as Appendix B to this report.

FINAL MATERIALITY

Materiality is a concept used to assess the significance of misstatements or omissions that are identified during the audit and is used to determine the level of audit testing that is carried out. The scope of our audit work is tailored to reflect the relative size of operations of the Regional District, and is affected by our assessment of materiality and audit risk.

Final materiality used for our audit was \$2,000,000 for December 31, 2016.

SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL

Our audit process focuses on understanding the controls utilized in management's reporting systems to the extent necessary to identify overall and specific financial reporting risks. This risk assessment allows us to concentrate our audit procedures on high risk areas and, where possible, place reliance on controls within the financial reporting system to reduce the extent of our testing.

It is important to note that our assessment was not, nor was it intended to be, sufficient to comment or conclude on the sufficiency of internal controls.

We are required under Canadian generally accepted auditing standards to communicate all significant deficiencies identified during an audit to the Board of Directors on a timely basis. However, we may not be aware of all significant deficiencies that do, in fact, exist.

While our review of controls was not sufficient to express an opinion as to their effectiveness or efficiency, no significant deficiencies in internal control have come to our attention.

DIFFICULTIES ENCOUNTERED

No significant limitations were placed on the scope or timing of our audit.

IDENTIFIED OR SUSPECTED FRAUD

Due to the inherent limitations of an audit and the nature of fraud, including attempts at concealment through forgery or collusion, an audit conducted in accordance with Canadian generally accepted auditing standards cannot be relied upon to detect fraud.

While our audit cannot be relied upon to detect all instances of fraud, no incidents of fraud, or suspected fraud, came to our attention in the course of our audit.

IDENTIFIED OR SUSPECTED NON-COMPLIANCE WITH LAWS AND REGULATIONS

Nothing has come to our attention that would suggest any non-compliance with laws and regulations that would have a material effect on the consolidated financial statements.

MATTERS ARISING IN CONNECTION WITH RELATED PARTIES

No significant matters arose during the course of our audit in connection with related parties of the Regional District.

GOING CONCERN

We have not identified any material uncertainties related to events or conditions that may cast significant doubt on the Regional District's ability to continue as a going concern.

We are of the opinion that the going concern assumption is appropriate in preparation of the consolidated financial statements.

AUDITORS' VIEWS OF SIGNIFICANT ACCOUNTING PRACTICES

The application of Canadian public sector accounting standards allows and requires the Regional District to make accounting estimates and judgments regarding accounting policies and financial statement disclosures.

As auditors, we are uniquely positioned to provide open and objective feedback regarding your Regional District's accounting practices, and have noted the following items during the course of our audit that we wish to bring to your attention.

Accounting Policies

- The accounting policies used by the Regional District are appropriate and have been consistently applied.

Accounting Estimates

Landfill liability

- The unfunded liabilities for landfill closure costs and post-closure monitoring costs represent a significant liability in the Regional District's financial statements. For 2016 the estimate for landfill closure costs was \$8,721,122 (2015 - \$8,495,688), and for post closure maintenance costs was \$4,470,400 (2015 - \$4,674,687) for a total landfill liability of \$13,191,522 (2015 - \$13,170,375). These costs are an estimate, based on factors such as landfill capacity, remaining unused capacity, projected future costs to close and to monitor the site, and an appropriate discount rate used to determine a present value of these future costs. It is important to note that the landfill remaining unused capacity amount used in the calculation is based on the impact of board-approved capital projects as at the reporting date. Projects not yet approved that may further increase capacity and useful life are not factored into the calculation.

During 2016, the Regional District changed its estimated amounts and timing of future post-closure monitoring costs from the old standard of \$575,000 per year for 25 years, to the new standard of 200 years with a declining annual cost (\$575,000 each for years 1-5, \$475,000 each for years 6-10, \$275,000 each for years 11-25, and \$100,000 each for years 26-200). This change is in response to new Provincial regulations.

Changes to the underlying assumptions and estimates or legislative changes in the new term could have a material impact on the provision recognized. We have concluded that the accounting related to the Landfill Closure and Post-Closure Liabilities was appropriate.

Employee future benefits

- Employee retirement benefits include payouts of accumulated, unused sick leave upon an employee's retirement. As at December 31, 2016, the estimated sick leave liability was \$1,777,474 (2015 - \$1,789,202). An expense and corresponding liability is recorded now for the estimate of the future costs of these payouts, related to current service by current employees. This liability is an estimate, based on factors such as number of current employees in various age groups, number of recent employees over age 40 who have been employed with the Regional District until retirement, and an appropriate discount rate used to determine a present value of these future costs. Changes to the underlying assumptions and estimates or union contract changes in the new term could have a material impact on the reserve recorded. The estimate also includes assumptions regarding retirement dates, hours worked and sick time. We have concluded that the accounting related to Employee Retirement Benefits was appropriate. This estimate is calculated by an actuary hired by the Regional District.

Parkland and other assets contributed to the Regional District

- Fair value measurement of in-kind additions to tangible capital assets – fair value estimated using BCAA assessed values for land. Total for 2016 was \$1,867,000 (2015 - \$322,000).

Allowance for doubtful accounts

- No provision deemed necessary.

Provision for legal contingencies

- No provision deemed necessary.

•Amortization period of tangible capital assets

- Amortized over the estimated useful life of the respective assets.

Financial Statement Disclosures

The disclosures made in the notes to the consolidated financial statements appear clear, neutral and consistent with our understanding of the entity and the amounts presented in the consolidated financial statements.

MATTERS ARISING FROM DISCUSSIONS WITH MANAGEMENT

We would like to formally acknowledge the cooperation and assistance we received from the management and staff of the Regional District.

There were no significant matters discussed, or subject to correspondence, with management that in our judgment need be brought to your attention.

SIGNIFICANT DIFFERENCES

No significant differences were proposed to management with respect to the December 31, 2016 consolidated financial statements.

MODIFICATIONS TO THE INDEPENDENT AUDITORS' REPORT

As discussed earlier, our independent auditors' report will provide an unqualified opinion to the Board of Directors.

MANAGEMENT REPRESENTATIONS

We have requested certain written representations from management, which represent a confirmation of certain oral representations given to us during the course of our audit.

AUDITOR INDEPENDENCE

We confirm to the Board of Directors that we are independent of the Regional District. Our letter to the Board of Directors discussing our independence is included as part of the additional materials attached to this report.

APPENDIX A – MNP Audit Process

Our audit was carried out in accordance with Canadian generally accepted auditing standards, and included a review of all significant accounting and management reporting systems, with each material year end balance, key transaction and other events considered significant to the consolidated financial statements considered separately.

Our audit process focused on understanding the controls utilized in management's reporting systems to the extent necessary to identify overall and specific financial reporting risks. This risk assessment enabled us to concentrate our audit procedures on the areas where differences were most likely to arise. Our assessment was not, nor was it intended to be, sufficient to conclude on the effectiveness or efficiency of internal controls.

During the course of our audit, we have:

- Examined, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements;
- Assessed the accounting principles used and significant estimates made by management;
- Obtained an understanding of the Regional District and its environment, including management's internal controls (regardless of whether we relied on them for the purpose of the audit), sufficient to identify and assess the risks of material misstatement of the consolidated financial statements and to design and perform audit procedures;
- Reviewed and assessed those accounting systems deemed necessary to support our audit opinion;
- Evaluated the overall consolidated financial statement presentation;
- Performed a subsequent events review with management;
- Reviewed and assessed the status of contingencies, commitments and guarantees;
- Reviewed and assessed exposure to environmental liabilities.

We have obtained written representations from management, included as additional materials following this report, in order to confirm oral representations given to us and reduce the possibility of misunderstanding. Specifically, we have obtained written confirmation of significant representations provided on matters that are:

- Directly related to items that are material, either individually or in the aggregate, to the consolidated financial statements;
- Not directly related to items that are material to the consolidated financial statements, but are significant, either individually or in the aggregate, to the engagement; and
- Matters relevant to management judgments or estimates that are material, either individually or in the aggregate, to the consolidated financial statements.

APPENDIX B – Areas of Audit Emphasis

The reasonableness of the estimate of the liability for landfill closure and post-closure maintenance costs:

We reviewed the data and assumptions for the calculation with management in the finance and solid waste departments. We noted that the liability is based on consultants' current data and management's best estimate of future costs. We did not note any errors in the calculation of this liability.

Independent Auditors' Report

To the Members of the Board of the Regional District of Nanaimo:

We have audited the accompanying consolidated financial statements of the Regional District of Nanaimo, which comprise the consolidated statement of financial position as at December 31, 2016 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows and related schedules on pages 25 and 27 to 34 for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Regional District of Nanaimo as at December 31, 2016 and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

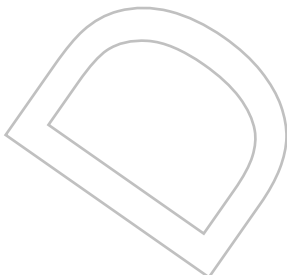
Other Matter

The supplementary information on pages 26 and 35 to 50 have been presented for purposes of additional analysis and are unaudited. We do not express an opinion on these schedules because our examination did not extend to the detailed information therein.

Nanaimo, British Columbia

May 9, 2017

Chartered Professional Accountants



Independence Communication

May 9, 2017

The Board of Directors
Regional District Of Nanaimo
6300 Hammond Bay Road
Nanaimo, BC V9T 6N2

Dear Members of the Board of Directors:

We have been engaged to audit the consolidated financial statements of Regional District Of Nanaimo ("the Regional District") as at December 31, 2016 and for the year then ended.

CAS 260 *Communication With Those Charged With Governance* requires that we communicate with you matters that are significant to our engagement. One such matter is relationships between the Regional District and its related entities or persons in financial reporting oversight roles at the Regional District and MNP LLP and any affiliates ("MNP") that, in our professional judgment, may reasonably be thought to bear on our independence. In determining which relationships to report, the Standard requires us to consider relevant rules and related interpretations prescribed by the appropriate professional accounting body and applicable legislation, covering such matters as:

- (a) Holding a financial interest, either directly or indirectly, in a client;
- (b) Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client or a related entity;
- (c) Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client or a related entity;
- (d) Economic dependence on a client; and
- (e) Provision of non-assurance services in addition to the audit engagement.

We are not aware of any relationship between the Regional District and MNP that, in our professional judgment, may reasonably be thought to bear on our independence, which have occurred from January 1, 2016 to May 9, 2017.

We hereby confirm that MNP is independent with respect to the Regional District within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia as of May 9, 2017.

This report is intended solely for the use of the Board of Directors, management and others within the Regional District and should not be used for any other purposes.

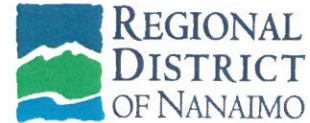
We look forward to discussing with you the matters addressed in this letter as well as other matters that may be of interest to you. We will be prepared to answer any questions you may have regarding our independence as well as other matters.

Sincerely,



MNP LLP
Chartered Professional Accountants

CAV/mb



Management's Responsibility

To the Members of the Board of the Regional District of Nanaimo:

This statement is provided to clarify and outline the roles and responsibilities of the management team, the elected Board of Directors and the independent auditors in relation to the preparation and review of the Regional District of Nanaimo's annual financial results.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Regional Board of Directors is composed entirely of Directors who are neither management nor employees of the Regional District. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for delegating the authority for approval of the consolidated financial statements. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management. The Board is also responsible for recommending the appointment of the Regional District's external auditors. The external auditors have full and free access to, the Board and management to discuss their audit findings.

MNP LLP, an independent firm of Chartered Professional Accountants, has been appointed by the Regional Board of Directors to audit the consolidated financial statements and report to them; their report follows.

April 20, 2017

A handwritten signature in black ink, appearing to read "S. D. ...", is written over a horizontal line.

Director of Finance

**REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016**

		<u>2016</u>	<u>2015</u>
Financial Assets			
Cash and short-term deposits	(Note 2)	\$ 65,426,660	\$ 64,587,923
Accounts receivable	(Note 3)	\$ 6,145,802	5,055,066
Investments	(Note 4)	\$ 31,559,740	26,133,266
Other jurisdictions debt receivable	(Note 12)	\$ 64,943,861	69,103,355
Other assets	(Note 5)	\$ 94,229	23,139
		<u>\$ 168,170,292</u>	<u>164,902,749</u>
Financial Liabilities			
Short-term loans	(Note 6)	\$ 371,107	293,141
Accounts payable	(Note 7)	\$ 6,294,470	6,030,009
Other liabilities	(Note 8)	\$ 4,529,854	4,422,319
Unfunded liabilities	(Note 9)	\$ 12,797,451	12,566,913
Deferred revenue	(Note 10)	\$ 22,453,326	20,376,391
Obligation under capital lease	(Note 13)	\$ -	211,227
Long-term debt	(Note 11)	\$ 84,448,850	83,587,908
		<u>\$ 130,895,058</u>	<u>127,487,908</u>
Net Financial Assets		<u>\$ 37,275,234</u>	<u>37,414,841</u>
Non-financial Assets			
Tangible capital assets	(Note 14)	\$ 198,227,258	178,169,261
Prepaid expenses		\$ 1,414,768	861,430
Inventories		\$ 43,399	40,767
		<u>\$ 199,685,425</u>	<u>179,071,458</u>
Accumulated Surplus	(Note 15)	<u>\$ 236,960,659</u>	<u>\$ 216,486,299</u>

APPROVED:



W. Idema, CPA, CGA
Director of Finance

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budget</u> (Note 18)	<u>2016</u>	<u>2015</u>
Revenue			
Property taxes	\$ 45,498,183	\$ 45,498,181	\$ 43,103,564
Operating revenues	21,444,852	22,975,645	21,339,433
Grant revenues	13,147,353	15,735,117	6,740,947
Developer contributions	4,039,254	3,162,137	2,330,833
Other	949,491	918,080	1,117,461
Interest on investments	150,000	924,812	1,140,991
Grants in lieu of taxes	149,645	319,413	309,109
MFA debt surplus refunds	-	5,118	163,026
	<u>85,378,778</u>	<u>89,538,503</u>	<u>76,245,364</u>
Expenses			
General Government	2,186,677	2,734,694	1,693,015
Strategic & Community Development	3,933,221	3,481,604	3,299,141
Wastewater & Solid Waste management	20,111,980	22,796,558	23,096,142
Water, Sewer & Street lighting	4,755,550	5,484,414	5,551,953
Public Transportation	20,017,671	19,218,611	18,696,991
Protective Services	4,324,611	4,708,898	4,494,052
Parks, Recreation & Culture	10,734,273	10,639,364	10,424,014
	<u>66,063,983</u>	<u>69,064,143</u>	<u>67,255,308</u>
Surplus for the year	\$ 19,314,795	\$ 20,474,360	\$ 8,990,056
Accumulated surplus, Beginning of the year	216,486,299	216,486,299	207,496,243
Accumulated surplus, End of the year (Note 15)	\$ 235,801,094	\$ 236,960,659	\$ 216,486,299

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budget</u> (Note 18)	<u>2016</u>	<u>2015</u>
Surplus for the year	\$ 19,314,795	\$ 20,474,360	\$ 8,990,056
Acquisition of tangible capital assets	(44,814,373)	(27,275,629)	(8,623,513)
Amortization of tangible capital assets	-	6,846,859	6,745,606
Proceeds on disposal of tangible capital assets	-	413,977	13,109
Loss (Gain) on disposal of tangible capital assets	-	(43,204)	209,723
Change in prepaid expenses	-	(553,338)	(436,428)
Change in inventories	-	(2,632)	(1,634)
Increase (decrease) in Net Financial Assets	(25,499,578)	(139,607)	6,896,919
Net Financial Assets, Beginning of the year	37,414,841	37,414,841	30,517,922
Net Financial Assets, End of the year (Pg. 3)	<u>\$ 11,915,263</u>	<u>\$ 37,275,234</u>	<u>\$ 37,414,841</u>

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>2016</u>	<u>2015</u>
Operating Transactions		
Surplus for the year	\$ 20,474,360	\$ 8,990,056
Non-cash items included in surplus		
Amortization of tangible capital assets	6,846,859	6,745,606
Contributed tangible capital assets	(1,867,000)	(322,000)
Loss (Gain) on disposal of tangible capital assets	(43,204)	209,723
Debt actuarial adjustments	(310,997)	(464,576)
Change in non-cash working capital balances related to operations		
(Increase) Decrease in accounts receivable	(1,090,735)	1,043,686
(Increase) Decrease in other assets	(71,090)	2,125
Increase in accounts payable	264,462	3,234,927
Increase in deferred revenues	2,076,935	651,985
Increase (Decrease) in other liabilities	107,535	(693,668)
Increase in prepaid expenses	(553,338)	(436,428)
Increase in inventory	(2,632)	(1,634)
Increase in unfunded liabilities	230,538	568,647
	26,061,693	19,528,449
Capital Transactions		
Acquisition of tangible capital assets	(25,408,629)	(8,301,513)
Proceeds on disposal of tangible capital assets	413,977	13,109
	(24,994,652)	(8,288,404)
Investment Transactions		
Cash provided by (used in) investment transactions	(5,426,474)	(6,109,844)
Financing Transactions		
Short and long term debt issued	6,309,389	544,650
Decrease in capital lease obligation	(211,229)	(471,450)
Repayment of short and long-term debt	(899,990)	(931,397)
	5,198,170	(858,197)
Net change in cash and short-term deposits	838,737	4,272,004
Cash and short-term deposits, Beginning of the year	64,587,923	60,315,919
Cash and short-term deposits, End of the year (Pg. 3)	(Note 2) \$ 65,426,660	\$ 64,587,923

See notes to consolidated financial statements

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2016

The Regional District was incorporated in 1967 under the provisions of the British Columbia Municipal Act. Its principal activities are the provision of district wide local government services to the residents of seven electoral areas and four municipalities within its boundaries. These services include general government administration, bylaw enforcement, planning and development services, building inspection, fire protection and emergency response planning, public transportation, parks and recreation, water supply and sewage collection, wastewater disposal, solid waste collection and disposal, and street lighting.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of Consolidation

The Regional District follows Canadian public sector accounting standards issued by the Public Sector Accounting Board (PSAB) of CPA Canada.

Consolidated financial statements have been prepared in accordance with the recommendations of the Public Sector Accounting Board (PSAB). The consolidated financial statements include the activities related to all funds belonging to the one economic entity of the Regional District. In accordance with those standards inter-departmental and inter-fund transactions have been removed to ensure financial activities are recorded on a gross basis. The consolidated financial statements have been prepared on a going concern basis.

The consolidated financial statements include the Regional District of Nanaimo's proportionate share of the Arrowsmith Water Service (a joint venture agreement with the City of Parksville and Town of Qualicum Beach) and the Englishman River Water Service (a joint venture agreement with the City of Parksville). The Regional District's share of the joint ventures is accounted for on a proportionate basis as follows:

Arrowsmith Water Service	22.4%
Englishman River Water Service	26.0%

Any inter-entity transactions are eliminated on consolidation.

(b) Short-term deposits

Short-term deposits are carried at the lower of cost and market value.

(c) Long-term investments

Long-term investments are carried at cost less any amortized premium. It is the intention of the Regional District to hold these instruments to maturity. Any premium has been amortized on a straight-line basis using the earlier of the date of maturity or call date.

(d) Non-Financial Assets

i. Tangible capital assets

Tangible capital assets are physical assets that are to be used on a continuing basis, are not for sale in the ordinary course of operations and have useful economic lives extending beyond a single year. Section 3150 of Public Sector Accounting Handbook requires governments to record and amortize the assets over their estimated useful lives. Tangible capital assets are reported at historical cost and include assets financed through operating budgets, short-term and long-term debt, and leases. Tangible capital assets when acquired are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Tangible capital asset cost less any estimated residual value, is amortized on a straight-line basis over estimated useful lives as follows:

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Asset Category	Useful Life Range (years)
Land	n/a
Land Improvements	15 - 50
Building	20 - 50
Equipment, Furniture & Vehicles	5 - 20
Engineering Structures	
Water	25 - 75
Sewer	45 - 75
Wastewater	30 - 75
Solid Waste	20 - 50
Transportation	20 - 50

In the year of acquisition and in the year of disposal, amortization is recorded as half of the annual expense for that year. Assets under construction are not amortized until the asset is available for productive use.

ii. Contributions of tangible capital assets

Tangible capital assets received as contributions (examples are parklands as a result of subdivision, donated land and infrastructure built by property developers which is transferred to the Regional District) are recorded as assets and revenues at their fair value at the date of receipt.

iii. Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of a property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

iv. Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost.

(e) Debt servicing cost

Interest is recorded on an accrual basis.

(f) Financial Instruments

Financial instruments consist of cash and short-term deposits, accounts receivable, investments, other jurisdictions debt receivable, short-term loans, accounts payable, other liabilities and long-term debt. Unless otherwise noted, it is management's opinion that the Regional District is not exposed to significant interest, currency or credit risk arising from these financial instruments.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Revenue recognition

Revenues are recorded on an accrual basis and are recognized in the period in which they are earned.

Property tax revenues and grants in lieu are recognized as revenue when levied. Operating revenues such as user fees, tipping fees, garbage, and recycling collection fees are recognized when charged to the customer, when amounts are measurable and when collectability is reasonably assured. Interest on investments is recorded when earned on an accrual basis. Developer contributions are recorded as deferred revenues when received and recognized as revenue in the year in which the associated expenditures are incurred. Donations of tangible assets are recognized as revenue on the date of receipt. Other revenues are recognized as revenue when amounts can be reasonably estimated and collectability is reasonably assured.

The Regional District recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Regional District recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

(h) Expense recognition

Operating expenses are recorded on an accrual basis.

Estimates of employee future benefits are recorded as expenses in the year they are earned. Landfill closure and post closure costs are recognized as costs as landfill capacity is used.

(i) Contingent liabilities

Contingent liabilities are recognized in accordance with PS 3300, which requires that an estimate be recorded when it is likely that a future event will confirm that a liability has been incurred by the financial statement date and that the amount can be reasonably estimated.

(j) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Significant areas requiring management estimates are the determination of employee retirement benefits, landfill closure and post closure liabilities, likelihood of collection of accounts receivable, useful lives of tangible capital assets and provisions for contingencies. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the Regional District is responsible for. Actual results may vary from those estimates and adjustments will be reported in operations as they become known. Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provisions recognized.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Regional District is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2016.

At each financial reporting date, the Regional District reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Regional District continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

(l) Recent accounting pronouncements

PS 2200 Related Party Disclosures

In March 2015, as part of the CPA Canada Public Sector Accounting Handbook Revisions Release No. 42, the Public Sector Accounting Board (PSAB) issued a new standard, PS 2200 Related Party Disclosures.

This new Section defines related party and established disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements.

This section is effective for fiscal years beginning on or after April 1, 2017. Early adoption is permitted.

The Regional District does not expect application of the new Standard to have a material effect on the consolidated financial statements.

PS 3210 Assets

In June 2015, new PS 3210 Assets was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section provides guidance for applying the definition of assets set out in PS 1000 Financial Statement Concepts. The main features of this standard are as follows:

Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.

Economic resources can arise from such events as agreements, contracts, other government's legislation, the government's own legislation, and voluntary contributions.

The public is often the beneficiary of goods and services provided by a public sector entity. Such assets benefit public sector entities as they assist in achieving the entity's primary objective of providing public goods and services.

A public sector entity's ability to regulate an economic resource does not, in and of itself, constitute control of an asset if the interest extends only to the regulatory use of the economic resource and does not include the ability to control access to future economic benefits.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A public sector entity acting as a trustee on behalf of beneficiaries specified in an agreement or statute is merely administering the assets, and does not control the assets, as future economic benefits flow to the beneficiaries.

An economic resource may meet the definition of an asset, but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

The Regional District does not expect application of the new Standard to have a material effect on the consolidated financial statements.

PS 3320 Contingent Assets

In June 2015, new PS 3320 Contingent Assets was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.

Passing legislation that has retroactive application after the financial statement date cannot create an existing condition or situation at the financial statement date.

Elected or public sector entity officials announcing public sector entity intentions after the financial statement date cannot create an existing condition or situation at the financial statement date.

Disclosures should include existence, nature, and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the basis for any estimates of extent made.

When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such a disclosure would have an adverse impact on the outcome.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The Regional District does not expect application of the new Standard to have a material effect on the consolidated financial statements.

PS 3380 Contractual Rights

In June 2015, new PS 3380 Contractual Rights was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). This new Section establishes disclosure standards on contractual rights and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Standard are as follows:

Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.

Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.

Disclosures should include descriptions about nature, extent, and timing.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

The Regional District does not expect application of the new Standard to have a material effect on the consolidated financial statements.

PS 3430 Restructuring Transactions

In June 2015, new PS 3430 Restructuring Transactions was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section establishes disclosure standards on restructuring transactions. The main features of this Standard are as follows:

A restructuring transaction is defined separately from an acquisition. The key distinction between the two is the absence of an exchange of consideration in a restructuring transaction.

A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities that does not involve an exchange of consideration.

Individual assets and liabilities transferred in a restructuring transaction are derecognized by the transferor at their carrying amount and recognized by the recipient at their carrying amount with applicable adjustments.

The increase in net assets or net liabilities resulting from recognition and derecognition of individual assets and liabilities received from all transferors, and transferred to all recipients in a restructuring transaction, is recognized as revenue or as an expense.

Restructuring-related costs are recognized as expenses when incurred.

Individual assets and liabilities received in a restructuring transaction are initially classified based on the accounting policies and circumstances of the recipient at the restructuring date.

The financial position and results of operations prior to the restructuring date are not restated.

Disclosure of information about the transferred assets, liabilities and related operations prior to the restructuring date by the recipient is encouraged but not required.

The Section is effective for new restructuring transactions that occur in fiscal periods beginning on or after April 1, 2018. Earlier application is encouraged.

The Regional District does not expect application of the new Standard to have a material effect on the consolidated financial statements.

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2016

2. CASH AND SHORT-TERM DEPOSITS

In 2016, all cash and short-term deposits were held by the General Revenue Fund including \$37,343,820 held by the Municipal Finance Authority. Interest income has been allocated to restricted receipt accounts (development cost charges), reserve accounts/funds and unexpended loan proceeds for capital projects based on the relative equity.

3. ACCOUNTS RECEIVABLE

	<u>2016</u>	<u>2015</u>
Province of British Columbia	\$ 10,917	\$ 24,972
Government of Canada	480,916	510,581
Regional and local governments	299,688	578,831
Gas Tax Revenue Transfer program	1,966,894	603,977
BC Transit Annual Operating Agreement	1,049,568	951,827
Accrued investment interest	92,658	223,839
Solid Waste commercial accounts	559,942	627,116
Utility services customers	431,533	401,399
Developer DCC instalments	183,967	328,010
Other trade receivables	1,069,719	804,514
	<u>\$ 6,145,802</u>	<u>\$ 5,055,066</u>

4. INVESTMENTS

	<u>2016</u>	<u>2015</u>
Investments at cost less amortized premium	\$ 31,559,740	\$ 26,133,266

As at December 31, 2016, the following investments were held by the Regional District:

Investment	Amortized Purchase Price	Accrued Interest	Total Book Value	Market Value at December 31, 2016
TD 0.8% deposit note	\$191,558	-	\$191,558	\$191,558
BNS 1.53% deposit note	\$5,000,000	\$5,240	\$5,005,240	\$5,005,240
TD 1.21% deposit note	\$5,000,000	\$4,475	\$5,004,475	\$5,000,000
CCCU 1.65% deposit note	\$3,049,533	\$12,098	\$3,061,631	\$3,049,533
CCAP 1.60% deposit note	\$3,000,000	\$13,414	\$3,013,414	\$3,000,000
VANC 1.20% deposit note	\$3,000,000	\$10,257	\$3,010,257	\$3,000,000
CCAP 1.50% deposit note	\$2,966,649	\$3,048	\$2,969,697	\$2,966,649
BMO 1.50% extendible note	\$2,802,000	\$7,370	\$2,809,370	\$2,802,213
VANC 1.30% deposit note	\$2,500,000	\$2,226	\$2,502,226	\$2,500,000
BMO 1.50% extendible note	\$2,050,000	\$5,981	\$2,055,981	\$2,027,806
BMO 2.00% extendible note	\$2,000,000	\$1,644	\$2,001,644	\$2,008,434
	<u>\$ 31,559,740</u>	<u>\$ 65,753</u>	<u>\$ 31,625,493</u>	<u>\$ 31,551,433</u>

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2016

5. OTHER ASSETS

	<u>2016</u>	<u>2015</u>
Security deposits for building or development permit applications	\$ 94,229	\$ 23,139

6. SHORT-TERM LOANS

During 2016, the Regional District entered into two additional short-term loan agreements totalling \$202,190 with the Municipal Finance Authority. In 2016, principal payments of \$124,223 were made. The maturity dates of the loans range between 1 to 5 years. The interest rates for these loans are variable, which at December 31 was 1.44%.

	<u>2016</u>	<u>2015</u>
Compactor	\$ 168,917	\$ 293,141
Land - Community Parks EA B	188,000	-
Trailer and Kubota	14,190	-
	<u>\$ 371,107</u>	<u>\$ 293,141</u>

Short-term loan payments for the next five years are:

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>TOTAL</u>
\$168,790	\$48,314	\$3,603	-	\$150,400	<u>\$371,107</u>

7. ACCOUNTS PAYABLE

	<u>2016</u>	<u>2015</u>
Payable to Federal Government	\$ 184,852	\$ 179,392
Payable to Provincial Government	649,643	599,718
Payable to other local governments	344,667	333,231
Trade and other payables	5,115,308	4,917,668
	<u>\$ 6,294,470</u>	<u>\$ 6,030,009</u>

8. OTHER LIABILITIES

	<u>2016</u>	<u>2015</u>
Wages and benefits payable	\$ 1,415,977	\$ 1,221,031
Retirement benefits payable - see note 9(a) i	2,429,167	2,673,985
Other benefits payable	281,437	153,288
Permit deposits	403,273	374,015
	<u>\$ 4,529,854</u>	<u>\$ 4,422,319</u>

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2016

9. UNFUNDED LIABILITIES

Unfunded liabilities represent the estimated amount of cumulative future expenditures required to meet obligations which result from current operations. These liabilities are related to contractual employment obligations and landfill operations which are governed by Provincial statute. Special reserves which have been set aside to meet those obligations are described below.

(a) Employee Benefits

- i. Retirement Benefits - The Regional District provides vested sick leave benefits to its employees who retire where they can qualify for a one time payout of up to 60 days of their accumulated unused sick leave. The amount recorded for these benefits is based on an actuarial evaluation done by an independent firm using a projected benefit actuarial valuation method prorated on service. The actuarial valuation was calculated at December 31, 2016.

The accrued post-employment benefits are as follows:

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 1,789,202	\$ 1,733,207
Current service costs	146,529	143,052
Benefits paid	(181,278)	(109,663)
Interest cost	50,889	47,549
Amortization of Net Actuarial Loss/ (Gain)	(27,868)	(24,943)
Balance, end of year	<u>\$ 1,777,474</u>	<u>\$ 1,789,202</u>

The significant actuarial assumptions adopted in measuring the Regional District's post-employment benefits are as follows:

	<u>2016</u>	<u>2015</u>
Discount Rate	3.30%	3.10%
Expected Inflation Rate and Wage & Salary Increases	2.50%	2.50%
Balance reported in Note 8		
Retirement benefits payable	\$ 2,429,167	\$ 2,673,985
Consolidation adjustment for actuarial valuation	(651,693)	(884,783)
Accrued benefit balance, end of year	<u>\$ 1,777,474</u>	<u>\$ 1,789,202</u>

- ii. Other – Includes vacation pay adjustments and statutory and other benefits provided for in the collective agreement and which are paid in the normal course of business in the following year. The vacation pay liability at December 31, 2016 is \$112,303 (2015, \$165,877). The statutory benefits liability at December 31, 2016 is \$145,318 (2015, \$115,444).

(b) Landfill Closure and Post Closure Maintenance Costs

In accordance with PS 3270, liabilities with respect to permanently closing and monitoring a landfill are incurred as landfill capacity is used. Landfill Closure costs include placing a permanent cover over the face of the landfill. Post Closure Maintenance costs include landfill gas monitoring, leachate collection system operation and general site maintenance for a period of 200 years after the landfill is permanently closed.

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2016

9. UNFUNDED LIABILITIES (CONTINUED)

i. Landfill Closure costs - are estimated based on the open area of the remaining unused capacity of the landfill site. In 2009, a revised design and operations plan was approved for the landfill which provides additional airspace for future needs. This plan extended the estimated life of the landfill to 2030 which has since been updated to 2038 based on most recent usage data. The plan includes remediation and reuse of previously filled areas as well as extending perimeter berms for the development of new airspace.

At December 31, 2016, there were approximately 1,697,987 cubic meters of airspace available for waste and daily cover. Landfill Closure costs are estimated at \$8,721,122 (2015, \$8,495,688). As at December 31, 2016, \$1,494,261 (2015, \$1,472,802) has been set aside in reserves for this purpose. The balance of Landfill Closure costs are expected to be funded by a combination of future reserve account contributions, operating budgets and/or borrowing.

ii. Post Closure Maintenance costs – are costs estimated to manage the closed landfill for a statutory period of 200 years (increased from 25 years in 2015). Post Closure Maintenance costs are estimated using a number of factors including the percentage of landfill capacity already filled, the probable closure date, the regulated monitoring period, the estimated annual maintenance costs and a present value discount rate which is the difference between the long-term MFA borrowing rate and the 5 year average Consumer Price Index. The current estimate for annual Post Closure Maintenance costs are \$575,000 for year 1-5; \$475,000 for year 6-10; \$275,000 for year 11-25; and \$100,000 for year 26-200 (2015, \$575,000 per year for 25 years). Total Post Closure Maintenance costs are estimated to be \$4,470,400 (2015, \$4,674,687) based on 64% of the total landfill capacity being filled at this date, a 22 year lifespan to 2038, final closure in 2039, and a discount rate of 1.92%. Post Closure Maintenance costs are expected to be funded by annual budget appropriations in the years in which they are incurred.

<u>Unfunded Liability Balances</u>	<u>2016</u>	<u>2015</u>
Employee Retirement Benefits	\$ (651,693)	\$ (884,783)
Employee Other Benefits	257,622	281,321
Landfill Closure Costs	8,721,122	8,495,688
Post Closure Maintenance Costs	4,470,400	4,674,687
Unfunded Liability	<u>\$ 12,797,451</u>	<u>\$ 12,566,913</u>
Reserves On Hand	<u>\$ 1,494,261</u>	<u>\$ 1,472,802</u>

10. DEFERRED REVENUE

	<u>2016</u>	<u>2015</u>
Parkland Cash-in-Lieu receipts	\$ 1,716,243	\$ 1,691,619
Development Cost Charges	<u>12,070,854</u>	<u>10,837,478</u>
Subtotal (Pg. 34)	13,787,097	12,529,097
Gas Tax Revenue Transfer program – Community Works Fund	8,097,324	7,331,503
General Revenue Fund	568,905	515,791
	<u>\$ 22,453,326</u>	<u>\$ 20,376,391</u>

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2016

10. DEFERRED REVENUE (CONTINUED)

Parkland Cash-in-Lieu - are amounts collected from developers under the authority of Section 941 of the Local Government Act, where the Board has determined that cash rather than land for parkland purposes may be accepted as a condition of subdivision. These funds are held for the purpose of purchasing parkland.

Development Cost Charges - are amounts collected or payable as a result of new subdivision or building developments under the authority of Section 933 of the *Local Government Act*. The purpose of Section 933 is to collect funds for infrastructure which will be built as a result of population growth. Development Cost Charge bylaws have been enacted for the future expansion of wastewater treatment facilities and a bulk water system.

Community Works Fund - is a program component of the federal government's "New Building Canada Fund" which was established to transfer a portion of gas tax revenues to local governments to address infrastructure deficits. Additional information on the Regional District of Nanaimo's use of the Community Works Fund grants is included in the schedule on Pg. 35.

11. LONG-TERM DEBT

Debt is recorded and payable in Canadian dollars. It is the current policy of the Municipal Finance Authority to secure debt repayable only in Canadian dollars.

Details of long-term debt, including debt issue numbers, maturity dates, interest rates and outstanding amounts, are summarized in the Schedule of Long-Term Debt on pages 28 to 31.

	<u>2016</u>	<u>2015</u>
Long-term debt - Regional District services	\$ 19,504,989	\$ 14,484,553
Vancouver Island Regional Library	15,192,042	15,582,525
Member municipalities	49,751,819	53,520,830
Total Long-Term Debt	<u>\$ 84,448,850</u>	<u>\$ 83,587,908</u>

Payments of principal on issued debt of the Regional District, not including member municipalities, for the next five years are:

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>TOTAL</u>
\$1,353,550	\$1,353,655	\$1,311,203	\$1,307,167	\$1,307,280	<u>\$6,632,855</u>

12. OTHER JURISDICTIONS DEBT RECEIVABLE

Pursuant to the *Local Government Act*, the Regional District acts as the agency through which its member municipalities and other jurisdictions borrow funds from the Municipal Finance Authority. The annual cost of servicing this debt is recovered entirely from the borrowing jurisdiction. However, the Regional District is joint and severally liable for this debt in the event of default.

	<u>2016</u>	<u>2015</u>
Town of Qualicum Beach	\$ 4,166,428	\$ 4,629,364
City of Parksville	1,660,091	2,043,770
City of Nanaimo	43,925,300	46,847,696
Vancouver Island Regional Library	15,192,042	15,582,525
	<u>\$ 64,943,861</u>	<u>\$ 69,103,355</u>

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2016

13. OBLIGATION UNDER CAPITAL LEASE

There were no outstanding obligation balances for leased capital assets as at December 31, 2016 (2015, \$211,227). The 2016 capital lease principal payments totalled \$211,227 (2015, \$471,450).

All capital leases had been held by the MFA Leasing Corporation. While payments were fixed for the term of the lease, interest rates were variable daily based upon the Canadian prime rate minus 1.0%. An interest adjustment may be made at the time of the final payment. In 2016, interest expenditures related to lease liabilities were \$3,494 (2015, \$10,839).

14. TANGIBLE CAPITAL ASSETS

Net Book Value	<u>2016</u>	<u>2015</u>
Land	\$ 40,194,826	\$ 38,418,795
Land improvements	5,625,050	5,649,256
Buildings	32,623,629	31,446,591
Engineered structures	99,823,719	87,955,159
Equipment, furniture and vehicles	8,775,919	8,265,091
Assets under construction	11,184,115	6,434,369
	<u>\$ 198,227,258</u>	<u>\$ 178,169,261</u>
 Owned tangible capital assets	 \$ 198,227,258	 \$ 177,991,917
Leased assets	-	177,344
	<u>\$ 198,227,258</u>	<u>\$ 178,169,261</u>

In 2016, parkland dedications and a wharf on Gabriola Island valued at \$1,867,000 were accepted and recorded as contributed assets. During 2015, parkland dedications and land used as a site for a community water supply well valued at \$322,000 were accepted and recorded as contributed assets.

The Consolidated Schedule of Tangible Capital Assets (Pg. 27) provides details of acquisitions, disposals and amortization for the year.

15. ACCUMULATED SURPLUS

The financial operations of the Regional District are divided into three funds: capital fund, general revenue fund and reserve fund. For accounting purposes, each fund is treated as a separate entity.

General Revenue Fund – represents the accumulated operating surplus of the Regional District which has not otherwise been allocated by the Board as reserves for special purposes.

Capital Fund – represents amounts which have been expended by or returned to the General Revenue Fund or a Reserve Fund for the acquisition of tangible capital assets and includes related debt and refunds of debenture debt sinking fund surpluses.

Reserves - represents that portion of the accumulated operating surplus that has been set aside to fund future expenditures. It includes both statutory reserves created by bylaw under the authority of the *Local Government Act* and reserve accounts, which may be used by the Board without legislative restrictions.

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2016

15. ACCUMULATED SURPLUS (CONTINUED)

The Accumulated Surplus consists of individual fund surpluses (deficits) and reserves as follows:

	<u>2016</u>	<u>2015</u>
Surplus		
General Revenue Fund Net Operating Surplus (Note 16)	\$ 12,328,194	\$ 11,970,660
Net investment in Tangible capital assets (Note 17)	178,351,162	163,180,340
Capital Fund advances	(97,812)	(991,006)
Unfunded liabilities	<u>(12,797,451)</u>	<u>(12,566,913)</u>
	<u>177,784,093</u>	<u>161,593,081</u>
General Revenue Fund Reserve Accounts		
Landfill expansion	281,522	277,479
Landfill closure	1,494,261	1,472,802
Property insurance deductible-fire departments	31,240	31,429
Liability insurance deductible	151,675	149,497
Regional Sustainability Initiatives	22,275	75,298
Island Corridor Foundation	799,000	809,000
Dashwood Fire	7,516	-
San Pareil Boundary Amendment	10,000	-
Regional parks and trails donations	57,174	39,487
Vehicle fleet replacement (various departments)	<u>1,097,949</u>	<u>583,942</u>
	3,952,612	3,438,934
Statutory Reserve Funds (Pg. 33)	\$ 55,223,954	\$ 51,454,284
Total Reserves	\$ 59,176,566	\$ 54,893,218
Accumulated Surplus (Pg. 3)	<u>\$ 236,960,659</u>	<u>\$ 216,486,299</u>

16. CONSOLIDATION ADJUSTMENTS

The figures reported in the consolidated financial statements differ from the supporting schedules due to differences in grouping and presentation as well as the elimination of inter-fund and inter-departmental transactions. The Net Operating Surplus in the General Revenue Fund Schedule of Revenue and Expenditures has been adjusted as follows to conform to PSAB requirements:

	<u>2016</u>	<u>2015</u>
Net Operating Surplus (Pg. 36)	\$ 12,163,068	\$ 11,826,779
Add: Water User Fee Revenue year end accrual (billed May 2017)	165,126	143,881
Net Operating Surplus adjusted for statement presentation (Note 15)	<u>\$ 12,328,194</u>	<u>\$ 11,970,660</u>

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2016

17. NET INVESTMENT IN TANGIBLE CAPITAL ASSETS

Net investment in Tangible capital assets represents the historic cost of capital expenditures less debt obligations incurred to purchase and develop the infrastructure.

	<u>2016</u>	<u>2015</u>
Tangible capital assets (Pg. 3)	\$ 198,227,258	\$ 178,169,261
Short-term loans (Pg. 3)	(371,107)	(293,141)
Obligation under capital lease (Pg. 3)	-	(211,227)
Long-term debt - Regional District only (Note 11)	(19,504,989)	(14,484,553)
Net investment in Tangible capital assets (Note 15)	<u>\$ 178,351,162</u>	<u>\$ 163,180,340</u>

18. BUDGET FIGURES

Budget figures represent the Financial Plan Bylaw adopted by the Board on March 22, 2016. The financial plan includes capital expenditures but does not include amortization expense. The financial plan forms the basis for taxation and fees and charges rates which may be required for a particular year. The following reconciliation of the budgeted "Surplus for the year" shown on Pg. 4 is provided to show which items must be added or removed to reflect to the budgeted financial plan values which are shown compared to actual expenditures on Pg. 36 (General Revenue Fund Schedule of Revenue and Expenditures).

		<u>2016 Budget</u>
Budgeted Surplus for the year (Pg. 4)	\$	19,314,795
Add:		
Transfers from reserves		16,030,923
Proceeds of borrowing		14,974,713
Prior year operating surplus		11,826,779
Less:		
Capital expenditures		(44,814,373)
Prior Year consolidation adjustments		(344,293)
Debt principal repayments/actuarial adjustments		
Budgeted principal payments	4,787,627	
Add: Actuarial Adjustments	310,997	
Less: Principal payments for member municipalities	<u>(3,185,994)</u>	(1,912,630)
Capital lease principal payments included in equipment operating expenditure		(88,059)
Transfer to reserves		<u>(8,456,997)</u>
Consolidated Budgeted Surplus, per Regional District of Nanaimo Financial Plan Bylaw No.1740 (Pg. 33)	\$	<u>6,530,858</u>

19. MUNICIPAL FINANCE AUTHORITY RESERVE DEPOSITS

The Regional District secures its long-term borrowing through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are retained by the Authority as a debt reserve fund. As at December 31, 2016, the Regional District had debt reserve funds of \$360,247 (2015, \$294,128).

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2016

20. NORTH ISLAND 9-1-1 CORPORATION

A 9-1-1 emergency call answering service is provided by the North Island 9-1-1 Corporation, which is owned by the Regional Districts of Comox Valley, Strathcona, Mount Waddington, Alberni Clayoquot, Nanaimo and Powell River. The shares in the corporation are owned as follows:

Alberni Clayoquot	3 shares
Comox Valley	6 shares
Strathcona	4 shares
Mount Waddington	1 share
Nanaimo	5 shares
Powell River	2 shares

The Regional District's investment in shares of the North Island 9-1-1 Corporation is recorded at cost as it does not fall under the definition of a government partnership (PS 3060.06). The Regional District's share of the corporation is equal to 23.8% and the degree of control is proportionate to the ownership share. As no benefits are expected from the ownership, it has not been accounted for as an equity investment.

21. PENSION LIABILITY

The Regional District of Nanaimo and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 189,000 active members and approximately 85,000 retired members. Active members include approximately 324 contributors from the Regional District of Nanaimo.

The most recent actuarial valuation as at December 31, 2015 indicated a \$2.224 billion funding surplus for basic pension benefits. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The Regional District of Nanaimo paid \$1,947,226 (2015, \$2,051,074) for employer contributions to the Plan in fiscal 2016.

22. CONTINGENT LIABILITIES

Contingent liabilities are recognized by the Regional District in accordance with PS 3300.15. As at December 31, 2016, there were outstanding claims against the Regional District, however, no liability has been accrued because amounts are undeterminable and the likelihood of the Regional District having to make payment is uncertain.

23. ENVIRONMENTAL REGULATIONS

The Regional District is subject to environmental regulations which apply to a number of its operations. These regulations may require future expenditures to meet applicable standards and subject the Regional District to possible penalties for violations. Amounts required to meet these obligations will be charged to operations when incurred and/or when they can be reasonably estimated.

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2016

24. EXPENDITURES BY OBJECT

	<u>Budget</u>	<u>2016</u>	<u>2015</u>
Operating goods and services	\$ 34,380,544	\$ 31,956,377	\$ 30,566,062
Wages and benefits	30,665,186	29,012,116	28,219,036
Debt interest	1,018,253	1,018,253	1,155,957
Amortization expense	-	6,846,859	6,745,606
Unfunded expenditures (Note 9)	-	230,538	568,647
Total Expenditures by Object	<u>\$ 66,063,983</u>	<u>\$ 69,064,143</u>	<u>\$ 67,255,308</u>

25. ARROWSMITH WATER SERVICE AND ENGLISHMAN RIVER WATER SERVICE JOINT VENTURES

The Arrowsmith Water Service (AWS) was formed in 1996 as a joint venture between the Regional District of Nanaimo, the City of Parksville and the Town of Qualicum Beach. The AWS was established to develop a bulk water supply available to the participants in the service and to construct the Arrowsmith Dam as a first step in that development as well as to provide for protection of the fisheries habitat of the Englishman River.

The Englishman River Water Service (ERWS) is a joint venture between the City of Parksville and the Regional District of Nanaimo, formed to secure a bulk water supply from the Englishman River. This regional partnership supplements existing well supply sources owned and operated by the City of Parksville and Nanoose Bay Peninsula Water Service Area. The ERWS development plan includes a new river water supply intake, new water treatment plant and distribution system.

Financial results and budget for the joint ventures are consolidated in the Regional District of Nanaimo's financial statements proportionately based on the joint venture agreements: 22.4% of the Arrowsmith Water Service and 26% of the Englishman River Water Service.

The following table summarizes the financial statements of the two joint ventures.

	Arrowsmith Water Service <u>2016</u>	Englishman River Water Service <u>2016</u>
Non-financial assets (tangible capital assets)	\$ 6,457,416	\$ 6,083,174
Accumulated surplus	<u>6,457,416</u>	<u>6,083,174</u>
Revenues		
Joint venturer contributions	\$ 155,697	\$ 2,873,154
Capital grant	-	828,854
	<u>155,697</u>	<u>3,702,008</u>
Expenses		
Operating	137,227	9,714
Capital	-	828,854
Transfer of land to partners	-	1,233,797
	<u>\$ 137,227</u>	<u>\$ 2,072,365</u>
Annual surplus (deficit)	<u>\$ 18,470</u>	<u>\$ 1,629,643</u>

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2016

26. CONTAMINATED SITES

At the reporting date, only one site was identified as potentially contaminated due to past industrial use at this site and on the neighbouring property; these findings remain unchanged from the December 31, 2015 year end. For this site there is insufficient information to determine whether contamination exceeding the relevant environmental standard is likely to exist, or whether remediation is required. The future cost and responsibility for remediation of this site is not currently determinable.

27. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.

28. SUBSEQUENT EVENT

Subsequent to the year end, the Regional District received a parkland dedication valued at \$1,837,000 in Electoral Area F.

REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED SCHEDULE OF REVENUE AND EXPENSES BY SEGMENT
as at December 31, 2016

PS2700 requires that governments define and disclose additional information related to its activities, by segment. Regional Districts are required by the Local Government Act to charge or allocate all expenses directly or reasonably attributable to a service, to that service. The information in these financial statements conforms in all respects to the requirements of the Local Government Act.

For the purposes of PS2700 the segmented information above corresponds to the classification of expenses shown on the Consolidated Statement of Operations. The expense classifications on the Consolidated Statement of Operations represent the major activities provided by the Regional District of Nanaimo.

The following activities are included in the segments shown on Pg. 25:

General Government includes overall administration, legislative services including elections and feasibility studies. These services are paid for by multiple member jurisdictions of the Regional District and affect most taxpayers residing in the Regional District of Nanaimo. Schedule A on Pg. 38 of this report provides additional details with respect to revenues and expenditures for services falling under General Government.

Planning & Development includes community and regional land use planning, house numbering and building inspection. Planning & Development services are largely paid for by Electoral Areas of the Regional District of Nanaimo. Schedules B and B-1 on Pgs. 39-40 of this report provide additional details with respect to revenues and expenditures for each of these services.

Wastewater & Solid Waste includes sewage treatment plants and solid waste disposal activities, including programs for garbage collection and recycling. The Regional District operates two treatment plants in both the northern and southern portions of the Regional District. A solid waste landfill and transfer station are funded at a regional level, with garbage collection & recycling services provided in areas outside of the City of Nanaimo. Detailed revenue and expenditure information on wastewater treatment plants is found on Schedule C-1, Pg. 42 of this report. Detailed revenue and expenditure information on solid waste management is found on Schedule C, Pg. 41.

Water, Sewer & Street lighting includes neighbourhood water supply, sewage collection systems and street lights. Only taxpayers within these areas pay for the service. Detailed revenue and expenditure information on these services can be found on Schedules C-2, C-3 and C-4 (Pgs. 43-45) of this report.

Public Transportation includes conventional and HandyDart bus service. Public transit services are available to the City of Nanaimo, City of Parksville, Town of Qualicum Beach, Electoral Area G and portions of Electoral Areas A, E and C. Detailed revenue and expenditure information on transportation services is found on Schedule E, Pg. 48 of this report.

Protective Services includes volunteer and contract fire protection services, emergency planning, bylaw enforcement and the Regional District's participation in E911 services. Detailed revenue and expenditure information on protective services is found on Schedules E-1 and E-2, Pgs. 49-50 of this report.

Parks, Recreation & Culture includes operations and development of community and regional parks, provision of recreation programming, operation of a multiplex arena and aquatic centre and includes some services provided by agreement with municipalities within the Regional District of Nanaimo. Detailed revenue and expenditure information on parks, recreation & culture services is found on Schedules D and D-1, Pgs. 46-47 of this report.

REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED SCHEDULE OF REVENUE AND EXPENSES BY SEGMENT
as at December 31, 2016

	General Government	Planning & Development	Wastewater & Solid Waste	Water, Sewer & Street lighting	Public Transportation	Protective Services	Parks, Recreation & Culture	2016 Total	2015 Total
Revenues									
Property taxes	\$ 1,631,088	\$ 2,177,613	\$ 11,946,073	\$ 4,429,388	\$ 9,693,968	\$ 4,918,301	\$ 10,701,750	\$ 45,498,181	\$ 43,103,564
Operating revenues	-	1,371,068	13,841,601	1,496,210	4,519,347	54,095	1,693,324	22,975,645	21,339,433
Grant revenues	536,459	191,645	6,306,355	249,634	5,619,280	(635)	2,832,379	15,735,117	6,740,947
Developer contributions	-	-	1,242,235	52,902	100,000	-	1,767,000	3,162,137	2,330,833
Other	247,985	3,273	41,615	169,963	265,190	43,875	151,297	923,198	1,280,487
Interest on investments	236,733	10,758	462,664	57,972	44,687	47,520	64,478	924,812	1,140,991
Grants in lieu	69,394	7,903	95,351	73	111,541	12,912	22,239	319,413	309,109
	<u>2,721,659</u>	<u>3,762,260</u>	<u>33,935,894</u>	<u>6,456,142</u>	<u>20,354,013</u>	<u>5,076,068</u>	<u>17,232,467</u>	<u>89,538,503</u>	<u>76,245,364</u>
Expenses									
Operating goods & services	(1,888,767)	1,502,697	13,214,035	2,774,725	7,844,005	3,670,127	4,839,555	31,956,377	30,566,062
Wages and benefits	4,059,482	1,957,213	5,647,054	1,530,178	11,036,728	385,624	4,395,837	29,012,116	28,219,036
Debt interest	-	-	91,396	300,843	-	167,777	458,237	1,018,253	1,155,957
Amortization expense	354,588	21,694	3,822,926	878,668	337,878	485,370	945,735	6,846,859	6,745,606
Unfunded expenses	209,391	-	21,147	-	-	-	-	230,538	568,647
	<u>2,734,694</u>	<u>3,481,604</u>	<u>22,796,558</u>	<u>5,484,414</u>	<u>19,218,611</u>	<u>4,708,898</u>	<u>10,639,364</u>	<u>69,064,143</u>	<u>67,255,308</u>
Surplus for the year	<u>\$ (13,035)</u>	<u>\$ 280,656</u>	<u>\$ 11,139,336</u>	<u>\$ 971,728</u>	<u>\$ 1,135,402</u>	<u>\$ 367,170</u>	<u>\$ 6,593,103</u>	<u>\$ 20,474,360</u>	<u>\$ 8,990,056</u>

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REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED SCHEDULE OF REVENUE AND EXPENSES BY SEGMENT
as at December 31, 2015

	General Government	Planning & Development	Wastewater & Solid Waste	Water, Sewer & Street lighting	Public Transportation	Protective Services	Parks, Recreation & Culture	2015 Total	2014 Total
Revenues									
Property taxes	\$ 1,869,125	\$ 2,102,806	\$ 10,936,188	\$ 4,170,414	\$ 9,140,632	\$ 4,667,817	\$ 10,216,582	\$ 43,103,564	\$ 40,355,182
Operating revenues	-	1,316,616	12,521,588	1,370,637	4,420,194	16,800	1,693,598	21,339,433	21,227,537
Grant revenues	192,827	24,195	504,335	8,356	5,566,235	-	444,999	6,740,947	9,110,177
Developer contributions	-	-	1,845,389	296,385	-	-	189,059	2,330,833	739,951
Other	205,267	3,884	133,465	159,394	192,381	91,584	494,512	1,280,487	831,593
Interest on investments	330,755	10,689	583,119	62,275	41,595	56,338	56,220	1,140,991	1,188,036
Grants in lieu	72,522	8,181	93,777	76	108,174	14,011	12,368	309,109	280,391
	<u>2,670,496</u>	<u>3,466,371</u>	<u>26,617,861</u>	<u>6,067,537</u>	<u>19,469,211</u>	<u>4,846,550</u>	<u>13,107,338</u>	<u>76,245,364</u>	<u>73,732,867</u>
Expenses									
Operating goods & services	(2,194,936)	1,259,474	13,048,860	2,894,593	7,525,907	3,445,282	4,586,882	30,566,062	29,426,565
Wages and benefits	3,841,826	2,015,514	5,508,991	1,486,202	10,801,311	363,074	4,202,118	28,219,036	27,148,660
Debt interest	-	-	639	304,187	-	167,174	683,957	1,155,957	1,211,746
Amortization expense	340,633	24,153	3,674,497	866,971	369,773	518,522	951,057	6,745,606	6,752,591
Unfunded expenses	(294,508)	-	863,155	-	-	-	-	568,647	2,453,159
	<u>1,693,015</u>	<u>3,299,141</u>	<u>23,096,142</u>	<u>5,551,953</u>	<u>18,696,991</u>	<u>4,494,052</u>	<u>10,424,014</u>	<u>67,255,308</u>	<u>66,992,721</u>
Surplus for the year	<u>\$ 977,481</u>	<u>\$ 167,230</u>	<u>\$ 3,521,719</u>	<u>\$ 515,584</u>	<u>\$ 772,220</u>	<u>\$ 352,498</u>	<u>\$ 2,683,324</u>	<u>\$ 8,990,056</u>	<u>\$ 6,740,146</u>

See notes to consolidated financial statements

REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
AS AT DECEMBER 31, 2016

	Land	Land Improvements	Buildings	Engineered Structures	Equipment, Furniture & Vehicles	Assets Under Construction	Total 2016	Total 2015
COST								
Balance, beginning of year	\$ 38,418,795	\$ 7,495,474	\$ 48,539,224	\$ 143,677,066	\$ 21,936,629	\$ 6,434,369	\$ 266,501,557	\$ 258,657,710
Add:								
Additions	2,096,818	260,784	2,712,117	15,373,534	2,082,630	4,749,746	27,275,629	8,623,513
Less:								
Disposals	320,787	-	-	-	356,577	-	677,364	779,666
Balance, end of year	40,194,826	7,756,258	51,251,341	159,050,600	23,662,682	11,184,115	293,099,822	266,501,557
ACCUMULATED AMORTIZATION								
Balance, beginning of year	\$ -	\$ 1,846,219	\$ 17,092,633	\$ 55,721,908	\$ 13,671,538	\$ -	\$ 88,332,298	\$ 82,143,524
Add:								
Amortization	-	284,989	1,535,079	3,504,973	1,521,818	-	6,846,859	6,745,606
Less:								
Accumulated amortization on disposals	-	-	-	-	306,593	-	306,593	556,834
Balance, end of year	-	2,131,208	18,627,712	59,226,881	14,886,763	-	94,872,564	88,332,296
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS								
	\$ 40,194,826	\$ 5,625,050	\$ 32,623,629	\$ 99,823,719	\$ 8,775,919	\$ 11,184,115	\$ 198,227,258	\$ 178,169,261
							\$ 198,227,258	\$ 177,991,917
							0	177,344
							<u>\$ 198,227,258</u>	<u>\$ 178,169,261</u>

Owned capital assets
Leased assets

See notes to consolidated financial statements

REGIONAL DISTRICT OF NANAIMO
LONG-TERM DEBT SUMMARY BY FUNCTION
DECEMBER 31, 2016

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
REGIONAL DISTRICT					
RAVENSONG AQUATIC CENTRE	895,635	611,532	313,224	-	\$ -
OCEANSIDE PLACE ARENA	4,659,501	4,314,003	3,954,686	3,580,996	3,192,358
REGIONAL PARKS	-	2,053,653	1,984,688	1,912,964	1,838,371
COMMUNITY PARKS	356,256	333,617	310,004	285,373	259,679
WASTEWATER MANAGEMENT					
- Northern Community (District 69)	255,536	-	-	-	-
- Southern Community (District 68)	-	-	-	-	5,000,000
FIRE PROTECTION	1,747,681	1,656,878	4,352,441	4,160,535	4,189,644
SEWER SERVICES	2,004,725	1,915,450	1,822,604	1,956,994	1,848,406
WATER SUPPLY SERVICES	2,272,174	2,030,455	2,891,369	2,587,690	3,176,528
VANCOUVER ISLAND REGIONAL LIBRARY	<u>7,857,359</u>	<u>16,319,013</u>	<u>15,957,989</u>	<u>15,582,525</u>	<u>15,192,042</u>
TOTAL REGIONAL DISTRICT	20,048,868	29,234,601	31,587,005	30,067,078	34,697,031
MEMBER MUNICIPALITIES	<u>34,948,088</u>	<u>45,903,812</u>	<u>52,213,097</u>	<u>53,520,830</u>	<u>49,751,819</u>
TOTAL LONG-TERM DEBT (Pg. 3)	<u><u>54,996,956</u></u>	<u><u>75,138,413</u></u>	<u><u>83,800,102</u></u>	<u><u>83,587,908</u></u>	<u><u>\$ 84,448,850</u></u>

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF LONG-TERM DEBT
DECEMBER 31, 2016**

FUNCTION	ISSUER	FUNDS	BYLAW NUMBER	MATURITY DATE	INTEREST RATE	ORIGINAL VALUE	2016 DEBT O/S	2015 DEBT O/S
OCEANSIDE PLACE ARENA								
	MFA 97	CDN	1365	Apr 19,2023	4.830	6,470,646	3,192,358	3,580,996
TOTAL OCEANSIDE PLACE ARENA						<u>6,470,646</u>	<u>3,192,358</u>	<u>3,580,996</u>
REGIONAL PARKS								
	MFA 126	CDN	1629	Sep 26,2033	3.850	2,053,653	1,838,371	1,912,964
TOTAL REGIONAL PARKS						<u>2,053,653</u>	<u>1,838,371</u>	<u>1,912,964</u>
COMMUNITY PARKS ELECTORAL AREA B								
	MFA 78	CDN	1299	Dec 03, 2022	5.250	100,000	40,729	46,431
	MFA 79	CDN	1303	Jun 03, 2023	5.250	80,000	37,145	41,490
	MFA 81	CDN	1304	Apr 22, 2024	4.900	80,000	41,490	45,628
	MFA 93	CDN	1305	Apr 06, 2025	5.100	80,000	41,001	45,010
	MFA 97	CDN	1306	Apr 19, 2026	4.660	80,000	47,745	51,569
	MFA 101	CDN	1307	Apr 11, 2027	4.520	80,000	51,569	55,246
TOTAL COMMUNITY PARKS						<u>500,000</u>	<u>259,679</u>	<u>285,374</u>
FIRE PROTECTION SERVICES								
MEADOWOOD FIRE								
	MFA 110	CDN	1587	Apr 08, 2030	4.500	1,773,410	1,378,388	1,450,845
NANAIMO RIVER FIRE								
	MFA 99	CDN	1488	Apr 19,2027	4.430	20,761	12,390	13,383
NANOOSE BAY FIRE								
	MFA 130	CDN	1617	Oct 14, 2034	3.000	2,790,000	2,598,866	2,696,307
COOMBS-HILLIERS FIRE								
	MFA 139	CDN	1538	Oct 5, 2026	2.100	200,000	200,000	-
TOTAL FIRE PROTECTION SERVICES						<u>4,784,171</u>	<u>4,189,644</u>	<u>4,160,535</u>
SEWER SERVICES								
BARCLAY CRESCENT SEWER								
	MFA 102	CDN	1486	Dec 01, 2027	4.820	895,781	577,431	618,599
CEDAR SEWER								
	MFA 106	CDN	1571	Oct 13, 2029	4.130	926,180	680,521	719,876
	MFA 106	CDN	1572	Oct 13, 2029	4.130	27,200	19,986	21,141
	MFA 106	CDN	1573	Oct 13, 2029	4.130	108,800	79,942	84,565
	MFA 106	CDN	1574	Oct 13, 2029	4.130	61,200	44,967	47,568
	MFA 110	CDN	1584	Apr 08, 2030	4.500	232,286	180,545	190,036
	MFA 117	CDN	1626	Oct 12, 2031	3.250	51,620	42,231	44,259
						<u>1,407,286</u>	<u>1,048,192</u>	<u>1,107,445</u>
HAWTHORNE RISE SEWER								
	MFA 131	CDN	1696	Apr 8, 2035	2.200	173,300	167,172	173,300
REID ROAD SEWER								
	MFA 133	CDN	1709	Oct 2, 2035	2.750	57,650	55,611	57,650
TOTAL SEWER SERVICES						<u>\$ 2,534,017</u>	<u>\$ 1,848,406</u>	<u>\$ 1,956,994</u>

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF LONG-TERM DEBT
DECEMBER 31, 2016**

FUNCTION	ISSUER	FUNDS	BYLAW NUMBER	MATURITY DATE	INTEREST RATE	ORIGINAL VALUE	2016 DEBT O/S	2015 DEBT O/S
WATER - SAN PAREIL								
	MFA 74	CDN	1221	Jun 01, 2016	5.900	193,979	-	17,798
	MFA 81	CDN	1367	Apr 22, 2019	4.900	89,476	23,475	30,567
	MFA 97	CDN	1395	Apr 19, 2021	4.660	40,000	16,016	18,859
	MFA 106	CDN	1395	Oct 13, 2024	4.130	94,439	57,188	63,155
	MFA 117	CDN	1395	Oct 12, 2026	3.250	49,056	35,786	38,653
						<u>466,950</u>	<u>132,465</u>	<u>169,033</u>
WATER - SAN PAREIL FIRE IMPROVEMENTS								
	MFA 127	CDN	1689	Apr 07, 2034	3.300	1,114,600	1,038,242	1,077,170
						<u>1,114,600</u>	<u>1,038,242</u>	<u>1,077,170</u>
WATER - DRIFTWOOD								
	MFA 80	CDN	1301	Oct 03, 2023	4.900	100,614	46,716	52,181
						<u>100,614</u>	<u>46,716</u>	<u>52,181</u>
WATER - MELROSE TERRACE								
	MFA 103	CDN	1539	Apr 23, 2018	4.650	14,349	3,337	4,909
						<u>14,349</u>	<u>3,337</u>	<u>4,909</u>
BULK WATER - FRENCH CREEK								
	MFA 69	CDN	1127	Sep 24, 2018	4.650	503,655	75,147	110,059
						<u>503,655</u>	<u>75,147</u>	<u>110,059</u>
BULK WATER - NANOOSE								
	MFA 69	CDN	1128	Sep 24, 2018	4.650	864,095	128,926	188,822
	MFA 74	CDN	1226	Jun 01, 2021	5.900	2,195,223	762,639	894,085
	MFA 80	CDN	1239	Oct 03, 2023	4.900	176,295	81,856	91,431
						<u>3,235,613</u>	<u>973,421</u>	<u>1,174,338</u>
NANOOSE BAY PENINSULA WATER								
	MFA 139	CDN	1723	Oct 05, 2036	2.100	350,000	350,000	-
	MFA 139	CDN	1750	Oct 05, 2036	2.100	557,200	557,200	-
						<u>907,200</u>	<u>907,200</u>	<u>-</u>
TOTAL WATER SUPPLY MANAGEMENT						<u>6,342,981</u>	<u>3,176,528</u>	<u>2,587,690</u>
WASTEWATER SERVICES								
SOUTHERN COMMUNITY WASTEWATER								
	MFA 139	CDN	1742	Oct 05, 2036	2.100	5,000,000	5,000,000	-
TOTAL WASTEWATER MANAGEMENT						<u>5,000,000</u>	<u>5,000,000</u>	<u>-</u>
DEBT HELD FOR OTHER JURISDICTIONS								
VANCOUVER ISLAND REGIONAL LIBRARY								
	MFA 117	CDN	1634	Oct 12, 2041	3.250	8,000,000	7,227,411	7,394,281
	MFA 126	CDN	1674	Sep 26, 2038	3.850	8,610,000	7,964,631	8,188,244
TOTAL - VANCOUVER ISLAND REGIONAL LIBRARY						<u>\$ 16,610,000</u>	<u>\$ 15,192,042</u>	<u>\$ 15,582,525</u>
TOTAL LONG-TERM DEBT - REGIONAL DISTRICT						<u>\$ 44,295,468</u>	<u>\$ 34,697,031</u>	<u>\$ 30,067,078</u>

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF LONG-TERM DEBT
DECEMBER 31, 2016**

FUNCTION	ISSUER	FUNDS	BYLAW NUMBER	MATURITY DATE	INTEREST RATE	ORIGINAL VALUE	2016 DEBT O/S	2015 DEBT O/S	
CITY OF PARKSVILLE									
	MFA68	CDN	1109	Mar 24, 2018	4.650	1,200,000	179,045	262,225	
	MFA69	CDN	1129	Sep 24, 2018	4.650	1,970,000	293,932	430,485	
	MFA74	CDN	1227	Jun 01, 2021	5.900	290,000	100,748	118,113	
	MFA75	CDN	1238	Dec 01, 2021	5.690	1,050,000	364,779	427,651	
	MFA78	CDN	1283	Dec 03, 2022	5.250	765,000	311,574	355,200	
	MFA93	CDN	1420	Apr 06, 2025	5.100	800,000	410,013	450,096	
	TOTAL CITY OF PARKSVILLE						<u>6,075,000</u>	<u>1,660,091</u>	<u>2,043,770</u>
TOWN OF QUALICUM BEACH									
	MFA136	CDN	1729	Nov 30, 2025	2.750	4,629,364	4,166,428	4,629,364	
	TOTAL TOWN OF QUALICUM BEACH						<u>4,629,364</u>	<u>4,166,428</u>	<u>4,629,364</u>
CITY OF NANAIMO									
	MFA72	CDN	1197	Jun 01, 2020	6.450	4,500,000	1,261,630	1,543,830	
	MFA73	CDN	1219	Dec 01, 2020	6.360	4,100,000	1,149,486	1,406,600	
	MFA99	CDN	1489	Oct 19, 2026	4.430	15,000,000	8,952,209	9,669,168	
	MFA101	CDN	1489	Apr 11, 2027	4.520	15,000,000	9,669,168	10,358,552	
	MFA 102	CDN	1530	Dec 01, 2027	4.820	3,750,000	2,417,292	2,589,638	
	MFA 126	CDN	1688	Sep26, 2033	3.850	13,300,000	11,905,777	12,388,860	
	MFA 127	CDN	1694	Apr 07, 2034	3.300	9,200,000	8,569,738	8,891,048	
	TOTAL CITY OF NANAIMO						<u>64,850,000</u>	<u>43,925,300</u>	<u>46,847,696</u>
TOTAL LONG-TERM DEBT - MEMBER MUNICIPALITIES						<u>\$ 75,554,364</u>	<u>\$ 49,751,819</u>	<u>\$ 53,520,830</u>	
TOTAL LONG-TERM DEBT						<u>\$ 119,849,832</u>	<u>\$ 84,448,850</u>	<u>\$ 83,587,908</u>	

See notes to consolidated financial statements

RESERVE ACCOUNT ACTIVITY - 2016
SCHEDULE OF STATUTORY RESERVE FUND ACTIVITY AND FUND BALANCES
AS AT DECEMBER 31, 2016

	Balance January 1, 2016	Interest Income	Contributions by Developers & Others	MFA surplus and refunds	Contributions from/(to) Operating Fund	Transfers to Capital Funds	Feasibility, legal & other costs or transfers	Balance December 31, 2016
2016 ACTIVITY								
Feasibility Studies	\$ 13,460	-	-	-	(2,652)	-	-	\$ 10,808
Administration Information Systems/Building	\$ 1,930,317	28,551	-	-	182,945	(16,026)	-	\$ 2,125,787
Local Government Elections	\$ 53,289	777	-	-	-	-	-	\$ 54,066
Regional Growth Strategy	\$ 72,396	1,182	-	-	50,000	-	-	\$ 123,578
Building Inspection	\$ 326,730	4,948	-	-	10,000	-	-	\$ 341,678
Community Planning	\$ 172,159	2,704	-	-	75,000	-	-	\$ 249,863
Carbon Action Revenue Incentive Program	\$ 310,116	4,447	105,553	-	-	(121,913)	-	\$ 298,203
Carbon Neutral	\$ 52,757	769	-	-	-	-	-	\$ 53,526
	\$ 2,931,224	\$ 43,378	\$ 105,553	\$ -	\$ 315,293	\$ (137,939)	\$ -	\$ 3,257,509
Wastewater & Solid Waste Management								
Solid Waste Management	\$ 4,598,700	53,845	-	-	700,000	(3,289,305)	-	\$ 2,063,240
Solid Waste Collection & Recycling	\$ 160,684	2,785	-	-	170,000	-	-	\$ 333,469
Nanoose Wastewater	\$ 790,685	11,447	-	-	115,000	-	-	\$ 917,132
Northern Community Wastewater	\$ 7,847,065	118,478	20,457	-	1,543,886	-	-	\$ 9,529,886
Southern Community Wastewater	\$ 20,779,182	300,264	-	-	1,945,115	(1,718,502)	-	\$ 21,306,059
Duke Point Wastewater	\$ 174,161	2,600	-	-	25,000	-	-	\$ 201,761
	\$ 34,350,477	489,419	20,457	-	4,499,001	(5,007,807)	-	\$ 34,351,547
Water, Sewer & Street lighting								
Surfside Sewer	\$ 1,000	-	-	-	5,000	-	-	\$ 6,000
Pacific Shores Sewer	\$ 43,353	635	-	-	5,000	-	-	\$ 48,988
French Creek Sewer	\$ 476,434	6,951	7,137	-	(10,000)	-	-	\$ 480,522
Cedar Sewer Collection	\$ 15,995	294	-	-	40,000	-	-	\$ 56,289
Barclay Cres Sewer DCCs	\$ 4,250	39	1,059	-	-	-	-	\$ 5,348
Cedar Estates Stormwater	\$ 13,408	186	-	-	4,000	-	-	\$ 17,594
Englishman River Stormwater	\$ 19,753	291	-	-	3,000	-	-	\$ 23,044
French Creek Water	\$ 154,681	2,283	-	-	20,000	-	-	\$ 176,964
Madrona Water	\$ 209,842	3,057	-	-	-	-	-	\$ 212,899
Surfside Water	\$ 14,297	187	-	-	1,000	(7,877)	-	\$ 7,607
West Bay Estates Water	\$ 42,381	587	-	-	-	(42,968)	-	\$ -
Decourcy Water	\$ 12,973	176	-	-	3,000	-	-	\$ 16,149
Melrose Water	\$ 6,014	64	-	-	5,000	-	-	\$ 11,078
Nanoose Bay Peninsula Water	\$ 589,974	8,721	-	-	100,000	-	-	\$ 698,695
Nanoose Bay Water	\$ 218,748	3,187	-	-	-	-	-	\$ 221,935
Englishman River Water	\$ 243,725	3,589	-	-	20,000	-	-	\$ 267,314
San Pareil Water	\$ 15,206	217	-	5,118	5,000	-	-	\$ 25,541
Whiskey Creek Water	\$ 7,644	155	-	-	25,000	-	-	\$ 32,799
Nanoose AWS Bulk Water	\$ 944,962	14,270	-	-	645,290	(248,707)	-	\$ 1,355,815

See notes to consolidated financial statements

RESERVE ACCOUNT ACTIVITY - 2016
SCHEDULE OF STATUTORY RESERVE FUND ACTIVITY AND FUND BALANCES
AS AT DECEMBER 31, 2016

	Balance January 1, 2016	Interest Income	Contributions by Developers & Others	MFA surplus and refunds	Contributions from/(to) Operating Fund	Transfers to Capital Funds	Feasibility, legal & other costs or transfers	Balance December 31, 2016
French Creek AWS Bulk Water	\$ 810,797	11,433	-	-	31,833	-	-	\$ 854,063
Drinking Water/Watershed Protection	\$ 10,023	154	-	-	10,000	-	-	\$ 20,177
Englishman River Street lighting	\$ 7,669	94	-	-	500	-	-	\$ 8,263
Fairwinds Street lighting	\$ 24,005	358	-	-	5,000	-	-	\$ 29,363
Morningstar Street lighting	\$ 16,816	231	-	-	(4,000)	-	-	\$ 13,047
Rural EA E & G Street lighting	\$ 10,231	139	-	-	2,500	-	-	\$ 12,870
	\$ 3,914,181	57,298	8,196	5,118	914,623	(299,552)	-	\$ 4,602,364
Public Transportation								
Transit	\$ 2,874,170	43,798	-	-	781,589	-	-	\$ 3,699,557
Descanso Bay Emergency Wharf	\$ 10,719	135	-	-	1,764	-	-	\$ 12,618
Green's Landing Wharf	\$ -	754	-	-	200,000	-	-	\$ 200,754
	\$ 2,884,889	44,687	-	-	983,353	-	-	\$ 3,912,929
Protective Services								
Coombs Hilliers Fire	\$ 453,130	6,770	-	-	120,183	(42,499)	-	\$ 537,584
Errington Fire	\$ 631,943	9,354	-	-	142,634	(32,097)	-	\$ 751,834
Extension Fire	\$ 425,651	6,348	-	-	63,597	-	-	\$ 495,596
Nanoose Fire	\$ 386,883	4,714	-	-	93,346	(257,232)	-	\$ 227,711
Dashwood Fire	\$ 422,658	6,201	-	-	99,778	(75,224)	-	\$ 453,413
Bow Horn Bay Fire	\$ 307,273	4,595	-	-	51,106	-	-	\$ 362,974
Nanaimo River Fire	\$ 120,221	1,792	-	-	16,175	-	-	\$ 138,188
Cassidy Waterloo Fire	\$ 135,064	2,134	-	-	65,440	-	-	\$ 202,638
Emergency Planning	\$ 55,549	843	-	-	13,000	-	-	\$ 69,392
Bylaw Enforcement	\$ 94,209	1,141	-	-	7,000	-	-	\$ 102,350
District 68 911 Service	\$ 134,528	1,959	-	-	-	-	-	\$ 136,487
	\$ 3,167,109	45,851	-	-	672,259	(407,052)	-	\$ 3,478,167
Parks, Recreation & Culture								
Area A Recreation & Culture	\$ 364,460	5,477	-	-	65,000	-	-	\$ 434,937
Area B Recreation	\$ 65,249	930	-	-	(17,449)	-	-	\$ 48,730
Extension Recreation	\$ 35,716	509	-	-	-	-	(576)	\$ 35,649
Community Parks	\$ 966,909	13,979	-	-	74,390	(85,079)	-	\$ 970,199
Regional Parks Capital	\$ 2,071,216	32,239	-	-	811,760	(1,154)	(10,675)	\$ 2,903,386
Regional Parks Development	\$ 48,909	727	-	-	10,000	-	-	\$ 59,636
Recreation & Culture	\$ 653,945	10,617	-	-	515,180	(10,841)	-	\$ 1,168,901
	\$ 4,206,404	64,478	-	-	1,458,881	(97,074)	(11,251)	\$ 5,621,438
TOTAL ALL RESERVE FUNDS	\$ 51,454,284	\$745,111	134,206	\$5,118	\$8,843,410	(\$5,949,424)	(\$11,251)	\$ 55,223,954

See notes to consolidated financial statements

REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF DEVELOPMENT COST CHARGES AND PARKLAND ACQUISITION FUNDS
RESERVE ACCOUNT BALANCES-DEC 31, 2016

ACTIVITY	Northern	Southern	Bulk	Duke Point	Parkland	Total
	Wastewater DCCs	Wastewater DCCs	Water DCCs	Sewer DCCs	Acquisition FUNDS	
	(1)	(2)	(3)	(4)	(5)	2015
Due from Revenue Fund	\$ 7,522,756	\$ 3,290,193	\$ 768,477	\$ 375,954	\$ 1,716,243	\$ 13,673,623
Developer Installments Receivable	61,956	51,518	-	-	-	113,474
DEFERRED REVENUE BALANCE (Note 10)	7,584,712	3,341,711	768,477	375,954	1,716,243	13,787,097
ACTIVITY:						
Balance, Beginning of the year	6,676,763	3,070,899	757,441	332,375	1,691,619	12,913,324
Add:						
Contribution by developers & others	828,034	1,430,329	44,574	38,416		2,341,353
Interest earned	101,131	41,045	11,168	5,163	24,624	183,131
Less:						
Transfer DCCs to Revenue Fund	(21,216)	(1,200,562)	(44,706)	-	-	(1,266,484)
BALANCE, End of the year	\$ 7,584,712	\$ 3,341,711	\$ 768,477	\$ 375,954	\$ 1,716,243	\$ 13,787,097

(1) Northern Wastewater DCC collection areas include the City of Parksville, Town of Qualicum Beach, portions of Electoral Area G and portions of Electoral Area E.

(2) Southern Wastewater DCC collection areas include the City of Nanaimo and the District of Lantzville.

(3) Bulk Water service areas have been established in the French Creek area of Electoral Area G and the Nanoose Bay Peninsula in Electoral Area E.

(4) Duke Point Sewer DCC collection area includes properties in Electoral Area A (Cedar).

(5) Parkland acquisition funds consist of payments received from developers in lieu of parkland for each electoral area in the Regional District plus interest earned on these funds. The funds are reserved for future parkland purchases.

See notes to consolidated financial statements

REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
GAS TAX REVENUE TRANSFER PROGRAMS
DECEMBER 31, 2016
(UNAUDITED)

	COMMUNITY WORKS PROGRAM²	OTHER GAS TAX PROGRAMS³	TOTAL 2016	TOTAL 2015
Opening balance of unspent (spent) funds	\$ 7,331,503	\$ (603,977)	\$ 6,727,526	\$ 3,758,865
Add:				
Amount received during the year	1,676,566	7,226,940	8,903,506	3,897,080
Interest earned	95,925	-	95,925	96,993
Less:				
Amount spent on projects (Notes 2 & 3)	(1,006,670)	(8,589,857)	(9,596,527)	(1,025,412)
Closing balance of unspent (spent) funds	<u>\$ 8,097,324</u>	<u>\$ (1,966,894)</u>	<u>\$ 6,130,430</u>	<u>\$ 6,727,526</u>
	(see note 10)	(see note 3)		

Notes to Schedule:

1. Gas Tax Revenue Transfer Programs

The Government of Canada, through the Union of BC Municipalities (UBCM), transfers Gas Tax Revenue funds to local governments in British Columbia. The use of funding is established by agreements between the local government and the UBCM. Funding may be used towards public transit, disaster mitigation, recreational, water, wastewater and solid waste infrastructure and asset management or capacity building projects, as specified in the agreements.

2. Community Works Program 2016 Activity

The Regional District applied \$402,300 towards capital upgrades at the following Community Halls: Cedar; Lighthouse; Cranberry; Nanoose Place; Rollo Centre; Gabriola Museum and the Bowser Legion. \$376,000 was expended on trail projects at Claudet Community Park, Blueback Community Park, Oakleaf Community Park, E&N Regional Trail, Cranswick Trail and the Gabriola Village Trail. In addition, \$55,000 was spent on community plan projects in Electoral Area H and \$128,600 was applied towards engineering and capital upgrades for the Nanoose Bay Water Quality/Quantity Monitoring Program, Nanoose Bay Interceptor, Westurne Heights Water System and Whiskey Creek Water System.

3. Other Gas Tax Programs 2016 Activity

Under this portion of the program, expenditures are reimbursed on a claims made basis. In 2016, the following projects were either under construction, in progress or completed during the year:

<u>Project</u>	<u>Year Approved</u>	<u>Total Project value</u>	<u>Approved Grant</u>	<u>Grant Amount Expended to date</u>	<u>Amount Received to date</u>
Strategic Priorities Fund					
a. Southern Community Wastewater					
Marine Outfall - Marine Section	2016	14,196,070	6,000,000	6,000,000	6,000,000
Regionally Significant Priorities Fund					
a. Regional Trail System - RDN E&N					
Rail Trail Project	2014	3,873,206	2,676,489	2,676,489	770,419
b. Rural Village Centre Sewer					
Servicing Projects	2014	350,000	350,000	317,344	256,520
c. Northern Community Wastewater					
Treatment Plant - Roof Replacement	2014	587,250	200,000	200,000	200,000
Total Other Gas Tax Program Activity		<u>\$ 19,006,526</u>	<u>\$ 9,226,489</u>	<u>\$ 9,193,833</u>	<u>\$ 7,226,939</u>

See notes to consolidated financial statements

REGIONAL DISTRICT OF NANAIMO
GENERAL REVENUE FUND
SCHEDULE OF REVENUE AND EXPENDITURES
as at December 31, 2016
(UNAUDITED)

	Corporate Services (Schedule A)	Strategic & Community Development (Schedule B)	Regional & Community Utilities (Schedule C)	Recreation & Parks Services (Schedule D)	Transportation & Emergency Services (Schedule E)	Actual 2016	Budget 2016	Actual 2015
REVENUES								
Tax requisition	\$ 3,781,836	\$ 2,386,528	\$ 16,375,461	\$ 10,701,750	\$ 14,243,554	\$ 47,489,129	\$ 47,489,131	\$ 45,032,665
Grants	536,459	191,645	6,555,989	2,832,379	5,618,645	15,735,117	13,055,788	6,740,947
Grants in Lieu	69,394	8,411	95,424	22,239	123,945	319,413	241,210	309,109
Interest	194,279	-	-	-	-	194,279	150,000	283,255
Permit fees & other	-	344,849	3,448,927	385,869	1,613,912	5,793,557	9,090,931	2,791,041
Operating revenues	-	1,428,663	6,777,360	1,693,324	4,519,347	14,418,694	13,705,863	13,859,037
Disposal fees	-	-	8,554,506	-	-	8,554,506	7,741,024	7,494,219
Other	11,315,020	-	9,462,711	-	667,646	21,445,377	40,597,840	17,773,362
	15,896,988	4,360,096	51,270,378	15,635,561	26,787,049	113,950,072	132,071,787	94,283,635
EXPENDITURES								
General administration	158,548	370,020	1,796,688	581,697	1,321,041	4,227,994	4,411,984	4,036,011
Professional fees	279,014	240,505	1,054,629	104,701	43,798	1,722,647	2,522,668	1,435,932
Community grants	65,022	-	-	-	-	65,022	56,528	46,012
Legislative	456,127	-	-	-	-	456,127	498,394	474,474
Program costs	-	141,537	157,924	585,300	-	884,761	925,870	839,844
Vehicle and Equip operating	161,517	77,715	1,894,259	181,055	4,624,522	6,939,068	7,878,995	6,984,636
Building operating	325,443	37,313	1,439,338	743,700	426,141	2,971,935	3,232,607	2,801,921
Other operating	644,693	675,662	9,699,892	810,154	3,319,171	15,149,572	16,861,605	14,921,193
Wages & benefits	4,059,482	2,195,643	7,177,232	4,395,837	11,183,922	29,012,116	30,665,186	28,219,289
Capital expenditures	256,349	65,765	21,396,782	3,375,043	1,055,415	26,149,354	44,816,373	9,270,481
	6,406,195	3,804,160	44,616,744	10,777,487	21,974,010	87,578,596	111,870,210	69,029,793
OPERATING SURPLUS	9,490,793	555,936	6,653,634	4,858,074	4,813,039	26,371,476	20,201,577	25,253,842
Debt retirement								
- interest	3,436,929	-	392,239	458,237	167,777	4,455,182	4,664,168	4,548,388
- principal	3,185,990	-	440,772	1,004,376	153,944	4,785,082	4,787,627	4,431,322
Contingency	-	-	-	-	-	-	-	25
Reserve contributions	184,140	171,054	6,142,851	1,484,940	1,658,806	9,641,791	8,456,997	9,303,636
Transfers to other govts	2,559,623	277,350	-	1,707,332	2,608,827	7,153,132	7,244,413	6,424,623
	9,366,682	448,404	6,975,862	4,654,885	4,589,354	26,035,187	25,153,205	24,707,994
CURRENT YEAR SURPLUS (DEFICIT)	124,111	107,532	(322,228)	203,189	223,685	336,289	(4,951,628)	545,848
Prior year's surplus applied	1,244,851	1,206,105	4,832,295	1,522,595	3,020,933	11,826,779	11,826,779	11,280,931
NET OPERATING SURPLUS	\$ 1,368,962	\$ 1,313,637	\$ 4,510,067	\$ 1,725,784	\$ 3,244,618	\$ 12,163,068	\$ 6,875,151	\$ 11,826,779

See notes to consolidated financial statements

TO: Committee of the Whole **MEETING:** May 9, 2017
FROM: Dennis Trudeau
General Manager of Transportation and
Emergency Services **FILE:** 0360 01 RSR
SUBJECT: Regional Services Review Update

RECOMMENDATION

That the selection of the 2018 regional services to be reviewed occur at the Board’s fall 2017 Strategic Plan review session.

SUMMARY

The Board direction to review the Regional Parks and Trails service funding allocation will be achieved using both internal and external consulting resources as provided for in the 2017 budget.

As directed by the Board, Regional District of Nanaimo (RDN) staff completed regional service discussions with staff of the City of Nanaimo, City of Parksville, Town of Qualicum Beach and the District of Lantzville. The Council of the District of Lantzville is not interested in undertaking any new services functions at this time. The input to date resulted in the following list of existing or future services that could form the basis of service reviews commencing in 2018:

1. Economic Development as a regional service (with the inclusion of filming and tourism)
2. Social Planning as a regional service
3. Business Licensing as a service

The Board’s fall Strategic Planning session is a forum to further consider the input received and to discuss the 2018 service review priorities.

BACKGROUND

At the January 24, 2017, Regular Board meeting, the Board instructed:

That staff review the Regional Parks and Trails service funding allocations and bring back a report on options of funding the service in the future, and that staff have discussions with member municipalities and have a Director’s seminar to narrow down the preliminary list of services that may be considered for inclusion in a service review.

The motion has three parts and the following is an update on the progress of staff on addressing the actions required.

Regional Parks and Trails

On October 4, 2016, the Board considered a report outlining options for funding for the Regional Parks and Trails function and resolved:

That the Board maintain the parcel taxation at its current level and the use of Parcel Tax for the Regional Parks Acquisition and Development Fund be deferred to the Regional Services Review and budget discussions.

A recent review, similar to the review requested by the RDN Board, was completed of the Parks function in Metro Vancouver and is assistive of how the RDN's review could be structured. With the assistance of an external specialized consultant the RDN's review is anticipated to be completed in late 2017.

Municipal Input

RDN staff discussions on what regional services should be reviewed with staff of the City of Nanaimo, City of Parksville, Town of Qualicum Beach and the District of Lantzville. The Council of the District of Lantzville advised *"the District of Lantzville is not interested in undertaking any new services functions at this time."*

As directed by the Board, the following list of services and potential services formed the basis of the discussions:

1. Regional Parks and Trails
2. Oceanside Place
3. Ravensong Aquatic Centre
4. Economic Development (Southern Community)
5. Economic Development (Northern Community)
6. Water Services
7. Drinking Water/Watershed Protection
8. Liquid Waste Management
9. Solid Waste Management
10. Garbage & Recycling
11. Transportation
12. Transit
13. Emergency Planning
14. Fire Services
15. Long Range Planning
16. Building Inspection
17. Bylaw Services (Noise, Dog, Unsightly Premises, Business licencing, etc.)
18. Social Planning – not currently a RDN service
19. Qualicum Beach Airport – not currently a RDN service
20. Nanaimo Airport – not currently a RDN service
21. Tourism– not currently a RDN service

22. Filming – not currently a RDN service
23. Labour Relations– not currently a RDN service
24. Cultural Services – not currently a RDN service
25. Port Theatre; Event Centre– not currently a RDN service

While the meetings with the municipalities did not result in any significant concerns relating to the services provided by the RDN, there were some common themes that arose from the discussions.

1. Economic Development as a regional service (including filming and tourism); on March 28, 2017 the Board requested report on *“establishing a regional economic development function.”* A report will be presented in the fall of 2017 outlining options for this service.
2. Social Planning as a regional service
3. Business Licensing as a service

Reviews can be complex and costly exercises yet they are a good method to address concerns, develop new services or improve the service for those that participate in the function. Past service reviews by the RDN have looked carefully on the cost distribution to the participants premised on a user pay philosophy which has resulted in a number of subtle changes to funding formulas over the years.

Next Steps

In addition to progressing on the review of the Regional Parks and Trails service and continuing the discourse with the staff from the other municipalities, the recommended next step is to during the Directors’ annual review the Strategic Plan in the fall of 2017 to determine any additional items the Board wishes to examine in order that those items are incorporated into the 2018 work plan and budget. The number of items selected and the budget provided, will determine the timeframe for delivery of subsequent phases of the review

It should also be recognized that Fire Services in the district is requiring more and more RDN staff time as provincial regulations get stricter and more complex. As the Fire Services review indicated there is pressure on regional districts to take on a more active role in the management of this important service. Staff will be reviewing options that can be explored over the next year.

ALTERNATIVES

1. That the selection of the 2018 regional services to be reviewed occur at the Board’s fall 2017 Strategic Plan review session.
2. That the Board provide alternate direction to staff.

FINANCIAL IMPLICATIONS

The RDN’s 2017 budget contains \$100,000 for consulting fees for service review.

STRATEGIC PLAN IMPLICATIONS

Performing service reviews is well aligned with the Board's established Strategic Plan. Part of the intent, and expected outcome, of a service review is to ensure that existing services, service levels, and resourcing are all strongly linked to the established strategic priorities.



Dennis Trudeau
dtrudeau@rdn.bc.ca
April 28, 2017

Reviewed by:

- D. Trudeau, General Manager, Transit and Emergency Services
- P. Carlyle, Chief Administrative Officer

TO: Committee of the Whole **MEETING:** May 9, 2017
FROM: Wendy Idema, Director of Finance **FILE:** 1855-04
Randy Alexander, General Manager,
Regional & Community Utilities
SUBJECT: 2017 Gas Tax – Strategic Priorities Fund Grant Applications

RECOMMENDATION

That the Board support the following projects for application by the RDN to the Gas Tax – Strategic Priorities Fund for the 2017 application intake:

1. Capital Stream:
Nanoose Bay Water Service Pump Station - \$2 million
2. Capacity Building Stream:
Asset Management Replacement Cost Study - \$150,000

SUMMARY

The 2017 intake for grant applications under the Gas Tax – Strategic Priorities fund is open until June 1, 2017.

The RDN may submit 3 applications, 2 for capital projects and 1 for a capacity building project. Applications must be accompanied by a Board motion of endorsement. On April 11 the Board endorsed the GNPCC Secondary Treatment project for submission as one of the 2 capital projects. The program guide for the 2017 intake indicates the maximum capital project grant amount in 2017 is up to \$6 million per project.

Staff have identified two RDN projects as best aligned with the timing, objectives and evaluation criteria for this SPF intake:

1. Capital Project: Nanoose Bay Water Service Pump Station Replacement (\$2 million)
Replace pump-station and install new transmission main to supply the Nanoose Bay Peninsula Water Service Area from the new ERWS Water Treatment Plant. This project is included in the Financial Plan for 2018/19 and grant approval would move the construction timing up and reduce borrowing requirements in this service.
2. Capacity Building: Asset Management - Current Replacement Cost Study (\$150,000)
Establish current replacement costs for all Regional District of Nanaimo assets based on current-year industry pricing for the purpose of long term financial planning, and develop a framework and procedures for maintaining up-to-date current replacement costs for RDN assets.

The recommended projects meet the criteria for eligible projects and align with the SPF objectives of projects that are larger in scale and regional in nature. These projects are ready for implementation, and are considered high priority for the organization.

BACKGROUND

In May 2014, Canada, BC, and UBCM signed the renewed Gas Tax Agreement (GTA) which provides a 10 year commitment of federal funding for investments in local government infrastructure and capacity building.

One of the key funding programs established through the GTA, is the Strategic Priorities fund (SPF), which provides grants for strategic investments that are considered larger in scale, regional in impact, or innovative. Details of the program are available on the UBCM webpage for the Strategic Priorities Fund:

<http://www.ubcm.ca/EN/main/funding/renewed-gas-tax-agreement/strategic-priorities-fund.html>

The first intake for the SPF fund was completed in 2015 under which the RDN received \$6 million for the Greater Nanaimo Wastewater Outfall Replacement. The 2017 intake for grant applications is now open, and closes on June 1.

Each eligible local/regional government may submit two (2) applications under the SPF-Capital Infrastructure Projects Stream, and one (1) application under the Capacity Building Stream. Applications must be accompanied by a Board motion of endorsement. On April 11 the Board endorsed the GNPCC Secondary Treatment project for submission as one of the 2 capital projects because of its size and related population impact. The program guide for the 2017 intake suggests that the maximum capital project grant amount in 2017 is \$6 million per project.

Eligible costs for the Capital Project stream are expenditures associated with acquiring, planning, designing, constructing or renovating a tangible capital asset. Eligible Capital Project categories include: Transit; Local Roads, Bridges, & Active Transportation.; Regional Airports; Solid Waste; Community Energy Infrastructure; Short Sea Shipping; Short Line Rail; Drinking Water; Wastewater; Brownfield Redevelopment; Broadband Connectivity; Disaster Mitigation; Cultural Infrastructure; Sport Infrastructure; Tourism Infrastructure.

Eligible Costs for the Capacity Building Stream include expenditures related to strengthening the ability of Local Governments to improve local and regional planning including capital investment plans, integrated community sustainability plans, life cycle costs assessments, and Asset Management Plans.

Ineligible costs include operating or administrative, costs related to tasks normally carried out by staff, purchase of land, legal, and routine repair and maintenance.

Projects will be evaluated according to how well they support the following priorities:

- Environmental Benefits
- Strong Communities
- Economic Benefits

Staff have identified two RDN projects as best aligned with the timing, objectives and evaluation criteria for this SPF intake:

1. Capital Project: Nanoose Bay Water Service Pump Station Replacement - \$2 million

Replace pump station and install new transmission main to supply the Nanoose Bay Peninsula Water Service Area with treated surface water once the new ERWS Water Treatment Plant is online. This project is included in the Financial Plan for 2018/19 and grant approval would move the construction timing up and reduce borrowing requirements in this service.

2. Capacity Building: Asset Management - Replacement Cost Study (\$150,000)

Establishing current replacement costs for all RDN assets, as well as a procedure for maintaining that data over time will provide essential information to enable long term financial planning for current services. This project will rely on expert guidance and advice, as well as current-year industry pricing in order to establish a baseline understanding of actual costs to replace RDN assets, and provide a consistent method, based on best practices, to maintain and update current replacement costs year over year.

The recommended projects meet the criteria for eligible projects and align with the SPF objectives of projects that are larger in scale and regional in nature. These projects are ready for implementation, and are considered high priority for the organization.

ALTERNATIVES

1. The Board support application under the NBCF-SCF for the identified projects.
2. Provide alternate direction to staff.

FINANCIAL IMPLICATIONS

Funding of infrastructure projects under the SPF has the potential to significantly reduce the tax burden associated with those projects. Funding under the SPF is limited, and is expected to primarily benefit local government projects that are larger in scale, regional in impact, or Innovative.

The recommended projects meet the criteria for eligible projects and align with the SPF objectives of projects that are larger in scale and regional in nature. These projects are ready for implementation, and are regional priorities for implementation.

STRATEGIC PLAN IMPLICATIONS

The RON's 2016-2020 Strategic Plan includes “We will fund infrastructure in support of our core services employing an asset management focus” as one of its key priorities. As well it clearly identifies balancing the RON's vision for the region and pursuit of innovation with fiscal responsibility including support to seek out provincial and federal grant funding for infrastructure projects.



Wendy Idema (widema@rdn.bc.ca)
May 1, 2017



Randy Alexander (ralexander@rdn.bc.ca)

Reviewed by:
P. Carlyle, Chief Administrative Officer

TO: Committee of the Whole**MEETING:** May 9, 2017**FROM:** Hannah King
Superintendent, Recreation Program Services**SUBJECT:** Tribal Journeys 2017

RECOMMENDATION

That the Tribal Journeys 2017 report be received for information and RDN Board of Directors and staff be informed of any volunteer opportunities that may arise from the event.

SUMMARY

In August 2017 the We Wai Kai Nation and We Wai Kum Nation will welcome canoe families from around the Pacific Northwest to their territories (Quadra Island and Campbell River). Leading up to their arrival, paddlers will travel from points all around the Pacific Northwest and will follow established paddling routes stopping along the way at numerous Vancouver Island First Nation communities (Attachment 1). Potential landing sites within the RDN that have been identified to date include: Nanaimo - Newcastle Island, Nanoose Bay, and Qualicum Bay.

BACKGROUND

In August 2017, the We Wai Kai Nation and We Wai Kum Nation will welcome canoe families from around the Pacific Northwest to their territories (Quadra Island and Campbell River). The purpose of the journey is to help foster cultural revitalization and experience (www.tribaljournays2017.com). The event is open to all ages but often within the journey there are opportunities to focus on supporting participating youth. Tribal Journeys is an annual event that has been taking place for more than twenty five years.

Paddlers will travel from points all around the Pacific Northwest and will follow establish paddling routes stopping along the way at numerous Vancouver Island First Nation communities (Attachment 1). Potential landing sites within the RDN that have been identified to date include: Nanaimo - Newcastle Island, Nanoose Bay, and Qualicum Bay.

The culmination of the Journey will be the arrival of more than one hundred canoes on the shores of Quadra Island on Saturday, August 5th and onto Campbell River's shores on Monday, August 7th. On both dates public community feasts will be held. Typically, hundreds of people attend these celebrations.

Through Chair Veenhof's efforts, an offer of assistance by CFB Esquimalt to provide resources and equipment has been presented and considered by the three local First Nation communities.

At the time of writing no specific information regarding landing events has been confirmed regarding the Nanoose Bay or Nanaimo-Newcastle events.

Chief Michael Recalma of the Qualicum First Nation has invited both RDN Directors and staff to attend or volunteer in the Qualicum Bay landing event (at the mouth of the Big Qualicum River) on August 1st.

The Qualicum landing will involve the arrival of the paddlers who will request permission to land at the mouth of the river. It is expected that Chief Recalma will welcome them ashore and invite them to a meal hosted by the Qualicum First Nation. The paddlers and their support crews traveling by land would join in the hosted meal.

Chief Recalma conveyed to staff that individuals can attend or volunteer at the landing in Qualicum Bay. Those attending would be welcome to be witness to the landing or to volunteer more actively in tasks assigned on the day of the landing. Tasks may include serving food to elders, directing traffic and equipment set up/take down. This offer is a wonderful opportunity for staff and Directors to participate in this culturally significant event.

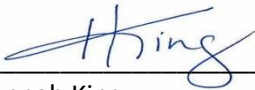
Specific details such as canoe arrival times and volunteer opportunities have yet to be determined and will be communicated when available.

FINANCIAL IMPLICATIONS

There are no financial implications.

STRATEGIC PLAN IMPLICATIONS

A key focus of the Regional District is to continue to develop and encourage meaningful relationships. An invitation such as the one being extended by Qualicum First Nation and the offer of assistance from the Regional District of Nanaimo, are examples of growing relationships. RDN Board members and staff attending any of the Tribal Journeys 2017 events would further strengthen cultural awareness and understanding of the First Nations Communities.



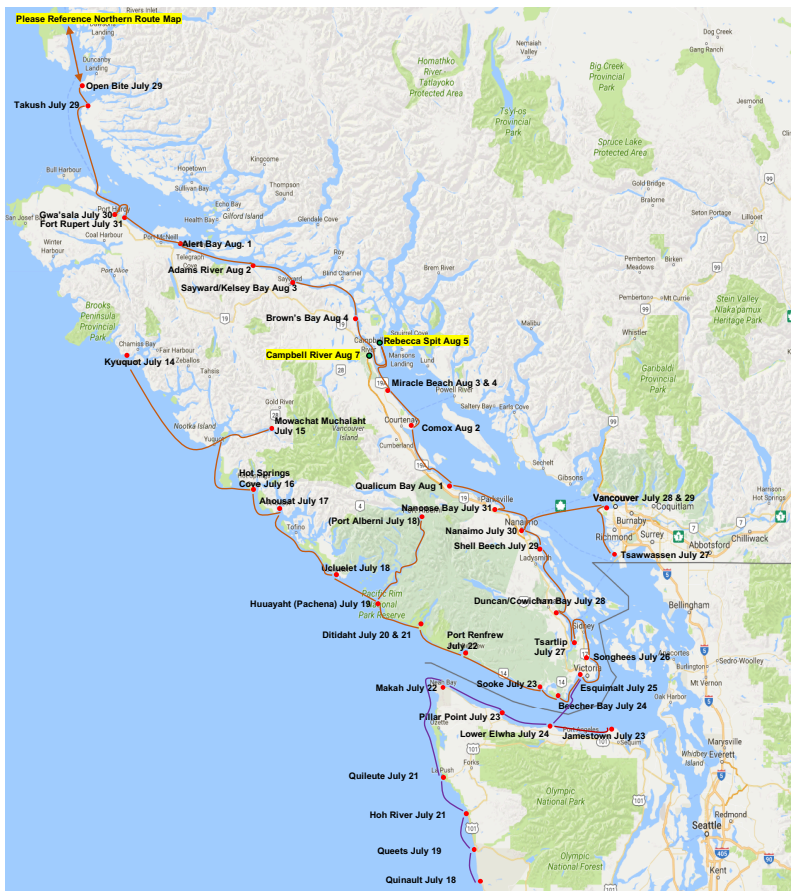
Hannah King
Hking@rdn.bc.ca
April 26, 2017

Reviewed by:

- D. Banman, Manager, Recreation Services
- G. Garbutt, General Manager, Strategic and Community Development
- T. Osborne, General Manager, Recreation and Parks
- P. Carlyle, Chief Administrative Officer

Attachment

1. Tribal Journeys Route Map 2017 as of April 2017



TENTATIVE ARRIVAL DATES TO QUADRA ISLAND & CAMPBELL RIVER

West Coast Van Island		Southern Van Island		Washington State		BC Lower Mainland	
July 14	Kyoquot						
July 15	Mowachat						
July 16	Hot Springs Cove			July 18	Quinalt		
July 17	Ahousaht			July 19	Queets		
July 18	Uculet			July 21	Hoh River		
July 18	(Port Alberni)			July 21	Quileute		
July 19	Huuayaht (Pachena)			July 22	Makah		
July 20 & 21	Nitnahat			July 23	Pillar Point		
July 22	Port Renfrew			July 23	Jamestown		
July 23	Sooke			July 24	Lower Elwha		
July 24	Beecher Bay			July 24	Beecher Bay		
July 25	Esquimalt	July 25	Esquimalt	July 25	Esquimalt		
July 26	Tsawout (Keating)	July 26	Tsawout (Keating)	July 26	Tsawout (Keating)		
July 27	Tsartlip	July 27	Tsartlip	July 27	Tsartlip	July 27	Tsawassen
July 28	Duncan	July 28	Duncan	July 28	Duncan	July 28	City of Vancouver
July 29	Shell Beech	July 29	Shell Beach	July 29	Shell Beech	July 29	City of Vancouver
July 30	Nanaimo New Castle	July 30	Nanaimo New Castle	July 30	Nanaimo New Castle	July 30	Nanaimo New Castle
July 31	Nanoose Bay	July 31	Nanoose Bay	July 31	Nanoose Bay	July 31	Nanoose Bay
						Aug 1	Qualicum Beach
						Aug 2	Comox
						Aug 3 & 4	Miracle Beach
						Aug 5	Quadra Island
						Aug 7	Campbell River

LANDING DAYS & LOCATIONS:

*Drew Harbour, Quadra Island: Saturday, August 5th, 2017

*please note the landing location is not the Village of Cape Mudge, it is the east side of Quadra Island

Campbell River Spit, Campbell River: Monday, August 7th, 2017

TO: Regional District of Nanaimo Committee of the Whole **MEETING:** May 9, 2017

FROM: Adrian Limpus
Engineering Technologist **FILE:** 2240-20-SHAW

SUBJECT: Renewal of Agreement for On-Call Electrical Maintenance and Repair for Wastewater Services

RECOMMENDATION(S)

That the Board renew an agreement for on-call electrical maintenance and repair to Shaw Electrical Services from June 1, 2017 to May 31, 2018, to a maximum expenditure of \$250,000.00. Electrical maintenance services are provided to the Southern Community, Northern Community, Nanoose and Duke Point Wastewater Service Areas.

SUMMARY

The Board is requested to approve renewal of an agreement with Shaw Electrical Services for on-call electrical maintenance and repair services to support operation of the Regional District of Nanaimo's four wastewater treatment facilities, 23 pump stations, and two septage receiving sites. The proposed renewal is for a one year term, from June 1, 2017 to May 31, 2018, to a maximum expenditure of \$250,000.00. The renewal includes an approximate 1.5% increase to labour rates from June 1, 2017. All other terms and conditions including equipment mark-up, travel costs, and warranty remain the same.

BACKGROUND

The Regional District of Nanaimo (RDN) has a regular need for on-call electrical maintenance and repair services to support the operation of its wastewater facilities.

To meet Purchasing Policy requirements, in April 2015, the RDN Wastewater Services department issued a Request for Proposals (RFP) on BC Bid to select a qualified electrical firm. The contract was awarded to Shaw Electrical Services. Shaw Electrical Services have experience with the electrical systems at our wastewater facilities, and have worked with operational staff in the past.

The initial agreement term was from June 1, 2015 to May 31, 2016 with the possibility of extension for an additional 2 one year terms. In April 12, 2016, the Board approved extension of the agreement for one year.

Shaw Electrical Services has provided a high level of service to the RDN over the last two years. Staff are interested in extending the agreement for the last one year term as per the conditions of the RFP.

ALTERNATIVES

1. Authorize staff to renew an agreement with Shaw Electrical Services for on-call electrical maintenance and repair for wastewater facilities from June 1, 2017 to May 31, 2018. The total financial authorization requested is \$250,000.

On call electrical services are required to maintain operation of the facility and protection of the environment.

2. Do not authorize renewal of the agreement and provide alternative direction for staff.

FINANCIAL IMPLICATIONS

Shaw Electrical Services has agreed to the proposed extension. There would be an approximate 1.5% increase to their labour rates from June 1, 2017. The contract includes a clause permitting renewal on satisfactory performance review and mutual agreement on rates.

All other terms and conditions including equipment mark-up, travel costs, and warranty will remain the same. The total financial authorization requested to renew this agreement from June 1, 2017 to May 31, 2018 is \$250,000.

STRATEGIC PLAN IMPLICATIONS

Electrical maintenance and repair services are important for the efficient, safe and reliable operation of the RDN's wastewater facilities, advancing the Board's strategic focus on Service and Organizational Excellence.

Original Signed By

Adrian Limpus
alimpus@rdn.bc.ca
April 19, 2017

Reviewed by:

- S.De Pol, Manager, Wastewater Services
- R. Alexander, General Manager, Regional & Community Utilities
- P. Carlyle, Chief Administrative Officer.

TO: Committee of the Whole **MEETING:** May 9, 2017
FROM: Shelley Norum
 Wastewater Program Coordinator **FILE:** 5340-05
SUBJECT: Biosolids Management Program Agreements

RECOMMENDATIONS

1. That the Regional District of Nanaimo (RDN) enter into a four-year agreement with TimberWest Forest Company (TimberWest) to enable biosolids forest fertilization activities.
2. That the RDN enter into a four-year agreement with the Nanaimo Mountain Bike Club to coordinate shared land use.
3. That the RDN award SYLVIS Environmental Services (SYLVIS) a four month contract extension from June 1, 2017 to September 30, 2017 for \$162,000 to continue biosolids forest fertilization activities.

SUMMARY

Biosolids are nutrient-rich solid residuals of wastewater treatment and widely used in North America as a plant fertilizer and soil conditioner. RDN biosolids are managed by forest fertilization, at a TimberWest woodlot leased by Vancouver Island University (VIU), through an agreement between the RDN, VIU, and SYLVIS. Both the biosolids management agreement and VIU’s woodlot lease expire on May 31, 2017. VIU elected not to renew its woodlot lease.

Forest fertilization at the woodlot remains the RDN’s most economical option to manage biosolids. To continue using the woodlot after May 31, 2017, the RDN must enter into a license agreement with TimberWest (Attachment 1). TimberWest also requests the RDN enter into an agreement with the Nanaimo Mountain Bike Club (Attachment 2). The Nanaimo Mountain Bike Club also intends to enter into a separate license agreement with TimberWest. Awarding SYLVIS a four-month contract extension will allow RDN biosolids to continue to be managed at the woodlot while a competitive procurement process is undertaken to establish a long term contract.

BACKGROUND

Biosolids are nutrient-rich solid residuals of wastewater treatment and widely used in North America as a plant fertilizer and soil conditioner. VIU began beneficially reusing RDN biosolids for forest fertilization 25 years ago, with the first application in 1992 at a woodlot they lease from TimberWest. RDN biosolids are still applied to this woodlot and, in 2013, the RDN received the Excellence in Biosolids Management Award from the Northwest Biosolids Management Association.

RDN biosolids are currently managed through an agreement between the RDN, VIU, and SYLVIS. Both the biosolids management agreement and VIU’s woodlot lease expire on May 31, 2017. VIU elected not to renew its lease of the TimberWest woodlot. Due to woodlot management policy changes, VIU no longer requires a private-land component to operate an adjacent crown-land woodlot.

To continue using the woodlot after May 31, 2017, the RDN must enter into a license agreement with TimberWest (Attachment 1) to grant land use permissions and identify responsibilities. TimberWest also requests the RDN enter into an agreement with the Nanaimo Mountain Bike Club (Attachment 2) to recognize and support the long history of recreational mountain biking also existing on this woodlot and to determine how the licenced area will be coordinated for the two land uses. The Nanaimo Mountain Bike Club also intends to enter into a separate license agreement with TimberWest to gain land use permissions, identify its responsibilities for trail maintenance, and establish liability insurance requirements related to its recreational use of the land. The term of the agreements will be for four years; from June 1, 2017 to May 31, 2021.

These agreements formalize the shared land uses of TimberWest's forestry operations, the RDN's biosolids fertilization program and the Nanaimo Mountain Bike Club's recreational activities, thereby improving communication and safety and maximizing the benefits for all three parties. Furthermore, the agreements legitimize mountain biking as a permitted use of the privately-owned land and have the potential to transform the area into a key mountain biking destination on Vancouver Island.

SYLVIS, also a key component of the RDN's biosolids program, has been involved since the origin of the forest fertilization program. A four-month contract extension, from June 1, 2017 to September 30, 2017, will enable SYLVIS to continue managing RDN biosolids while a competitive procurement process is undertaken to establish a long term contract.

Currently, biosolids are sent to the RDN Regional Landfill when weather conditions make the woodlot inaccessible. At the March 17, 2017 meeting, the Liquid Waste Management Plan Monitoring Committee carried the motion "that the Liquid Waste Management Plan Monitoring Committee supports the continued beneficial reuse of biosolids over long term disposal at the Regional Landfill." Minutes of this meeting were received for information at the April 11, 2017 Committee of the Whole. Based on this motion, the RDN is also seeking a contingency site to beneficially use biosolids when the woodlot is inaccessible.

ALTERNATIVES

1. Continue the biosolids forest fertilization program by entering separate concurrent four-year agreements with TimberWest and the Nanaimo Mountain Bike Club, and awarding a four-month biosolids management contract to SYLVIS.

Realizing the value in biosolids through this successful forest fertilization program and diverting the biosolids from landfill is consistent with the RDN's Zero Waste policy, provides beneficial reuse of a resource, reduces cost, and conserves limited landfill capacity. Furthermore, by entering into the two agreements, the RDN supports the potential to transform the area into a key mountain biking destination on Vancouver Island.

2. Do not enter into agreements with TimberWest and the Nanaimo Mountain Bike Club and do not award the biosolids management contract to SYLVIS.

This will end the current forest fertilization program. Biosolids may be sent to the RDN Regional Landfill until a suitable alternative is secured. Disposal of biosolids at the landfill is inconsistent with the RDN's Zero Waste policy, increases RDN costs, and is not recommended.

FINANCIAL IMPLICATIONS

Alternative 1

Managing the Biosolids program and the requirements of the agreements are part of the current budget and services delivered by Wastewater Services staff. Under the Nanaimo Mountain Bike Club Agreement, the RDN and the Club agree to coordinate activities and collaborate on developing an inventory of bike trails and application locations. Wastewater Services has budgeted \$20,000 for this work. Wastewater Services staff will work in consultation with Parks staff to maximize the benefits and efficiency of services delivered to the community under these agreements. Additional costs to the RDN Parks Service related to the biosolids agreements will be included in the Wastewater Services budget.

The current fee to SYLVIS to manage biosolids at the woodlot is \$107.53/tonne (excluding trucking to the woodlot). The fees are estimated at \$162,000 over the four month term based on the annual production of 4,500 tonnes of biosolids.

At this time, alternative 1 represents the most economical option to manage RDN biosolids in the short term, and it is expected the program will continue to be the most financially and environmentally effective long term solution when compared to Alternative 2.

Alternative 2

The current rate for biosolids disposal at the Regional Landfill is \$125/tonne (excluding trucking to the landfill). This represents an incremental cost of \$17.47/tonne, for landfill disposal as compared to woodlot application (trucking costs are comparable and not included in the cost comparison). This alternative will have a negative impact on the landfill's estimated life, and requires additional staff time and potential costs to develop new management options.

STRATEGIC PLAN IMPLICATIONS

Beneficially using RDN biosolids in a forest fertilization program aligns with the 2016-2020 Board Strategic Plan vision for the environment. Biosolids fertilization provides nutrients and organic matter to plants and soils, enabling increased plant growth and improved soil quality. Increased vegetation growth reduces the risk of erosion and thereby enhances surface water quality. In addition, the use of private forest lands for public trail reaffirms the value placed by the Regional Board on the provision of recreational amenities for residents and the development of tourism opportunities for visitors.



Shelley Norum
snorum@rdn.bc.ca
May 1, 2017

Reviewed by:

- S. De Pol, Manager, Wastewater Services
- R. Alexander, General Manager, Regional and Community Utilities
- T. Osborne, General Manager, Recreation and Parks
- P. Carlyle, Chief Administrative Officer

Attachments

1. License Agreement between TimberWest and the RDN
2. Agreement between the RDN and the Nanaimo Mountain Bike Club

LICENCE AGREEMENT

THIS AGREEMENT dated for reference the ____ day of _____, 2017.

BETWEEN:

TIMBERWEST FOREST COMPANY
201 – 648 Terminal Avenue
Nanaimo, British Columbia, V9R 5E2

("TimberWest")

AND:

THE REGIONAL DISTRICT OF NANAIMO
6300 Hammond Bay Road
Nanaimo, British Columbia, V9T 6N2

(the "RDN")

WHEREAS:

- A. TimberWest is the beneficial owner in fee simple of lands legally described as:

PID: 009-842-586
Block 355, Dunsmuir District;

PID: 009-842-616
Block 463, Dunsmuir District, Except Part In Plan 27690; and

PID: 009-438-203
Block 505, Nanoose District;

(collectively, the "TimberWest **Lands**").
- B. The RDN generates municipal Biosolids and wishes to be granted this license to use the TimberWest Lands (the "**Licence Area**"); and
- C. TimberWest has agreed to grant to the RDN a licence over the Licence Area on the terms and conditions set out herein.

NOW THEREFORE in consideration of ten (\$10.00) dollars paid by the RDN to TimberWest and the mutual covenants and agreements herein, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Capitalized words and phrases used in this Agreement have the following meanings:

- (a) "**Applicable Laws**" means (i) all statutes, laws, bylaws, common law, rules, regulations, ordinances, codes, orders, directions or other legal requirements of

any applicable Governmental Authority (including all Environmental Laws), and (ii) any judgment, injunction, order or other similar requirement of any court or other adjudicatory authority (including any Order), in effect at the time in question and in each case to the extent the person or property in question is subject to the same.

- (b) “**Biosolids**” means Class A biosolids or Class B biosolids as defined by the Regulation.
- (c) “**Business Day**” means a day other than a Saturday, Sunday or statutory holiday in the Province of British Columbia.
- (d) “**Common Usage Agreement**” means the agreement in respect of the use and occupation of the TimberWest Lands to be entered into between the RDN and the Society concurrently with this Agreement.
- (e) “**Environmental Laws**” means all Applicable Laws which impose any obligations relating to the protection, conservation or restoration of the natural environment or relating to the storage, use or manufacture of Hazardous Substances or to the release of Hazardous Substances into the environment including the *Fisheries Act* (Canada), the *Canadian Environmental Protection Act* (Canada), the *Transportation of Dangerous Goods Act* (Canada) and the *Environmental Management Act* (British Columbia).
- (f) “**Governmental Authority**” means any federal, provincial, regional, municipal or local government or governmental authority, office or official having jurisdiction, or any political subdivision of any of them, or any entity, authority, agency or court or person exercising executive, legislative, judicial, regulatory or administrative functions on behalf of such government, governmental authority, office or official or other political subdivision thereof.
- (g) “**Hazardous Substance**” means any substance, material or thing or combination of substances, materials or things which could cause an adverse effect on, or which is dangerous or detrimental or potentially dangerous or detrimental to, any part of the natural environment, including a substance, material or thing included in or containing components included in the definition or meaning of “biomedical waste”, “contaminant”, “dangerous good”, “deleterious substance”, “hazardous product”, “nutrient”, “pollutant”, “reportable substance”, “special waste”, “waste” or “toxic substance” or any variation of any such term, in any Environmental Law or which is prohibited, controlled or regulated under any Environmental Law and, in respect of the foregoing, is found in a material or relevant concentration for the purpose of any Environmental Law but does not include Biosolids.
- (h) “**Land Application Plan**” means a Land Application Plan submitted in respect of the Licenced Area pursuant to the Regulation.
- (i) “**Licence Area**” has the meaning set out on the first page of this Agreement
- (j) “**Losses**” has the meaning set out in section 7.2.

- (k) **“Order”** means any directive, decision, order, notice including a notice of litigation or proceeding, letter or other written communication, that is validly issued and requires the taking of any measures or actions or refraining from taking any measures or actions, issued or made by any Governmental Authority under any Environmental Law.
- (l) **“RDN”** has the meaning set out on the first page of this Agreement.
- (m) **“RDN’s Representatives”** means the RDN and its directors, officers, employees, contractors, sub-contractors and agents, as applicable.
- (n) **“Required Insurance”** has the meaning set out in section 9.2.
- (o) **“Regulation”** means the *Organic Matter Recycling Regulation* (British Columbia).
- (p) **“Society”** means the Nanaimo Mountain Bike Club.
- (q) **“Term”** has the meaning set out in section 2.1.
- (r) **“TimberWest”** has the meaning set out on the first page of this Agreement.
- (s) **“TimberWest’s Representatives”** means TimberWest, its related partners and companies and its and their respective directors, officers, shareholders, employees, contractors, sub-contractors, agents and invitees, as applicable.
- (t) **“Wood Harvesting and Operation Plans”** means TimberWest’s plans for road construction, wood harvesting, silviculture and hazard abatement in respect of the TimberWest Lands provided to the RDN pursuant to subsection 5.1(a).
- (u) **“Works”** means any improvements constructed on the Licensed Area by the RDN as permitted by TimberWest, including trails, signs and materials used in the construction of the works.

1.2 In this Agreement, unless the context otherwise requires, the singular includes the plural and the masculine includes the feminine gender and a corporation, and the word “including”, when following any general statement, will be construed to refer to all other things that could reasonably fall within the scope of such general statement, whether or not non-limiting language (such as “without limitation” or “without limiting the generality of the foregoing”) is used with reference thereto.

1.3 The captions and headings contained in this Agreement are for convenience only and are not to be construed as defining or in any way limiting the scope or intent of the provisions herein.

1.4 If any provision of this Agreement or any part of a provision is found to be illegal or unenforceable, that part or provision, as the case may be, will be considered separate and severable and the remaining parts or provisions, as the case may be, will not be affected thereby and will be enforceable to the fullest extent permitted by law.

1.5 The following schedules form part of this Agreement:

- Schedule A: The Licence Area
- Schedule B: Contact Information
- Schedule C: Safe Road Use Procedures

ARTICLE 2 TERM

2.1 The duration of this Agreement and the rights herein granted will be for a term of four years commencing on June 1, 2017 and concluding on May 31, 2021 (the “**Term**”), unless earlier terminated in accordance with the terms of this Agreement.

ARTICLE 3 GRANT OF LICENCE

3.1 Subject to the terms and conditions set out in this Agreement, TimberWest hereby grants to the RDN the non-exclusive right and licence for RDN and the RDN’s Representatives to enter onto and use the Licence Area for the purposes of:

- (a) applying Biosolids to those areas defined in the Licence Area; and
- (b) generally doing all acts, things and matters which are reasonably necessary or incidental to:
 - (i) the exercise of the rights granted to the RDN pursuant to the subsections 3.1(a); and
 - (ii) the fulfillment of any of RDN’s obligations under this Agreement,

and for no other purpose without the prior written approval of TimberWest.

3.2 The RDN acknowledges and agrees that:

- (a) TimberWest has not made nor will make any representations or warranties as to the state of the Licence Area, the fitness of such Licence Area for the purposes contemplated in this Agreement or any other matter in any way related to or connected with the Licence Area and the intended use thereof by the RDN. The RDN has satisfied itself with respect to all such matters as it considers necessary or related to or in connection with the Licence Area and its intended use and the RDN is accepting the Licence Area for such use strictly on an “as is, where is” basis;
- (b) the rights granted under this Agreement do not constitute any interest in the Licence Area or entitle the RDN to exclusive possession of the Licence Area or any portion thereof;
- (c) TimberWest may at any time and from time to time prohibit or restrict the exercise of any of the rights granted to the RDN under this Agreement with respect to the Licence Area for such period or periods of time as TimberWest may in its absolute discretion determine should TimberWest consider such prohibition or restriction

necessary or advisable on account of hazardous weather conditions or unreasonable interference with the operations of TimberWest and the RDN will at all times observe and comply with such prohibitions or restrictions;

- (d) TimberWest and TimberWest's Representatives may enter upon and use the Licence Area or any portion thereof at any time for any purpose related to the conduct of TimberWest's business or affairs including the conduct of wood harvesting operations (whether or not such operations have been identified in the Wood Harvesting Operation Plans), and any such uses of the Licence Area by TimberWest or TimberWest's Representatives:
 - (i) will not constitute an interference with the rights granted to the RDN pursuant to section 3.1 or a breach of TimberWest's obligations under this Agreement; and
 - (ii) will prevail in the case of any conflict with the use and occupation of the Licence Area by the RDN or the RDN's Representatives;

provided however that where the operations have not been identified in the Wood Harvesting Operation Plans, TimberWest will give RDN at least twenty Business Days' notice of those operations that may conflict with the RDN's purpose under 3.1(a).

- (e) the RDN's rights under this Agreement are at all times subject to existing conditions, covenants, restrictions, reservations, easements and rights-of-way registered against the TimberWest Lands, including subsurface rights, the lawful exercise of which by the registered holders thereof may interfere with the rights granted to the RDN under this Agreement;
- (f) the RDN's rights under this Agreement are at all times subject to the compliance of the RDN and the RDN's Representatives with the terms and conditions of the Common Usage Agreement;
- (g) TimberWest may grant licences of use and occupation to third parties in respect of the Licence Area for any purpose in TimberWest's sole and absolute discretion; and
- (h) if the RDN fails to perform any of its obligations under this Agreement, TimberWest may after ten days' prior written notice (except in the case of an emergency, in which case no notice will be required) perform such obligations on RDN's behalf and the cost thereof will be due and payable by the RDN within 30 days after the RDN's receipt of an invoice therefor.

ARTICLE 4 COVENANTS OF THE RDN

4.1 The RDN covenants:

- (a) Biosolids Land Application. To adhere to all Applicable Laws when storing and applying Biosolids in the Licence Area.

- (b) Road Maintenance. To maintain those portions of road located within the boundaries of the Licence Area except during periods of forestry activities by TimberWest. The RDN is only responsible for maintaining the roads in a condition similar to the conditions existing as of the date of execution of this Agreement. In no case will the RDN be responsible for maintaining any portion of the roads outside the boundaries of the Licence Area.
- (c) Signage. To maintain signage in the Licence Area to notify the public of Biosolids operations as required by Applicable Laws.
- (d) Permits. To obtain all permits and approvals from any Governmental Authority as may be required for the RDN under the Regulation or to lawfully construct any of the Works and to provide TimberWest with copies of same forthwith upon receipt.
- (e) Rules. To observe, abide by and comply with, and cause the RDN's Representatives to observe, abide by and comply with:
 - (i) any rules and regulations provided to the RDN by TimberWest in respect of the use and occupation of the Licensed Area, including rules related to fire hazards and public safety;
 - (ii) the Safe Road Use Procedures set out in Schedule C, which TimberWest reserves the right to change, from time to time, in its sole discretion and as such rules apply generally or to the RDN specifically;
 - (iii) any condition imposed by TimberWest in connection with any approval granted by TimberWest to the RDN pursuant to this Agreement in respect of the Licensed Area; and
 - (iv) all Applicable Laws of any Governmental Authority with respect to the RDN's use and occupation of the Licensed Area and construction of the Works.
- (f) Construction. Not to Construct any Works on the Licensed Area without the prior written approval of TimberWest, provided that the RDN may construct any Works on the Licensed Area that are described on the Land Application Plan approved by TimberWest in writing.
- (g) Removal of Works. To remove at its cost any Works forthwith upon the written direction of TimberWest if such Work has been constructed without the prior written approval of TimberWest or was not described the Land Application Plan approved by TimberWest in writing, or if such removal is required by TimberWest in connection with the conduct of its business activities, including its wood harvesting operations, on the TimberWest Lands.
- (h) Liens. To pay when due all claims for labour and materials furnished or alleged to have been furnished to or for the RDN on or for use on the Licensed Area, which claims are or may be secured by any liens against the TimberWest Lands or any interest therein, to take all necessary steps to have any such claim of lien removed or withdrawn not later than ten days after becoming aware of same, and if such claim of lien has not been removed or withdrawn within such period, to forthwith

furnish TimberWest with a letter of credit or other security in form and substance acceptable to TimberWest, in an amount equal to the amount of any such claim, and to reimburse TimberWest for all costs and expenses incurred by TimberWest in taking all steps necessary to have such claim of lien removed or withdrawn, including actual legal fees.

- (i) Trees. Not to trim, cut or destroy any trees, whether downed or standing, on the TimberWest Lands without the prior written approval of TimberWest, unless such trimming or cutting is included in the then current Land Application Plan.
- (j) Workmanship. To construct the Works in a good and workmanlike manner.
- (k) Storage. Not to store any tools, apparatus, equipment, supplies or materials on the TimberWest Lands without the prior written consent of TimberWest, in its sole discretion.
- (l) Access. To manage vehicle access and gate keys to the Licenced Area.
- (m) Harmful Activity. Not to commit or permit any wilful or voluntary waste, spoil or destruction on the TimberWest Lands or do or permit to be done thereon anything that is a nuisance or annoyance or is otherwise harmful or potentially harmful to the TimberWest Representatives, occupiers of adjoining lands or third parties, or would render any insurance carried by TimberWest void or increase the premiums of such insurance.
- (n) Fires.
 - (i) Not to start or permit any open fires or any fire menace on the TimberWest Lands except with the prior written approval of TimberWest and then only in strict compliance with all the requirements of the Wildfire Management Branch of the Ministry of Forests, Lands and Natural Resource Operations, TimberWest Lands and Natural Resource Operations and any conditions that may be imposed by TimberWest;
 - (ii) To take every reasonable precaution to prevent the escape of fire on or to any of the TimberWest Lands or timber located on the TimberWest Lands;
 - (iii) To develop and implement fire prevention and suppression measures that comply with the *Wildfire Act* (British Columbia) standards; and to submit a record of those measures to TimberWest for approval; and
 - (iv) To observe, abide by and comply with, and cause the RDN's Representatives to observe, abide by and comply with, all applicable provisions of and regulations under the *Wildfire Act* (British Columbia) and any other statute that has been or may hereafter be made in respect of the prevention and suppression of fires, including the duty to immediately report any wildfire to the Wildfire Management Branch of the Ministry of Forests, Lands and Natural Resource Operations, TimberWest Lands and Natural Resource Operations, a peace officer or a fire emergency response telephone number, and to immediately take action to contain, extinguish or limit the spread of wildfire, if practicable.

- (o) Condition of TimberWest Lands. To keep those portions of the Licensed Area used by the RDN or the RDN's Representatives in a safe, clean and sanitary condition satisfactory to TimberWest, acting reasonably.
- (p) Inspection. To permit TimberWest Representatives to inspect the Licenced Area and to make clean and sanitary any portion of the Licenced Area that TimberWest may direct by notice in writing to the RDN.
- (q) Public Lands. Not to take any action, or cause any person to take any action, to have the TimberWest Lands deemed public lands.
- (r) Public Communications. To obtain TimberWest's prior written consent before making public any new communications or materials of any kind that reference the Licensed Area, or the existence or contents of this Agreement, and to publish communications concerning use of the Licensed Area ("**Public Notifications**") as directed by TimberWest. Where information regarding safety arises, the RDN may make such information available to the public in a timely manner and will immediately advise TimberWest via an email that attaches a copy of all information communicated to the public.
- (s) License Area. To observe and perform all of the RDN's covenants and obligations under the Common Usage Agreement and to strictly use and occupy, and cause the RDN's Representatives to strictly use and occupy, the License Area in strict accordance with the Common Usage Agreement.
- (t) Common Usage Agreement. Not to amend or terminate the Common Usage Agreement without TimberWest's prior written consent.

ARTICLE 5 COVENANTS OF TIMBERWEST

5.1 TimberWest covenants:

- (a) Wood Harvesting Operation Plans. To provide the RDN with the Wood Harvesting Operation Plans for the TimberWest Lands as available from time to time and at least seven days prior to commencement of any planned activity on the TimberWest Lands.
- (b) Road Maintenance. To maintain all roads outside the Licence Area at all times, and maintain all roads within the Licence Area during periods of forestry activities by TimberWest, in each case to a reasonable standard as determined by TimberWest.
- (c) Rules. From time to time, to provide the RDN with any rules and regulations applicable to the use and occupation of the Licence Area by the RDN, including rules related to fire hazards, public safety, and road use.

ARTICLE 6 HAZARDOUS SUBSTANCES

- 6.1 The RDN will not bring or permit to be brought onto the Licence Area, and will not use or permit the use of the Licence Area, or any part thereof, directly or indirectly, for the

handling of, any Hazardous Substance, except in strict compliance with all Applicable Laws and with the prior written approval of TimberWest.

- 6.2 The RDN will not release nor permit the release of any Hazardous Substance into the environment or into culverts or drains on the Licence Area.
- 6.3 If any Hazardous Substance is brought onto the Licence Area or created upon the Licence Area by the RDN or the RDN's Representatives:
 - (a) the RDN will immediately notify TimberWest in writing of the presence of such Hazardous Substance and will take any action in respect of such Hazardous Substance that may be reasonably required by TimberWest forthwith upon receipt of same; and
 - (b) such Hazardous Substance will be the sole and exclusive property of the RDN and not of TimberWest, notwithstanding the expiration or earlier termination of this Agreement.
- 6.4 On or before the expiration or earlier termination of this Agreement, the RDN will remove all Hazardous Substances which have been brought onto or created on or about the Licence Area by the RDN or the RDN's Representatives, including any Hazardous Substances which may have been released into the environment.
- 6.5 Notwithstanding the foregoing, upon written notice to the RDN, TimberWest may undertake remediation of any contamination of the Licence Area at the cost and expense of the RDN, which cost will be paid by the RDN within 30 days after receipt of an invoice therefor.

ARTICLE 7 RISK AND LIMITATION OF LIABILITY

- 7.1 The RDN hereby accepts all risks associated with the use and occupancy of the Licence Area by the RDN as its own risk.
- 7.2 TimberWest will not be liable for, and the RDN hereby releases and discharges TimberWest and TimberWest's Representatives from, all loss, expense (including environmental investigation and remediation expenses), claims, demands, actions, suits, proceedings, judgments, damages, penalties, fines, costs and liability, including damages for loss or restriction in use of the TimberWest Lands, sums paid in settlement of claims, legal fees, consultants' fees and experts' fees, whether arising in contract, tort or otherwise (collectively, the "**Losses**"), which the RDN may suffer, incur or be put to in connection with:
 - (a) any occurrence on the Licence Area; and
 - (b) the use and occupation of the Licence Area by RDN,

except where such losses are caused by the conduct of TimberWest or TimberWest's Representatives on the TimberWest Lands, where such Losses are attributable to the acts, omissions or negligence of TimberWest or TimberWest's Representatives including

Losses attributable to the wilful misconduct or gross negligence of TimberWest or TimberWest's Representatives.

ARTICLE 8 INDEMNIFICATION

- 8.1 The RDN will indemnify and save harmless TimberWest and TimberWest's Representatives from and against all Losses which are in any manner based upon, arise out of or are connected with:
- (a) the use or occupation of the Licence Area by the RDN or the RDN's Representatives;
 - (b) any breach by the RDN of any of the terms or conditions of this Agreement; and
 - (c) the presence of any Hazardous Substance in, upon, above, under or in the vicinity of the Licence Area caused by the RDN or the RDN's Representatives, and for greater certainty, Losses incurred by TimberWest to remediate any such Hazardous Substances, required to be carried out by law or pursuant to an order of a Governmental Authority, are subject to this indemnity.

ARTICLE 9 INSURANCE

- 9.1 The RDN, at its expense, will obtain and keep in force at all times during the Term:
- (a) commercial general liability insurance in an amount not less than \$5,000,000 per occurrence, including non-owned automobile liability insurance in an amount not less than \$5,000,000 per occurrence, against liability for personal injury, bodily injury, death and broad form property damage or loss, arising from accidents or occurrences on or in the vicinity of the Licence Area due to the use or occupation of the Licence Area by the RDN or the RDN's Representatives for the purposes set out in section 3.1; and
 - (b) broad form fire-fighting expenses liability insurance in an amount not less than \$1,000,000 per occurrence.
- 9.2 Every policy of insurance required to be maintained by the RDN under this Agreement (the "**Required Insurance**") will:
- (a) name TimberWest as an additional insured;
 - (b) be placed with insurers licenced to do business in Canada with at least an "A" financial strength rating or better by A.M. Best;
 - (c) be primary and will not require the sharing of any loss by any insurer that insures TimberWest;
 - (d) contain a provision for cross liability and a severability of interest provision; and

- (e) be endorsed to provide that the insurer will not make any material adverse changes to the policy that would impact the insurance required under this Agreement without first giving TimberWest at least 30 days' prior written notice.
- 9.3 The RDN will, as soon as reasonably possible deliver to TimberWest a certificate of insurance evidencing placement of the Required Insurance. The RDN will, upon written request of any TimberWest deliver to TimberWest such other evidence of insurance as may be reasonably requested by TimberWest.
- 9.4 If the RDN does not obtain or maintain in force the Required Insurance or provide proof of such insurance within 30 days of request by written notice by TimberWest, TimberWest may take out the Required Insurance and pay the premiums, and the RDN will reimburse TimberWest for such premiums.

ARTICLE 10 TERMINATION

- 10.1 TimberWest may terminate this Agreement and the rights herein granted in respect of the Licence:
- (a) immediately on written notice to the RDN if the RDN breaches or fails to comply with any of its material obligations under this Agreement and fails to remedy the breach or failure within 15 days of receiving written notice of such breach or failure or, if such breach or failure reasonably requires more than 15 days to remedy, if the RDN has not commenced diligently remedying such breach or failure within twenty (20) days of receipt of such notice or thereafter fails to continue to diligently and expeditiously remedy such breach or failure;
 - (b) on 10 day's prior written notice to the RDN if the Common Usage Agreement ceases to be a valid and binding agreement or in the event of a breakdown in the relationship between the RDN and the Society;
 - (c) on six months' prior written notice to the RDN for any reason, as determined by TimberWest in its sole discretion; or
- 10.2 The RDN may terminate this Agreement in respect of the Licence Area, for any reason, in its sole discretion, on three months' prior written notice to TimberWest.
- 10.3 On the expiration or earlier termination of this Agreement, at its expense the RDN will:
- (a) remove from the Licence Area all of its vehicles, machinery, equipment, apparatus, and materials and supplies; and
 - (b) deliver possession of the Licence Area to TimberWest in the same condition as received, ordinary wear and tear and approved Biosolids applications excepted; and
 - (c) unless otherwise directed by TimberWest, remove from the Licenced Area all Works constructed by the RDN.

- 10.4 If the RDN does not fulfill its obligations set out in section 10.3 within 30 days of the expiration or earlier termination of this Agreement, TimberWest may elect to complete such obligations on the RDN's behalf and the cost thereof will be due and payable by the RDN within 60 days after receipt of an invoice therefor.
- 10.5 Upon the expiration or earlier termination of this Agreement, all outstanding obligations remaining or being unfulfilled as at the date of expiration or termination and all of the provisions of this Agreement relating to the obligation of the RDN to perform actions or to account to or to indemnify TimberWest and pay to TimberWest any monies owing as at the date of expiration or termination in connection with this Agreement will survive such expiration or termination.
- 10.6 The RDN will not be entitled to any compensation, whether for damages or otherwise, in respect of a permitted termination of this Agreement by TimberWest under this Article.

ARTICLE 11 NOTICE

- 11.1 Each party's contact information for purposes of routine communications regarding (i) public communications and notifications and (ii) general operations in connection with this Agreement is attached as Schedule B. Each party will endeavor to inform the other party in a timely manner when such contact information has been changed and any such changes will not be deemed to be amendments to this Agreement.
- 11.2 Any demand, notice or other communication to be given in connection with this Agreement, other than the routine communications described in section 11.1, must be given in writing and will be given by registered mail or by electronic means of communication addressed to the recipient as follows:

To TimberWest:

201 – 648 Terminal Avenue
Nanaimo, British Columbia
V9R 5E2

Fax: (250) 716-3763
E-mail: iannidinardod@timberwest.com

Attention: Domenico Iannidinardo, VP, Sustainability & Chief Forester

To the RDN:

6300 Hammond Bay Road
Nanaimo, British Columbia
V9T 6N2

Fax: (250) 390-1542
E-mail: sdepol@rdn.bc.ca

Attention: Sean De Pol, Manager, Wastewater Services

or to such other street address, individual or electronic communication number or address as may be designated by notice given by any party to the other parties. Any demand, notice or other communication will be conclusively deemed to have been given, if given by registered mail, on the fifth Business Day following the deposit thereof in the mail and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day. If the party giving any demand, notice or other communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of registered mail, any such demand, notice or other communication may not be mailed but must be given by electronic communication.

ARTICLE 12 MISCELLANEOUS

- 12.1 Costs and Expenses. Except as otherwise expressly set out in this Agreement, each party will be solely responsible for all costs and expenses it incurs in:
- (a) preparing, reviewing and negotiating this Agreement; and
 - (b) fulfilling any of its obligations under this Agreement.
- 12.2 Ownership of Works. Subject to subsection 4.1(g), immediately upon completion of the construction of any Works on the Licenced Area such Works will become the property of TimberWest. Notwithstanding the foregoing, all right, title and interest in any Works the RDN is required to remove from the Licensed Area pursuant to subsections 4.1(g) or 10.3(c) will be deemed to vest automatically in the RDN immediately upon such removal.
- 12.3 Annual Review. The parties will endeavor to meet annually to discuss the operation of this Agreement and whether any amendments thereto are required.
- 12.4 Governing Law / Exclusive Jurisdiction. This Agreement will be construed and governed in accordance with the laws of British Columbia and Canada applicable therein, which will be deemed to be the proper law hereof, and the courts of British Columbia will have the exclusive jurisdiction to determine all claims and disputes arising out of or in any way connected with this Agreement.
- 12.5 Assignment. The RDN will not assign, transfer or sublicense this Agreement in whole or in part without the prior written consent of TimberWest, which consent TimberWest may withhold.
- 12.6 Waiver. No term, condition, covenant or other provision herein will be considered to have been waived by TimberWest unless such waiver is expressed in writing by TimberWest. Any such waiver of any term, condition, covenant or other provision herein will not be construed as or constitute a waiver of any further or other breach of the same or any other term, condition, covenant, or other provision and the consent or approval of TimberWest to any act by the RDN requiring the consent or approval of TimberWest will not be considered to waive or render unnecessary such consents or approvals to any subsequent similar act by the Association.

- 12.7 Remedies Cumulative. No remedy conferred upon or reserved to TimberWest under this Agreement is exclusive of any other remedy herein or provided by law, but such remedy will be cumulative and will be in addition to any other remedy herein or hereafter existing at law, in equity, or by statute.

- 12.8 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this Agreement.

- 12.9 Successors. The terms and provisions of this Agreement will extend to, be binding upon and enure to the benefit of the parties hereto and their successors and permitted assigns.

- 12.10 Time. Time is of the essence in this Agreement.

- 12.11 Further Assurances. Each of the parties will do or cause to be done all things and execute or cause to be executed all documents and give such further and other assurances which may be reasonably necessary to give proper effect to the intent of this Agreement.

- 12.12 Counterparts and Electronic Transmission. This Agreement may be executed by the parties in counterparts and transmitted by electronic means, and if so executed and transmitted this Agreement will be for all purposes as effective as if the parties had delivered an executed original Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

by TimberWest:

**TIMBERWEST FOREST COMPANY, by its
 Managing Partner, TIMBERWEST
 FOREST CORP.**

by the RDN:

THE REGIONAL DISTRICT OF NANIAMO

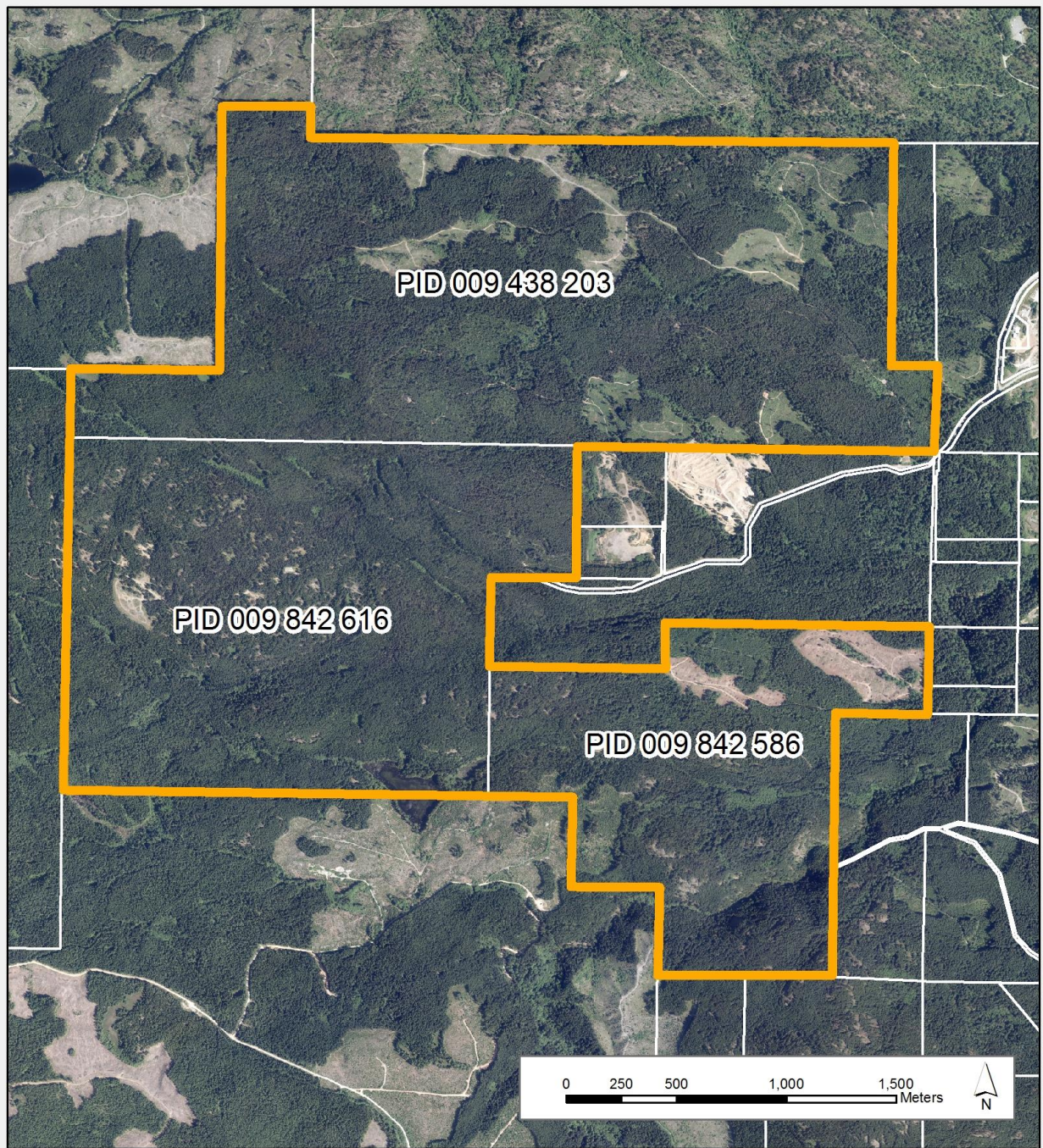
By: _____
 Authorized Signatory

By: _____
 Authorized Signatory



By: _____
 Authorized Signatory

By: _____
 Authorized Signatory

**SCHEDULE A
THE LICENCE AREA**



**SCHEDULE B
CONTACT INFORMATION**

Party	Public Communications and Notifications	General Operations
	<p>Primary: Monica Bailey (250)716-3711 baileym@timberwest.com</p> <p>Secondary: Patti Pearce (250)716-3752 pearcep@timberwest.com</p>	<p>Primary: Ken Dodd (250)716-3772 doddk@timberwest.com</p> <p>Secondary: Richard Stevens (250)716-3723 stevensr@timberwest.com</p>
	<p>Primary: Shelley Norum (250)390-6575 snorum@rdn.bc.ca</p> <p>Secondary: Sean De Pol 250-390-6547 sdepol@rdn.bc.ca</p>	<p>Primary: Sean De Pol 250-390-6547 sdepol@rdn.bc.ca</p> <p>Secondary: Ian Lundman 250-751-5580 ilundman@rdn.bc.ca</p>

SCHEDULE C “TIMBERWEST SAFE ROAD USE PROCEDURES”

The following procedures apply to all TimberWest resource roads. All users must be familiar with these procedures to ensure safe traveling conditions for all authorized industrial and recreational road users. In the event these procedures conflict with the user’s own policies the TimberWest safe road use procedures will take priority. If a Prime Contractor has been designated to a specific road, they may have additional procedures that supplement TimberWest’s, which will be specified during prework discussions (where applicable).

All vehicles:

- All road users (industrial, authorized recreational) must be fully licensed with correct endorsements, adequately insured for the vehicles intended use and follow all applicable driving legislation.
- Check with the local TimberWest office to ensure you have contact information for the designated Prime Contractor, if your vehicle is equipped with a radio you must have the correct communication channel(s) and know the current status of log hauling and other industrial use on the desired roads of travel. Generally all South Island road traffic is on the South Island Road Channel 153.110 tx/rx, Tone 203.5 unless otherwise posted. Similarly, North Island traffic monitors the “Haul Channel” (158.430 tx/rx) and TFL 47 traffic is location specific (contact TimberWest for this information).
- Follow the posted speed limits (Maximum 60 km/hr or less if not posted) with headlights/taillights on at all times.
- Observe and obey all posted signage.
- All traffic must drive on the right-hand side of the road.
- Drive by the road conditions and visibility (sight lines, dust or weather related visibility). Roads are radio assisted not radio controlled. Drive accordingly and expect the unexpected.
- Deactivated roads may or may not be posted. It is suggested that you obtain information regarding road deactivation status from TimberWest before you begin your trip.
- Maintain safe distances when following other vehicles and use extra caution when driving in dusty conditions. Also use extreme caution when overtaking slower vehicles.
- Always give industrial traffic the right-of-way. (Pull over and stop).
- When passing logging trucks, low beds, graders, etc. make sure the operator is aware of your intentions and signals you verbally or visually before proceeding to pass; then pass only when road conditions are favourable.
- Watch out for “sweepers” which are very long logs hauled on logging trucks. They can hang over the back of the trailer up to 6 meters and on a tight corner could sweep a vehicle off the road.
- Do not block the road or stop on the running surface for any reason – logging trucks require a lot of room for safe travel and to safely stop. Do not impede their access at any time. It is essential that logging trucks be able to use the roads without delays. If you must stop, find a turnout or wide spot and park well off the road.
- Be aware that off highway trucks with wide bunks have very little opportunity to move off the center of the road grade, except on wide mainlines. Ensure you find a turnout that enables the logging truck adequate clearance for safe passage.
- Report vandalism or other suspicious activities to a TimberWest representative.
- Report all hazards immediately to Prime Contractor or TimberWest representative.

Industrial:

- All vehicles and drivers must comply with applicable rules and regulations (WorkSafe BC, Department of Transportation, MFLNRO statutes and legislation, National Safety Code, and Motor Vehicle Act, etc.) that will ensure proper driving, loading, securing, inspection and maintenance.
- Down/Loaded vehicles have the right-of-way.
- TimberWest typically maintains the bridge infrastructure to support L165 tons. For active crossings that support less than L165, TimberWest identifies the load rating with posted signage stating the load rating in the field (i.e. L100, L75, 5 tonnes/pickup, etc.). In the event users have concerns, contact TimberWest representative for assistance.

Note: Notify TimberWest Contract Manager or designated TimberWest representative prior to walking (point loading) across structures with equipment 75 tonnes or greater so TimberWest can ensure structure can safely support the weight.

RADIO CALLING:

Known Hazards

<ul style="list-style-type: none">1. Losing track of your location2. Losing track of other vehicles location3. Meeting oncoming vehicles without a radio4. Not following calling procedures	<ul style="list-style-type: none">5. Unnecessary radio chatter6. Using the wrong frequency7. "Walking over" other calls8. Being distracted (i.e. phones, music, passengers)
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Procedures:

1. The terms "**UP**" for increasing numbers and "**DOWN**" for decreasing numbers are the preferred methods for calling, although users may at times hear "**EMPTY**" for increasing and "**LOADED**" for decreasing. North Island's practice is for logging truck traffic to use "LOADED/EMPTY", and all other traffic to use "UP/DOWN" in order to identify direction of travel.
2. Preferred Radio Call: **Road name** followed by the **kilometer** position then **Up** or **Down** (e.g. "North Shore ... 2 km ... Up").
3. **All vehicles should call their location/direction of travel:**
 - When entering or leaving a road system.
 - Whenever there is a road frequency/channel change.
 - Whenever you are stopping and parking on the road, and again when you resume.
 - When encounter a vehicle without a radio (Identify the vehicles position and direction of travel).
4. **Radio Calling protocol – loaded vehicles:**
 - Loaded vehicles (i.e. logging trucks, gravel trucks, lowbeds, and fuel trucks) must call at minimum every two km's, preferably every km when traffic is near, regardless of direction of travel.

5. **Radio Calling protocol** – all other vehicles, regardless of direction of travel:
 - Must call every km when within three km's of oncoming radio assisted traffic.
 - As a courtesy, should call every five km's.
 - As a courtesy, identify themselves: pick-up, low-bed, fuel truck, grader, etc. (i.e. "pick-up... North Shore ... 2 km... Up").

6. **Convoy calling:**
 - The lead vehicle is responsible for calling for all vehicles within the convoy. (i.e. "Convoy of 4 pickups...North Shore...13 km...UP")

Remember, roads are radio assisted – not radio controlled, drive accordingly!

AGREEMENT

THIS AGREEMENT made this _____ day of _____, 2017.

BETWEEN:

THE REGIONAL DISTRICT OF NANAIMO

6300 Hammond Bay Road
Nanaimo, British Columbia V9T 6N2

(the "**RDN**")

OF THE FIRST PART

AND:

THE NANAIMO MOUNTAIN BIKE CLUB

5732 Hammond Bay Road
Nanaimo, British Columbia V9T 5N2

(the "**Society**")

OF THE SECOND PART

WHEREAS:

- A. The RDN and the Society have each entered into Licences of Occupation with TimberWest Forest Company over lands beneficially owned by TimberWest Forest Company legally described as:

PID: 009-842-586
Block 355, Dunsmuir District;

PID: 009-842-616
Block 463, Dunsmuir District, Except Part In Plan 27690; and

PID: 009-438-203
Block 505, Nanoose District.

Collectively, (the "**TimberWest Lands**");

- B. The Society has a Licence of Occupation to use a portion of TimberWest Lands for the purposes of establishing a designated mountain bike area including a network of managed trails for mountain biking;
- C. The RDN has a Licence of Occupation to use a portion of TimberWest Lands for the purposes of the application of biosolids as fertilizer in accordance with its

Biosolids Application Program;

- D. RDN and the Society have agreed to share information and coordinate their respective uses of the TimberWest Lands in accordance with the terms and conditions set out in this Agreement.

NOW THEREFORE in consideration of the mutual covenants and agreements herein, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

ARTICLE 1 INTERPRETATION

- 1.1 Capitalized words and phrases used in this Agreement have the following meanings:
- (a) **“Biking Area”** means those areas shown in orange diagonal lines on Schedule “A” as biking area.
 - (b) **“Biosolids Area”** means those areas shown in green crosshatching on Schedule “A” as biosolids area.
 - (c) **“Future Bike Trails”** mean new proposed bike trails on the TimberWest Lands that are approved under the Trail Management Plan.
 - (d) **“RDN Licence of Occupation”** means a Licence Agreement between RDN and TimberWest Forest Company for the RDN’s use of the TimberWest Lands for its biosolids application program.
 - (e) **“RDN’s Representatives”** means the RDN’s directors, officers, employees, contractors, subcontractors, agents and invitees.
 - (f) **“Road Use Rules”** are the rules established by TimberWest and set out in Schedule “B”.
 - (g) **“Society’s Licence of Occupation”** means an Agreement between the Society and TimberWest Forest Company over the TimberWest Lands for purpose of the Society’s creation and use of mountain bike trails.
 - (h) **“Society’s Representatives”** means the Society’s directors, officers, members, contractors, subcontractors, agents and invited guests.
 - (i) **“Trail Management Plan”** means a comprehensive Trail Management Plan that describes all projects the Society plans to undertake in respect of

the construction and maintenance of existing and proposed bike trails for the next calendar year, where such management plan establishes priorities and identifies funding sources for the projects (“Works”) and identifies the portions of the TimberWest Lands that will be affected by the Works.

- 1.2 In this Agreement, unless the context otherwise requires, the singular includes the plural and the masculine includes the feminine gender and a corporation, and the word “including”, when following any general statement, will be construed to refer to all other things that could reasonably fall within the scope of such general statement, whether or not non-limiting language (such as “without limitation” or “without limiting the generality of the foregoing”) is used with reference thereto.
- 1.3 The captions and headings contained in this Agreement are for convenience only and are not to be construed as defining or in any way limiting the scope or intent of the provisions herein.
- 1.4 If any provision of this Agreement or any part of a provision is found to be illegal or unenforceable, that part or provision, as the case may be, will be considered separate and severable and the remaining parts or provisions, as the case may be, will not be affected thereby and will be enforceable to the fullest extent permitted by law.
- 1.5 All schedules attached to this agreement form part of this Agreement.

ARTICLE 2 TERM

- 2.1 The term of this Agreement is from the 1st day of June, 2017 to the 31st day of May, 2021, unless earlier terminated in accordance with the terms of the Agreement.

ARTICLE 3 SOCIETY’S AGREEMENTS

- 3.1 The Society agrees within 90 days of entering into this Agreement, to produce and provide to the RDN a trail inventory of existing bike trails.
- 3.2 The Society shall develop and implement a Trail Management Plan and provide to the RDN a copy of the Trail Management Plan within 120 days of the execution and delivery of this Agreement, and update and submit annually, within 30 days of the Anniversary of this Agreement, a copy of an updated Trail Management Plan.
- 3.3 Following completion of the trail inventory and the Trail Management Plan, changes to the Biosolids Area and the Biking Area may be required. If required,

the RDN and the Society, acting reasonably and cooperatively, may define and agree on a Future Bike Trails in the Biosolids Area and future biosolids application area in the Biking Area.

- 3.4 The Society agrees to develop trail difficulty ratings and signage and to post these ratings and signs at the commencement of the trails managed under the Trail Management Plan, and any Future Bike Trails.
- 3.5 The Society agrees to communicate the rules and regulations applicable to the Bike Trail, trails managed under the Trail Management Plan, and any Future Bike Trails to public users and its members by:
 - (a) posting them on the Society's website;
 - (b) posting them at trailforks.com; and
 - (c) presenting them at public information meetings and open houses.
- 3.6 The Society agrees to construct and maintain the trails managed under the Trail Management Plan, and Future Bike Trails to Whistler Trail Standards attached as Schedule "C".
- 3.7 The Society agrees to follow the Road Use Rules attached as Schedule B.
- 3.8 The Society agrees to cease using any existing bike trails on the Biosolids Area for the purposes of approved Society activities, rides and events.
- 3.9 The Society's agreements and obligations herein apply exclusively to approved activities of the Society, including Society rides, events and activities on the TimberWest Lands, pursuant to the Society's rights under the Society's License of Occupation. The Society takes no responsibility for recreational users of the TimberWest Lands who use the trails outside of the Society's control, except to the extent that the Society has agreed to educate recreational users and develop, rate, sign, and maintain trails managed under the Trail Management Plan in accordance with the Trail Management Plan and Whistler Trail Standards.
- 3.10 The Society's agreements and obligations herein apply to trails approved by the Society and identified as such on the Trail Management Plan and the educational material produced by the Society. The Society is not responsible for deactivating trails that were not previously approved by the Society and managed under the Trail Management Plan.
- 3.11 The Society agrees to participate with the RDN in the development of a Communications Plan.

- 3.12 The Society agrees to participate in an annual open house at the TimberWest Lands to promote the shared use of the TimberWest Lands.

ARTICLE 4 RDN'S AGREEMENTS

- 4.1 In continuing to apply biosolids fertilization on a portion of TimberWest Lands as contemplated in RDN's Licence of Occupation, the RDN agrees not to apply the biosolids fertilization within 30 metres of Future Bike Trails.
- 4.2 Following completion of the trail inventory and the Trail Management Plan, changes to the Biosolids Area and the Biking Area may be required. If required, the RDN and the Society, acting reasonably and cooperatively, may define and agree on a Future Bike Trails in the Biosolids Area and future biosolids application area in the Biking Area.
- 4.3 The RDN agrees that it will not apply biosolids fertilization or any other product licensed by TimberWest under the RDN's License of Occupation, on the Biking Area except with the approval of the Society.
- 4.4 The RDN agrees that if it spreads biosolids Future Bike Trails, or within the Biking Area, or the 30 meter boundary areas (collectively, the "Protected Area"), the RDN will remediate and remove all biosolids material, at its own expense absolutely, from the Protected Area within a reasonable period of time of the RDN becoming aware that biosolids has been spread on the Protected Area.
- 4.4 RDN agrees within 90 days of entering into this Agreement, at an expense not to exceed \$20,000, to collect data on the inventory of existing mountain Bike Trails on the TimberWest Lands and provide that data to the Society for the purposes of the Society supplementing the data with the trail features and difficulty rating.
- 4.5 The RDN agrees to participate with the Society in the development of a Communications Plan.
- 4.6 The RDN agrees to participate in an annual open house at the TimberWest Lands to promote the shared use of the TimberWest Lands.

ARTICLE 5

- 5.1 The parties agree with each other to cooperate and work closely together to manage the interactions between the RDN's Biosolids Application Program and the Society and the Society's Representatives use of trails managed under the Trail Management Plan, and Future Bike Trails.

ARTICLE 6 RECIPROCAL RELEASE AND INDEMNIFICATION

- 6.1 The Society will not be liable for, and the RDN hereby releases and discharges the Society and the Society's Representatives from, all loss, expense, claims, demands, actions, suits, proceedings, judgments, damages, penalties, fines, costs and liability, including damages for loss or restriction in use of the TimberWest Lands, sums paid in settlement of claims, legal fees, consultant fees and expert fees, whether arising in contract, tort or otherwise (collectively, the "**Losses**") which the RDN may suffer, incur, or be put to in connection with:
- a) the use or occupation of the TimberWest Lands by the RDN or the RDN's Representatives; or
 - b) the Society or the Society's Representatives on the TimberWest Lands, whether or not such Losses are attributable to the acts, omissions or negligence of the Society or the Society's Representatives, unless such Losses are attributable to the wilful misconduct or gross negligence of the Society or the Society's representatives.
- 6.2 The RDN will not be liable for, and the Society hereby releases and discharges the RDN and the RDN's Representatives from, all loss, expense, claims, demands, actions, suits, proceedings, judgments, damages, penalties, fines, costs and liability, including damages for loss or restriction in use of the TimberWest Lands, sums paid in settlement of claims, legal fees, consultant's fees and expert fees, whether arising in contract, tort or otherwise (collectively, the "**Losses**") which the Society or the Society's Representatives may suffer, incur or be put to in connection with:
- a) the use or occupation of the TimberWest Lands by the Society and the Society's Representatives; or
 - b) conduct of the RDN or the RDN's Representatives on the TimberWest Lands, whether or not such Losses are attributable to the acts, omissions or negligence of the RDN or the RDN's Representatives, unless such Losses are attributable to the wilful misconduct or gross negligence of the RDN or the RDN's Representatives.
- 6.3 The RDN will indemnify and save harmless the Society and the Society's Representatives from and against all loss, expense, claims, demands, actions, suits, proceedings, judgments, damages, penalties, fines, costs and liability, including damages for loss or restriction in use of the TimberWest Lands, sums paid in settlement of claims, legal fees, consultant fees and expert fees, whether arising in contract, tort or otherwise (collectively, the "**Losses**") which are in any manner based upon, arise out of or connected with:
- (a) the use or occupation of the TimberWest Lands by the RDN or the RDN's Representatives; and

- (b) the conduct of RDN or the RDN's Representatives on the TimberWest Lands.
- 6.4 The Society will indemnify and save harmless the RDN and the RDN's Representatives from and against all loss, expense, claims, demands, actions, suits, proceedings judgments, damages, penalties, fines, costs and liability, including damages for loss or restriction in use of the TimberWest Lands, sums paid in settlement of claims, legal fees, consultant fees and expert fees, whether arising in contract, tort or otherwise (collectively, the "**Losses**") which are in any manner based upon, arise out of or connected with:
- (a) the use or occupation of the TimberWest Lands by the Society or the Society's Representatives; and
 - (b) the conduct of Society or the Society's Representatives on the TimberWest Lands.

ARTICLE 7 INSURANCE

- 7.1 The Society, at its expense, will maintain liability insurance that meets the requirements of the Society's License of Occupancy ("Society Insurance").
- 7.2 Every policy of insurance required to be maintained by the Society under this Agreement (the "**Required Insurance**") will:
- (a) name RDN as additional insureds;
 - (b) provide for deductibles in amounts not greater than \$2,500 unless otherwise agreed to in writing by the RDN;
 - (c) be placed with insurers licensed to do business in Canada with at least an "A" financial strength rating or better by A.M. Best;
 - (d) be primary and will not require the sharing of any loss by any insurer that insures the RDN;
 - (e) contain a provision for cross liability and a severability of interest provision; and
 - (f) be endorsed to provide that the insurer will not make any material adverse changes to the policy that would impact the insurance required under this Agreement without first giving each of the insureds at least 30 days' prior written notice.

- 7.3 The Society will, as soon as reasonably possible, deliver to the RDN a certificate of insurance evidencing placement of the Required Insurance. The Society will, upon written request of the RDN deliver to the RDN other evidence of insurance as may be reasonably requested by the RDN.
- 7.4 The RDN will maintain liability insurance that meets the requirements of the RDN's License of Occupancy ("RDN Insurance").
- 7.5 Following the implementation of the insurance referenced in section 7.4, the RDN will advise the Society of any increase in the cost of the RDN's liability insurance arising out of the Society's use of the TimberWest Lands and the reason for such increase. If the Society is unable or unwilling to adjust its activities to eliminate such increase in the RDN's insurance costs, the Society will reimburse the RDN upon written request for the amount of such increase.
- 7.6 The Society will not do anything on the TimberWest Lands that will cause any Required Insurance to be invalidated or cancelled, and the Society will take all reasonable steps forthwith to comply with every lawful notice in writing from any insurer providing such policies requiring the execution of works or discontinuance of any use of the TimberWest Lands in order to avoid invalidation or cancellation of any such insurance.
- 7.7 The Society hereby fully releases and discharges the RDN from any and all direct or indirect losses, costs, liabilities and damages caused by or resulting from any of the perils or injury against which it has covenanted in this Agreement to insure, as defined in the Required Insurance, even if the Society has failed to obtain the Required Insurance.
- 7.8 The RDN hereby fully releases and discharges the Society from any and all direct or indirect losses, costs, liabilities and damages caused by or resulting from any of the perils or injury against which it has covenanted in this Agreement to insure, even if the RDN has failed to so insure.
- 7.8 If the Society does not obtain or maintain in force the Required Insurance or provide proof of such insurance within 30 days of request by written notice by the RDN may take out the Required Insurance and pay the premiums, and the Society will reimburse the RDN for such premiums.
- 7.9 The RDN is insured against claims in negligence with the Municipal Insurance Association.

ARTICLE 8 TERMINATION

- 8.1 This Agreement terminates prior to the expiry of its Term in the event that the RDN's or the Society's Licence of Occupation expires or is terminated.

- 8.2 Each party to this Agreement may terminate this Agreement by giving to the other party Sixty (60) days written notice for any reason as determined by each party in its sole discretion.
- 8.3 Each party may terminate this Agreement if the other party breaches or fails to comply with any of its obligations under this Agreement and fails to remedy the breach or failure within Thirty (30) days of receiving written notice of such breach or failure, or if such breach or failure reasonably requires more than Thirty (30) days to remedy, if either party has not commenced diligently remedying such breach or failure within Ten (10) days of receipt of such notice or thereafter fails to continue to diligently and expeditiously remedy such breach or failure.

ARTICLE 9 NOTICE

- 9.1 It is hereby mutually agreed that any notice required to be given under this Agreement will be deemed to be sufficiently given:
- (a) to be delivered at the time of delivery; and
 - (b) if mailed from any government post office in the Province of British Columbia by prepaid registered mail addressed as follows:

if to the RDN:

6300 Hammond Bay Road
Nanaimo BC
V9T 6N2

if to the Society:

5732 Hammond Bay Road
Nanaimo BC
V9T 5N2

Unless otherwise specified herein, any notice required to be given under this Agreement by any party will be deemed to have been given if mailed by prepaid registered mail, or sent by facsimile transmission, or delivered to the address of the other party set forth on the first page of this Agreement or at such other address as the other party may from time to time direct in writing, and any such notice will be deemed to have been received if mailed or faxed, 72 hours after the time of mailing or faxing and, if delivered, upon the date of delivery. If normal mail service or facsimile service is interrupted by strike, slow down, force majeure or other cause, then a notice sent by the impaired means of communication will not be deemed to be received until actually received, and the party sending the

notice must utilize any other such services which have not been so interrupted or must deliver such notice in order to ensure prompt receipt thereof.

**ARTICLE 10
TIME**

10.1 Time is to be the essence of this Agreement.

**ARTICLE 11
BINDING EFFECT**

11.1 This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective heirs, administrators, executors, successors, and permitted assignees.

**ARTICLE 12
WAIVER**

12.1 The waiver by a party of any failure on the part of the other party to perform in accordance with any of the terms or conditions of this Agreement is not to be construed as a waiver of any future or continuing failure, whether similar or dissimilar.

**ARTICLE 13
HEADINGS**

13.1 Section and paragraph headings are inserted for identification purposes only and do not form a part of the Agreement.

**ARTICLE 14
LANGUAGE**

14.1 Wherever the singular, masculine and neuter are used throughout this Agreement, the same is to be construed as meaning the plural or the feminine or the body corporate or politic as the context so requires.

**ARTICLE 15
CUMULATIVE REMEDIES**

15.1 No remedy under this Agreement is to be deemed exclusive but will, where possible, be cumulative with all other remedies at law or in equity.

**ARTICLE 16
LAW APPLICABLE**

16.1 This Agreement is to be construed in accordance with and governed by the laws

applicable in the Province of British Columbia.

**ARTICLE 17
RELATIONSHIP OF PARTIES**

- 17.1 No provision of this Agreement shall be construed to create a partnership or joint venture relationship, an employer-employee relationship, a landlord-tenant, or a principal-agent relationship.

**ARTICLE 18
AMENDMENT**

- 18.1 This Agreement may not be modified or amended except by the written agreement of the parties.

**ARTICLE 19
INTEGRATION**

- 19.1 This Agreement contains the entire agreement and understanding of the parties with respect to the matters contemplated by this Agreement and supersedes all prior and contemporaneous agreements between them with respect to such matters.

**ARTICLE 20
SURVIVAL**

- 20.1 All representations and warranties set forth in this Agreement and all provisions of this Agreement, the full performance of which is not required prior to a termination of this Agreement, shall survive any such termination and be fully enforceable thereafter.

**ARTICLE 21
NOTICE OF VIOLATIONS**

- 21.1 Each party shall promptly notify the other party of any matter which is likely to continue or give rise to a violation of its obligations under this Agreement.

**ARTICLE 22
ENTIRE AGREEMENT**

- 22.1 The whole agreement between the parties is set forth in this document and no representations, warranties or conditions, express or implied, have been made other than those expressed.

**ARTICLE 23
SEVERABILITY**

23.1 Each article of this Agreement shall be severable. If any provision of this Agreement is held to be illegal or invalid by a Court of competent jurisdiction, the provision may be severed and the illegality or invalidity shall not affect the validity of the remainder of this Agreement.

**ARTICLE 24
COUNTERPART AND ELECTRONIC TRANSMISSION**

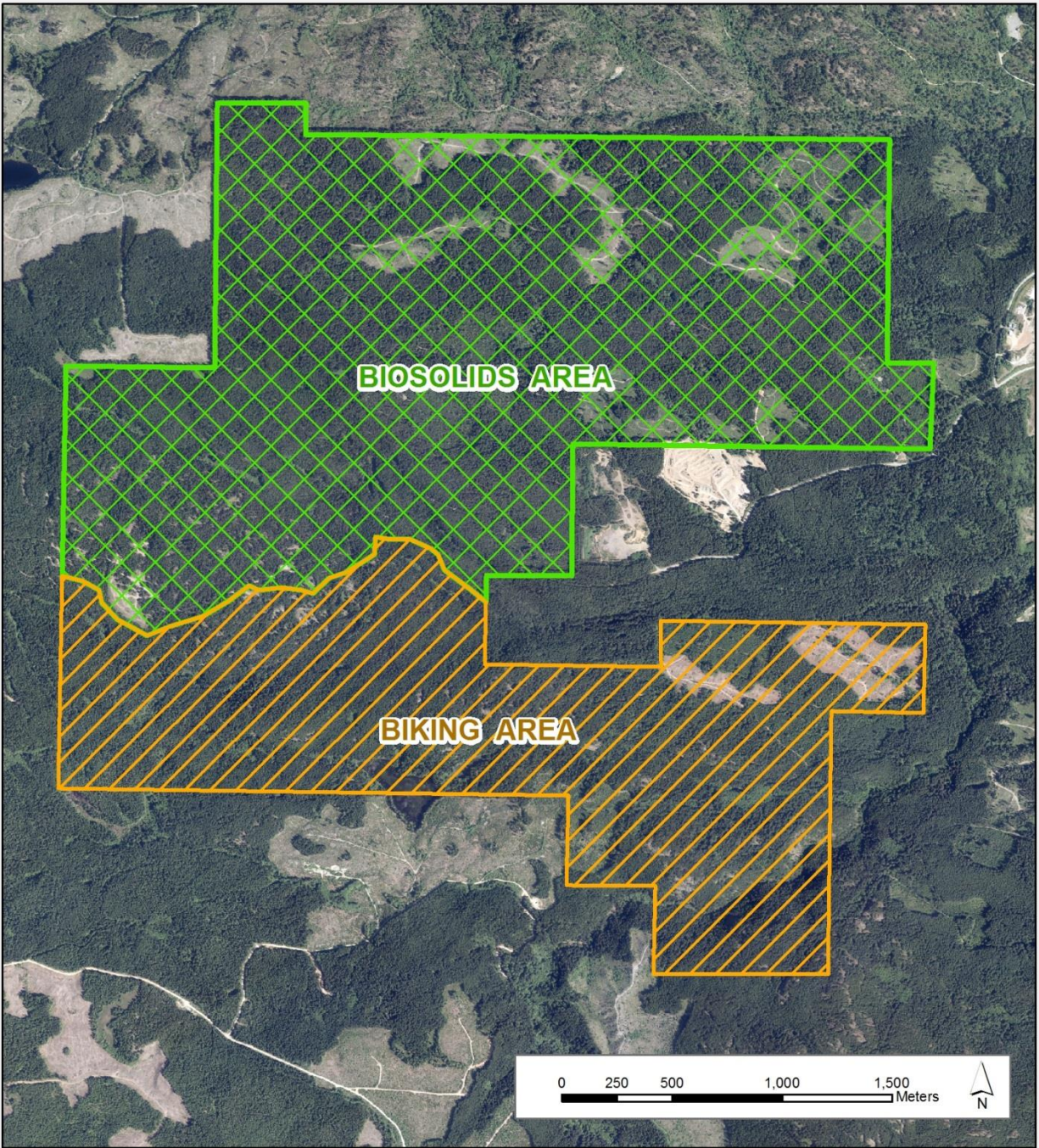
24.1 This Agreement may be executed by the parties in counterparts and transmitted by electronic means, and if so executed and transmitted this Agreement will be for all purposes as effective as if the parties had delivered an executed original Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year first above written.

THE REGIONAL DISTRICT OF NANAIMO,)
by its authorized signatories)
)
)
_____)
Name:)
)
)
_____)
Name:)

THE NANAIMO MOUNTAIN BIKE CLUB,)
by its authorized signatories)
)
)
_____)
Name:)
)
)
_____)
Name:)

SCHEDULE A



SCHEDULE B “TimberWest Safe Road Use Procedures”

The following procedures apply to all TimberWest resource roads. All users must be familiar with these procedures to ensure safe traveling conditions for all authorized industrial and recreational road users. In the event these procedures conflict with the user’s own policies the TimberWest safe road use procedures will take priority. If a Prime Contractor has been designated to a specific road, they may have additional procedures that supplement TimberWest’s, which will be specified during prework discussions (where applicable).

All vehicles:

- All road users (industrial, authorized recreational) must be fully licensed with correct endorsements, adequately insured for the vehicles intended use and follow all applicable driving legislation.
- Check with the local TimberWest office to ensure you have contact information for the designated Prime Contractor, if your vehicle is equipped with a radio you must have the correct communication channel(s) and know the current status of log hauling and other industrial use on the desired roads of travel. Generally all South Island road traffic is on the South Island Road Channel 153.110 tx/rx, Tone 203.5 unless otherwise posted. Similarly, North Island traffic monitors the “Haul Channel” (158.430 tx/rx) and TFL 47 traffic is location specific (contact TimberWest for this information).
- Follow the posted speed limits (Maximum 60 km/hr or less if not posted) with headlights/taillights on at all times.
- Observe and obey all posted signage.
- All traffic must drive on the right-hand side of the road.
- Drive by the road conditions and visibility (sight lines, dust or weather related visibility). Roads are radio assisted not radio controlled. Drive accordingly and expect the unexpected.
- Deactivated roads may or may not be posted. It is suggested that you obtain information regarding road deactivation status from TimberWest before you begin your trip.
- Maintain safe distances when following other vehicles and use extra caution when driving in dusty conditions. Also use extreme caution when overtaking slower vehicles.
- Always give industrial traffic the right-of-way. (Pull over and stop).
- When passing logging trucks, low beds, graders, etc. make sure the operator is aware of your intentions and signals you verbally or visually before proceeding to pass; then pass only when road conditions are favourable.
- Watch out for “sweepers” which are very long logs hauled on logging trucks. They can hang over the back of the trailer up to 6 meters and on a tight corner could sweep a vehicle off the road.
- Do not block the road or stop on the running surface for any reason – logging trucks require a lot of room for safe travel and to safely stop. Do not impede their access at any time. It is essential that logging trucks be able to use the roads without delays. If you must stop, find a turnout or wide spot and park well off the road.
- Be aware that off highway trucks with wide bunks have very little opportunity to move off the center of the road grade, except on wide mainlines. Ensure you find a turnout that enables the logging truck adequate clearance for safe passage.
- Report vandalism or other suspicious activities to a TimberWest representative.

- Report all hazards immediately to Prime Contractor or TimberWest representative.

Industrial:

- All vehicles and drivers must comply with applicable rules and regulations (WorkSafe BC, Department of Transportation, MFLNRO statutes and legislation, National Safety Code, and Motor Vehicle Act, etc.) that will ensure proper driving, loading, securing, inspection and maintenance.
- Down/Loaded vehicles have the right-of-way.
- TimberWest typically maintains the bridge infrastructure to support L165 tons. For active crossings that support less than L165, TimberWest identifies the load rating with posted signage stating the load rating in the field (i.e. L100, L75, 5 tonnes/pickup, etc.). In the event users have concerns, contact TimberWest representative for assistance.

Note: Notify TimberWest Contract Manager or designated TimberWest representative prior to walking (point loading) across structures with equipment 75 tonnes or greater so TimberWest can ensure structure can safely support the weight.

RADIO CALLING:

Known Hazards

<ul style="list-style-type: none">1. Losing track of your location2. Losing track of other vehicles location3. Meeting oncoming vehicles without a radio4. Not following calling procedures	<ul style="list-style-type: none">5. Unnecessary radio chatter6. Using the wrong frequency7. "Walking over" other calls8. Being distracted (i.e. phones, music, passengers)
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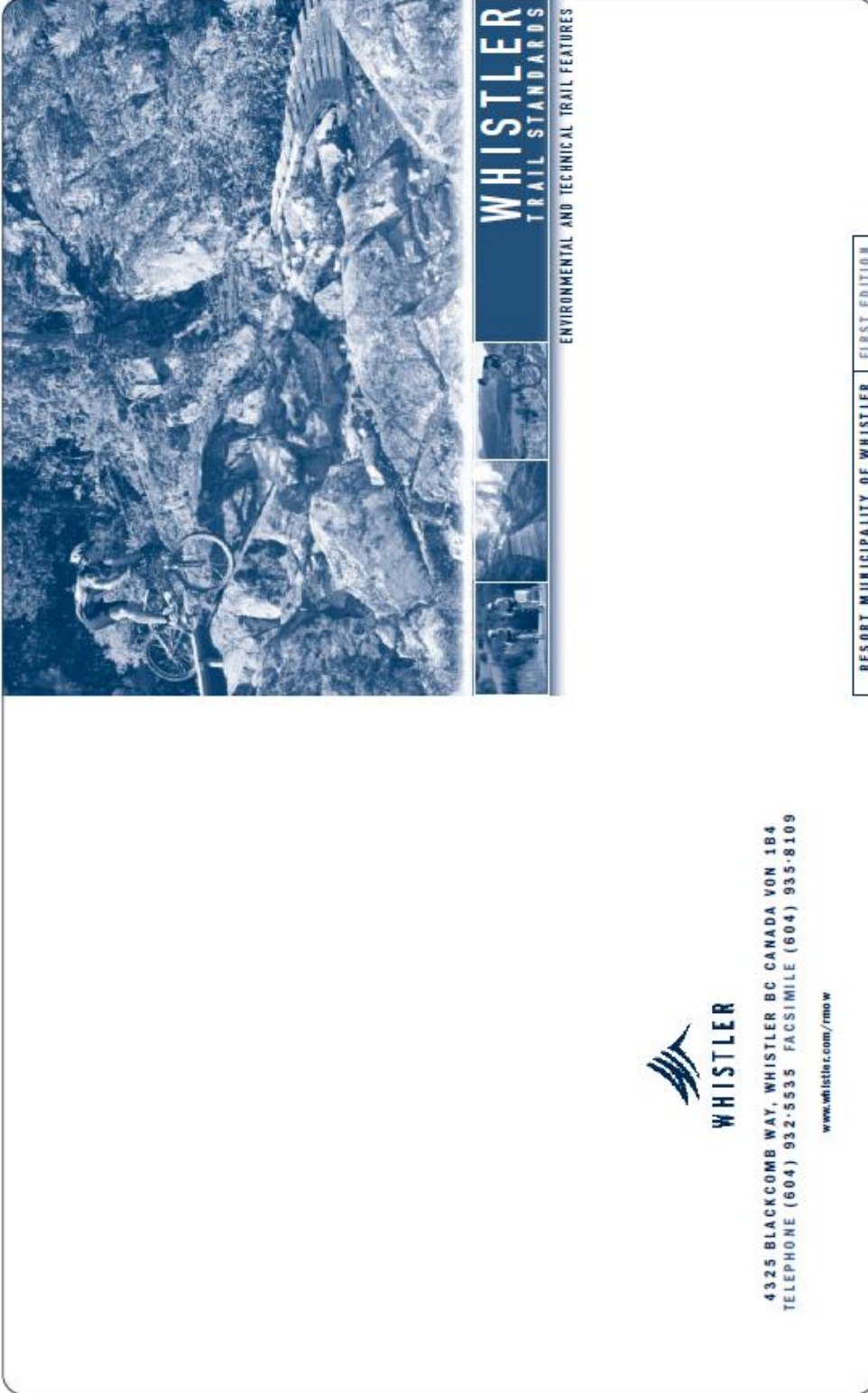
Procedures:

1. The terms "**UP**" for increasing numbers and "**DOWN**" for decreasing numbers are the preferred methods for calling, although users may at times hear "**EMPTY**" for increasing and "**LOADED**" for decreasing. North Island's practice is for logging truck traffic to use "LOADED/EMPTY", and all other traffic to use "UP/DOWN" in order to identify direction of travel.
2. Preferred Radio Call: **Road name** followed by the **kilometer** position then **Up** or **Down** (e.g. "North Shore ... 2 km ... Up").
3. **All vehicles should call their location/direction of travel:**
 - When entering or leaving a road system.
 - Whenever there is a road frequency/channel change.
 - Whenever you are stopping and parking on the road, and again when you resume.
 - When encounter a vehicle without a radio (Identify the vehicles position and direction of travel).

4. **Radio Calling protocol** – loaded vehicles:
 - Loaded vehicles (i.e. logging trucks, gravel trucks, lowbeds, and fuel trucks) must call at minimum every two km's, preferably every km when traffic is near, regardless of direction of travel.
5. **Radio Calling protocol** – all other vehicles, regardless of direction of travel:
 - Must call every km when within three km's of oncoming radio assisted traffic.
 - As a courtesy, should call every five km's.
 - As a courtesy, identify themselves: pick-up, low-bed, fuel truck, grader, etc. (i.e. "pick-up... North Shore ... 2 km... Up").
6. **Convoy calling:**
 - The lead vehicle is responsible for calling for all vehicles within the convoy. (i.e. "Convoy of 4 pickups...North Shore...13 km...UP")

Remember, roads are radio assisted – not radio controlled, drive accordingly!


SCHEDULE C WHISTLER TRAIL STANDARDS



WHISTLER
TRAIL STANDARDS

ENVIRONMENTAL AND TECHNICAL TRAIL FEATURES

RESORT MUNICIPALITY OF WHISTLER | FIRST EDITION

 **WHISTLER**

4325 BLACKCOMB WAY, WHISTLER BC CANADA V0N 1B4
TELEPHONE (604) 932-5535 FACSIMILE (604) 935-8109
www.whistler.com/rmo

AUTHOR'S NOTES

As planners, we must not lose sight of the fact that guests are here to have a good time, avoid injury and not get lost.

The evolution of mountain bike trails, recreational equipment, and environmental issues require that this document be readable.

Thanks to North Shore Mountain Bike Association (NSMBA) and the Whistler Off-Road Cycling Association (WORCA) for reviewing the document and providing feedback. Also thanks to Chasua Feijuda, Ken Neave and Jim Richardson for their feedback and insight. Special thanks to Keith Bennett for his feedback, insight and proactive approach to mountain biking.

Cover photos were provided by Benji Makarewicz Photography and David Djolack, Director of the North Shore Mountain Bike Association. Trail type drawings by Jason Resort Manning.

Andrew DeBoer
Whistler Cycling Committee
Summer 2013



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INTRODUCTION

Whistler, British Columbia has been recognized as a premier destination region for mountain biking. For the most part, this can be credited to the Whistler Mountain Bike Park and a network of valley and off-road trails that provide a recreational and community experience for a wide range of residents and visitors. To sustain this experience, the Resort Municipality of Whistler (RMOW) proposes to review, sign, maintain and manage this network of trails throughout the Whistler Valley. This document is not a "how-to" on building or maintaining trails; rather it is the standard by which the trails will be managed within the Whistler Valley.

The Resort Municipality of Whistler's Trail Standards, Environmental and Technical Trail Features was drafted in support of two initiatives identified by Volume One of Whistler 2030: Charting a Course for the Future. The first and foremost initiative described under the priority of Moving Toward Environmental Sustainability, states, "We've established a trail hierarchy and environmental standards to ensure the type of trail and its maintenance is appropriate to the setting." A land use compatibility matrix was developed to address this objective. The matrix outlines the Trail Type and Trail Difficulty Level applicable in different land-use classes. As well, environmental guidelines were established to minimize the placement of trails in sensitive environments. The second initiative described under the priority of Enhancing the Whistler Experience states "Whistler is one of the top bike towns in North America, with world-class trails... Whistler's trails must continue to provide exciting experiences for all levels of riders from families to advanced riders. Attention to providing a challenging experience, maintenance, a standard network and an easy-to-use trail system will help position Whistler as one of the top bike towns in North America.

Appropriate management of our on- and off-road trail network is intended to serve Whistler's status as a cycling destination with minimal environmental impact.



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TRAILS AND LAND USE

This section is a macroscopic view of the trails, the environment and where trails may be placed. This section outlines the levels of land protection, trail type descriptions and trail difficulty levels. These three classifications interact together as defined by a compatibility matrix.

LAND USE DIRECTIONS

Whitler's environmental values and principles direct us to address land use as an important environmental consideration. Whitler's principle of an ecosystem-based approach advises us to meet our human purposes with the large patterns and flows of the natural world, and to study these to inform and guide our activities on the land.¹

From the draft Whitler Environmental Strategy, six land use directions are defined for the Whistler Valley. Each land use direction has a different level of environmental protection. For the purpose of this document, the LRUP and PAN 3 are given the same level of conservation.

DEVELOPED AREAS – This land use designation includes industrial, commercial and residential areas.

RECREATIONAL GREENWAYS – An important area for creating linkages between the built and natural environments, and between the needs of human communities and natural ecological systems. In expanding opportunities for both recreational activities and the maintenance of natural features and wildlife habitat. Recreational Greenways are a vital part of environmentally responsible land use planning.²

LRUP – The Local Resource Use Plan was developed in response to public concern over logging effects on the visual quality of landscapes and the recreation uses of the land in and near the RMOW. It was a joint effort from the Ministry of Forests, Squamish Forest District, and the RMOW. The LRUP boundaries extend from Boundary Falls in the south to Cooper Mountain in the north. LRUP land contains rare and unique species or unique habitat features not found in other ecosystems and are therefore important to protect.³

¹The Whistler Environmental Strategy Document Page 15
²Whistler Valley Greenways Strategy Page 25
³BC, Section 4.0, Page 11
 Forest Districts Page 10
 Whistler Local Resource Use Plan Page 10
 The Whistler Environmental Strategy Section 4.0, Page 11



PAN PROTECTED AREA NETWORK – Divided into the following three sub-categories of protection:

- PAN 3 – RESERVE LANDS** Large tracts of relatively natural land, which could be subject to occasional or other development provided an Environmental Impact Assessment is done. PAN 3 protection is generally used for streams, growth forests and other natural areas not included in PAN 1 and 2. In cases of development, key ecological components of reserve lands may be subject to PAN 1 or a protection after development. Most trail types are acceptable with the exception of paved Type I trails.
- PAN 2 – SPECIAL MANAGEMENT ZONES** Well protected and allow some low-impact human activities or development (creation of trails). Priorities for PAN 2 protection include significant streams and riparian areas, significant old growth forests and wildlife corridors. Only low impact trails such as Trail Type III, IV or V are acceptable to be built in PAN 2 areas.
- PAN 1 – KEY PROTECTED AREAS** Reserved to protect unique and sensitive ecosystems from any human development or use, with the possible exception in individual cases of very low-impact nature trails, boardwalks or wildlife viewing platforms for the specific purpose of habitat protection. Priorities for PAN 1 protection include streams, wetlands, riparian areas, old growth forests, key wildlife corridors and unique or threatened habitat types. No cycling trails are to be built in these areas.

COMPATIBILITY MATRIX

The Whistler Valley efficiently has five land use directions. These land use directions relate to the five trail types (reference to page 6-7) and the first four trail difficulty levels (reference to page 8-9) in the following compatibility matrix. The RMOW will construct new trails only in environments compatible with trails.

TRAIL TYPE	LAND USE DIRECTION			
	Developed Areas	Greenways Includes LRUP	PAN 2	PAN 1
Mountain Bike	X	X	X	X
I	X	X	X	X
II	X	X	X	X
III	X	X	X	X
IV	X	X	X	X
V	X	X	X	X

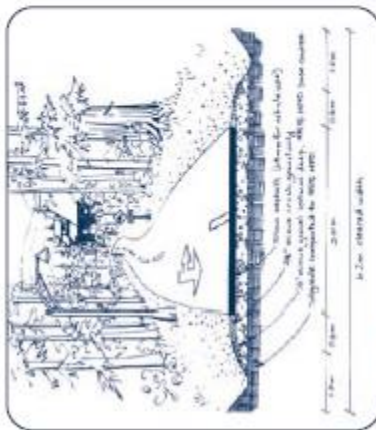
TABLE 1. COMPATIBILITY MATRIX

✓ = Compatible X = Incompatible G = Grandfather Clause

¹The Whistler Environmental Strategy Document Page 15
²Whistler Valley Greenways Strategy Page 25
³BC, Section 4.0, Page 11
 Forest Districts Page 10
 Whistler Local Resource Use Plan Page 10
 The Whistler Environmental Strategy Section 4.0, Page 11

TRAIL TYPES

Trail Types are a description of non-motorized trail tread characteristics. Trail Type I has the highest amount of traffic and the most impact on the environment of the trail types. Conversely, Trail Type V has little traffic and the trail tread is minimal.



TRAIL TYPE I

TYPE I

- plan as paved double-track trail for smooth, all weather use to provide access to village, parks and subdivisions
- use asphalt or chip-seal coat surfacing
- clear width to tread width plus 0.6 m gravel shoulder and adequate drainage on each side
- clear height to 5.0 m
- provide 2-3 m tread width
- provide illumination for night use if appropriate
- provide interpretive and directional signs, benches, viewing areas where appropriate



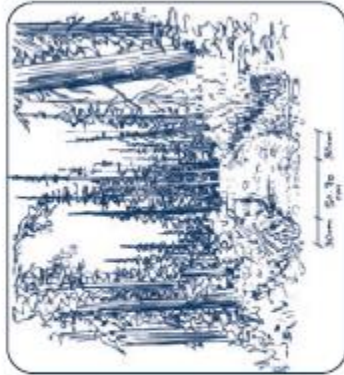
TRAIL TYPE II

TYPE II

- plan as surfaced double-track or single-track trail
- machine built
- remove all embedded trail obstacles
- use crushed limestone with fine gravel, or existing old roadbeds
- clear width to 5.0 m for double-track and 4.5 m for single-track trails
- clear height to 2.4 m
- provide 2.5 m tread width for double-track trails, 1 m for single-track trails
- provide illumination for night use if appropriate

TYPE III

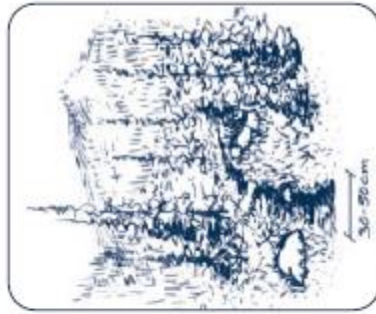
- plan as un surfaced single-track trail
- may be machine built
- clear width to 3.3-3.5 m
- clear height to 2.4 m
- provide 30-50 cm tread width on native soil



TRAIL TYPE III

TYPE IV

- plan as un surfaced single-track trail
- clear width to 1 m
- clear height to 2.4 m
- provide 30-50 cm width tread on native soil, sometimes rough terrain



TRAIL TYPE IV

TYPE V

- plan as low impact nature trail or lightly used wilderness trail
- no high impact users, such as motorized vehicles or horses
- clear height to 2.4 m
- provide 30-50 cm tread maximum, avoid tread grinding sections of very rough terrain
- in the case of low-impact nature trails use boardwalks to traverse sensitive areas




TRAIL TYPE V

*Adapted from: U.S. Forest Service, 1992, "Guidelines for Designing and Building Non-Motorized Trails," U.S. Forest Service, Washington, D.C.

MOUNTAIN BIKE TRAIL DIFFICULTY LEVELS

The following identify all the levels of trail technical difficulty as they apply to mountain bikes, starting with easier and moving up to expert/unlimited. Included are general and detailed description of trails and Technical Trail Features (TTF). This section quantifies what characteristics compose the trail difficulty for mountain bikes.

 **SYMBOL:** White circle

NAME: Easier

GENERAL


- Fairly flat, wide and paved. Suitable for all use.¹

DETAILED

- Maximum grade: 10%
- Preferred average grade: no more than 5%
- Minimum a minimum 4.5 m curve radius
- Usually associated with Trail Type I

EXPECTED TECHNICAL TRAIL FEATURES

TTFs are not appropriate for this trail level.

 **SYMBOL:** Green circle

NAME: Easy

GENERAL

- Gentle climbs and easily avoidable obstacles such as rocks, roots and pot-holes.²

DETAILED

- Maximum grade: 15%
- Maximum sustained climbing grade: 8%
- Curve radius: 2.4 m minimum
- Usually associated with Trail Type II or III

EXPECTED TECHNICAL TRAIL FEATURES

- Small roots & logs to cross
- Embedded rocks to avoid
- Wide bridges

DETAILED

- Embedded trail obstacles: up to 10 cm.
- Logs and roots perpendicular to direction of travel (45°)
- Bridges minimum 60 cm wide, handrail required if height of bridge above surface exceeds 60 cm
- Rock faces above surface not to exceed 45%
- No drops
- No jumps

¹ Trail Features: Charles New Zealand Mountain Bike Rules 1995
² Trail No user
³ Trail No user

 **SYMBOL:** Blue Square

NAME: More Difficult

GENERAL

- Challenging riding with steep slopes and/or obstacles, possibly on a narrow trail with poor traction. Requires riding experience.³

DETAILED

- Maximum climbing grade: 25%
- Maximum descent grade on cross-track surface: 35%
- Curve radius: 1.8 m minimum
- Usually associated with Trail Type III or IV

EXPECTED TECHNICAL TRAIL FEATURES

GENERAL

- TTF width to height ratio of 2:1
- Small bridges (flat, wide, low and collapsible from section to section)
- Small reliable drops
- Small water features
- Small jumps
- Medium sized logs

DETAILED

- Embedded trail obstacles: up to 20 cm high
- Elevated bridges: less than 1.8 m (6') high above surface
- Minimum width of flat decking is one-half the height above surface
- For connected sections, the banking angle between each connected section must be large enough to allow the bicycle to complete transition without requiring any wheel lifting techniques
- Water features: maximum pivot height, less than 60 cm (2') high above the surface
- Minimum width of flat decking is one-half the height above surface at pivot point
- Rock or ramp descents not to exceed 45%
- Drops-off not exceeding 30 cm high with exit cleared of all obstacles
- Jumps
- No jumps with consequences for lack of speed (for example, coffin jumps or gap jumps)
- Table top jumps maximum height 60 cm (2')
- Jump maximum height 46 cm (18")

 **SYMBOL:** Black Diamond

NAME: Most Difficult

GENERAL

- A mixture of long steep climbs, low trail surfaces, numerous difficult obstacles to avoid or jump over, drop-offs and steep corners. Some sections are definitely easier to walk.⁴

DETAILED

- Maximum climbing grade: 40%
- Maximum descent grade: 50%
- Usually associated with Trail Type III, IV or V

EXPECTED TECHNICAL TRAIL FEATURES

GENERAL

- TTF width to height ratio of 1:1
- Elevated bridges and water features with maximum deck height
- Connected bridges
- Mandatory air
- Large jumps
- Steep descents with sharp transitions

DETAILED

- Elevated bridges: less than 1 m (3') or 1/4 high above surface
- Minimum width of flat decking is one-quarter the height above surface
- Water features: maximum pivot height less than 1.8 m (6') above surface
- Minimum width of flat decking is one-quarter the height above surface at pivot point
- Mandatory air less than 1.0 m (3.5') vertical
- Jumps
- Table tops, no maximum height
- No gap jumps or rhythm sections

³ Trail No user
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⁶ Trail No user
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SUPPORTING GUIDELINES AND STANDARDS

This section is a microscopic view of trails. It contains guidelines and standards about the placement of trails, construction and strength of technical trail features and the signing of trails.

ENVIRONMENTAL GUIDELINES

The benefits of a trail for recreational purposes must be balanced with the desire to protect the environment. All intrusions into the environment have some degree of impact. However, these impacts can be minimized to balance the objective of a recreational experience with minimal impact on the surrounding environment. Trails that a densely impact the environment will divert it in time, have a low aesthetic value and incur a high maintenance cost. Trail construction must strive for minimal impact on their surroundings and be designed with considerations for the specific environment and the intended use of the trail.

TRAIL PLACEMENT GUIDELINES

- Trail placement should avoid hazard areas such as unstable slopes, soil prone to erosion, cliffs, embankments and undercut stream banks, etc.
- Avoid shallow rooted trees with high windthrow potential and stages.
- Avoid routes that impact on wildlife species.
- Avoid critical habitat of rare or fragile plant species. If there are fragile plant communities next to the trail, delineate the trail edges by using logs or rocks.
- Avoid sensitive or fragile archaeological or historic sites.
- Avoid building trails in congenerity waterbodies.



- Avoid trail routing that encourages users to be cautious where an easier route or interesting feature is visible. If an interesting feature exists, locate the trail to provide the desired access to the trail users. Use landforms or vegetation to block potential shortcut routes.
- Avoid routing a trail too close to another trail section to prevent trail proliferation or shortcuts between the two trails.
- Route trailbeds on bedrock or hard-packed surfaces and avoid organic materials.
- Use placed stones in sensitive areas and steep descents to minimize trail erosion.

* Source: *On the Borderlines* by Whistler Area Recreation Management Association. Adapted from *Trail Management: A Guide to Sustainable Planning, Design and Maintenance*, 1st Edition B.C.

AQUATIC ENVIRONMENTS

- Trail construction of Trail Types 111V must span aquatic areas within 50 m of streams and within management zones as per Forest Practice Code. Stream crossings should be consistent with trail use, thereby minimizing trail width, riparian forest.
- Structures in direct contact with water should be inert (for example, natural untreated cedar, precast concrete or steel) to avoid water quality impact associated with chemical leaching from treated wood.
- Pile supported structures are preferred over abutments or floats for bridges requiring supports in contact with streams.
- Locate bridge cross legs to minimize disturbance to streambeds and banks. Sections of the waterway that are straight and where banks are stable are preferred for crossing.
- Construct bridges across streams to top-of-the-bank. This minimizes erosion of stream banks and sedimentation of streams.

GENERAL

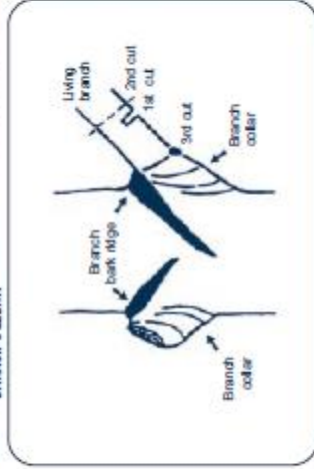
- Avoid cutting down live trees.
- Tree branches must be cut at the collar, both longer or shorter are likely to cause infection to the tree (Figure 1).
- Cover exposed roots.
- If pre-treated wood has been selected for structures being placed in the ground, the structure should be isolated in poly wrap below grade.

USE OF MACHINERY

- Limited access trails that penetrate sensitive areas should be constructed manually with materials and equipment that can be easily transported by small work crews.
- If machinery is required, minimum standards as per Forest Practice Code should be adopted (i.e., no machinery within 5 m of any water-body). Low impact construction techniques should be employed such as small underfooted, rubber tired vehicles, and construction pads, platforms or cranes.

Pre-fabricated structures that can be manually assembled on site should be used, if possible.

FIGURE 1 BRANCH BARK RIDGE AND BRANCH COLLAR



* "Protecting the natural trail" (<http://www.or.gov/pubs/industry/06-09/06-09.pdf>) (April 3, 2006)

TTF CONSTRUCTION STANDARDS

Trails with constructed Technical Trail Features (TTF) must exceed a minimum standard to protect the trail user.

SAFETY

TTFs must exceed the minimum strength and stability standard. Also, the finish must be such that if a rider were to fall, the structure or other protrusions would not increase the degree of the injury.

STRENGTH AND STABILITY

Each span of the TTF must be capable of withstanding a centered vertical load of 225 kg (495 lb), a tireless test rider/ta bike and gear. Every single rung should be capable of holding a side-by-side gear's weight.

TTF DESIGN PHILOSOPHY

- Gateway:
 - By placing a narrow section or difficult turn early while the TTF is still close to the ground (known as a gateway), inexperienced riders may dismount prior to the TTF getting too high above the ground where the rider is more likely to be injured should a fall occur. For example, place a 10 cm wide gateway 40 cm off the ground as a gateway to a 30 cm wide section 1.2 m off the ground.
- Make the highest difficulty section visible from the entry.
- By placing the difficult section in view, the rider can make an informed decision before they may get into trouble with a TTF that may be beyond their ability.
- Avoid wide, easy entrances leading to high, narrow expressed features.

TTF HEIGHT AND WIDTH

As outlined in the Technical Trail Difficulty section, maximum height and minimum width are dependent on the TTF's difficulty. As the height above the ground increases, the consequence of injury in the case of a fall increases.

Height is measured vertically to the lowest point within 1.0 m adjacent to TTF (figure 2). Tread width is the amount of flat tread (figure 3).

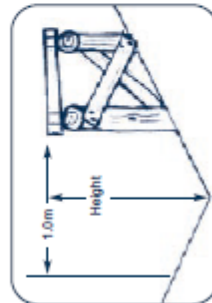


FIGURE 2 MEASUREMENT OF TTF HEIGHT

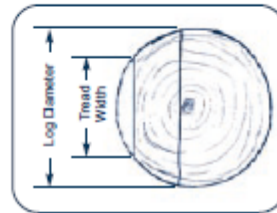


FIGURE 3 TREAD WIDTH MEASUREMENT

CONSTRUCTION PRACTICES

Cross bracing of vertical members is required (figure 4). Also, TTFs should not be mounted to living trees for the following reasons:

- The tree will continue to grow, compromising the integrity of the TTF.
- The tree may sway due to wind, weakening the TTF.
- Nailing to live trees is harmful to the tree.

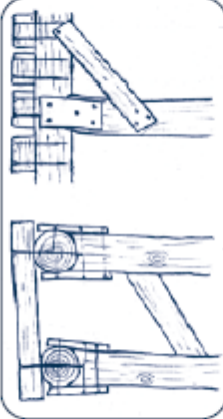


FIGURE 4 BRIDGE STRIMMER SUPPORT AND CROSS BRACING

CONNECTED MEMBERS

The methods for joining members in order of preference are: nuts and bolts, lag bolts, wood screws or end-nails. Ensure two-thirds of nail or screw's length penetrates the stringer. Loading on a member should be done in such a way as not to rely exclusively on the shear strength of the joining method.

BRIDGE RUNG SPACING

Deck rungs must be placed tightly so that children will not catch their feet between rungs. Arms will not fit between rungs and all users including dogs will use bridges as opposed to walking a dog on the bridge, compromising the sensitive area the bridge was intended to protect.

An appropriate spacing between rungs is 3 cm to promote drainage of water and mud. Overhang rungs past stringers by less than 5 cm (2 in) (figure 5).

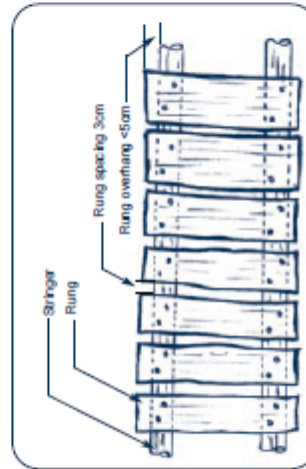


FIGURE 5 BRIDGE RUNG SPACING RUNG OVERHANG

BRIDGE SURFACING

It is recommended that wood surfaces with a slope exceeding 10° with the exception of split wood, having a rough surface finish, have an applied anti-slip surface. One recommended material is expanded diamond lath. Chic ken wire and rolled roofing material, although popular, are not durable and roofing materials promote promoting premature rotting.

Note: TTFs must be reinforced to withstand the additional loading of anti-slip surfaces against the direction of the braking forces.

WOOD PREPARATION

Bark must be stripped off and wood in contact with the earth should be treated to minimize rotting. For natural rot resistant wood, use cedar.

FALL ZONE GUIDELINES

Riding a mountain bike on trails and technical trail features involves challenging oneself and with that challenge comes risk of injury. Challenges come from terrain that contains many natural and man-made features. Risk is relative to riders skill level in relation to the difficulty of the trail.

FALL ZONE

The fall zone is the area adjacent to the technical trail feature, bottom of descents and the outside of corners that the rider may deviate into. To help reduce the incidence and severity of injuries, fall zones should be reviewed for hazards. Hazard mitigation efforts can be limited to those items that can be reasonably expected to be reshaped or removed using hand tools while maintaining the natural characteristics of the terrain surrounding the trail.

METHODS

Methods to reduce risk in fall zones (1.5 m to each side of the trail) include but are not limited to:

- Cutting or digging out any sharp objects
- Trimming tree branches to branch shoulder (see figure 5)
- Covering of hazards in another option, if material such as rotten logs, bark, mulch, dirt, etc. is available
- Dulling of sharp points or edges of exposed rocks

NOTE: The fall zone need not be cleared of all foliage; the purpose of fall zone guidelines is to reduce the chance of injury should a fall occur. Replanting of the fall zone with a durable locally occurring species may be considered.

FOCUS

The primary focus for fall zone clearing should be on trails rated 'More Difficult'. Riders may be learning to ride TRPs and their fall recovery may not be perfected.



SIGN GUIDELINES

Signs are a necessary component of trail management. They provide the user with information that will allow them to make an informed and educated choice. The hierarchy of signs in Whistler will be comprised of three levels. The first is a Trail Network Sign block that contains a map, general information about the area and safety suggestions. The second level is a Trailhead Sign that would contain information specific to the trail. Third, En Route Signs along the trail to promote confidence in the user that they are following the correct route and to be posted on features that are a higher difficulty rating than the trail rating.

TRAIL NETWORK SIGN

Located at a parking lot or similar entrance to a network of trails. Information for trail network signs may come in a combination of the following:

- Topographical map of area
- IMBA table of the trail
 1. Ride on open trails only
 2. Leave no trace
 3. Control your bicycle
 4. Always yield trail
 5. Never spook animals
 6. Plan ahead
- Trail etiquette
 1. Stay on trail, no side-swims
 2. Do not alter trail
 3. Ride don't slide
 4. Avoid riding in muddy conditions
 5. Know your limits
 6. Support trail maintenance
- Safety
 1. Ride in 2's
 2. Carry a flash light
 3. Carry a fall emergency blanket
 4. Let someone know your route, time of return and carry a two-way communication device.
 5. Wear a helmet
- News about keeping dogs out of fish bearing streams and educational components
- Information on who to contact with trail maintenance concerns or how to get involved
- Acceptable trail user groups
- Emergency contact phone numbers
- Description of cell phone coverage
- Background information on the surrounding area and trails
- Trail maps for distribution
- Bulletin board
- Reference to web or other resource

TRAILHEAD SIGN

These signs are to be located at the entrance(s) of a particular trail to provide the user with the information necessary to make an informed and educated decision whether to proceed or not.

SUGGESTED INFORMATION

- Trail name
- Topographical map of trail
- Trail length
- Elevation gain and loss
- Use of own risk disclaimer

DETAILS

Sign size: 40 mm X 570 mm. Selected to be mounted without overhang on 90 mm X 90 mm posts (figure 6).

OPTIONAL INFORMATION

- Trail difficulty rating and a written explanation of what the user may encounter on the trail
- Warning of a quantity of higher difficulty TRPs if present
- Conditions subject to change
- Impact TRPs prior to riding
- Time range to complete
- Trail profile
- Disclaimer – most trails will be a level of two harder to ride when slippery

MANAGEMENT GUIDELINES

EN ROUTE SIGN

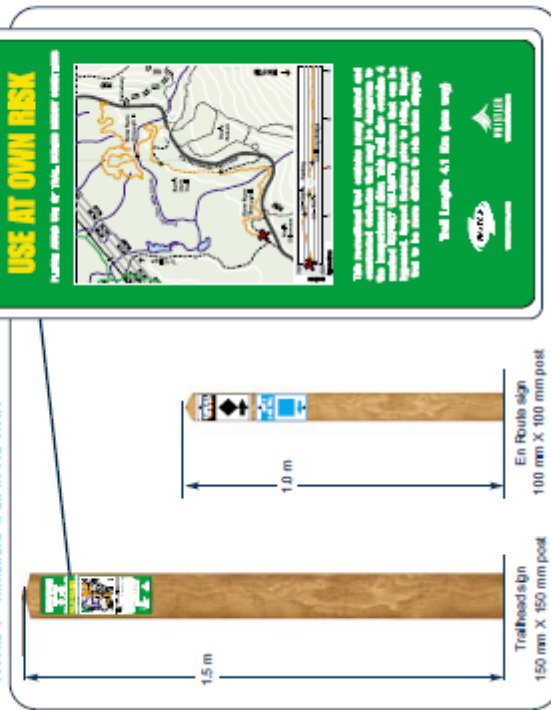
Located along the trail indicating to the user they are still on the desired trail and give warning of the higher difficulty of an upcoming TTF. En route signs express difficulty in three ways: shape of sign, color of sign and trail profile symbol on the sign. The signs are labeled with the trail name to distinguish between different trails.

- En route signs to be placed at junctions with alternate trails giving clear direction of each trail's direction. Use difficulty symbol and trail name with a reflective white border.
- For TTFs noted a higher difficulty than the trail rating, en route signs to be posted as warning. Use difficulty symbol and trail name with a reflective yellow border. If features can not be safely walked, an easier sign of by pass route must be provided (figure 6).
- If appropriate, signs may be placed at intervals to guide user.
- Consider reflective signs for night use.

DETAILS

For en route signs marking higher difficulty features, it is important for the sign to be highly visible. Place sign approximately 1.0-1.5 m above trail.

FIGURE 6 TRAILHEAD & EN ROUTE SIGNS



CONSTRUCTION

For new trails, the RMOW will use an experienced trail builder for the trail alignment and follow the supporting guidelines and standards.

TRAIL RATING

The trail and each feature along the trail is reviewed and measured to determine its difficulty. The details and difficulty level of each feature need to be recorded. The trail may be rated as low as the average feature difficulty or as high as the highest feature's difficulty. Bearing in mind all features rated as a higher difficulty than the trail's rating must be individually signed. If the feature can not be safely walked, the feature must have an easier, signed bypass route. The trailhead sign must also inform the user that there are higher difficulty features.

TRAIL MAINTENANCE

Trail maintenance is an integral part of managing trails. In general, high use trails and trails in environmentally sensitive areas require a greater level of maintenance and an expedited response to trail deterioration. Trails with man-made TTFs also require more frequent inspection.

MAINTENANCE PRIORITIES

The RMOW will inspect municipal trails as follows:

- **HIGH PRIORITY TRAILS** will be inspected twice a year (April and July). These include all Type 1 trails, all trails in PAN 1 environments and trails with known constructed TTFs.
- **MEDIUM PRIORITY TRAILS** will be inspected in the spring of each year or prior to the start of the trail use season. These include all trails in PAN 2 and PAN 3 environments and all Type II trails.
- **LOW PRIORITY TRAILS** will be inspected in the spring of each year or prior to the start of the trail use season. These include all remaining mountain bike trails.

All inspections and maintenance must be documented.

INSPECTION TO INCLUDE

Review of the trail:

- for safety;
 - to verify difficulty designation.
- Review of signs:
- for presence and condition.
 - Review of constructed features;
 - for structural integrity

TERMINOLOGY

- A-POUR** - to merge together and/or to be joined together with no lower section at the apex. Typically used in bridge design to describe the trail.
- BEAM** - built up bank on the outside of a corner to improve carrying.
- BOGGER/TALK** - a curved wallopyrude of words, used to prevent sensitive areas, similar to bridge.
- BRIDGE** - a structure that is built above and across a river or other obstacle allowing passage across or over obstacle.
- DANGER** - likely to cause harm or result in injury.
- DROP OFF** - a drop in the trail, possibly at the end of a leg or off a rock, to be negative a technique depending on the vertical drop and/or the angle of descent.
- EN ROUTE** - on the way.
- EXPOSURE** - placing a rider in the position or location that an error in balance or maneuvering may result in an injury; for example, a narrow ledge above rock would be exposure and the ground in the direction of the ledge above the rock, the greater the level of exposure.
- FACE** - the steep exposed side of a rock.
- FALL AWAY** - a drop-off which incorporates a turn in the trail.
- GAP JUMP** - two gaps placed back to back with a space between them, the rider must read with enough velocity to cross the space and land on the second jump.
- GATEWAY** - a quality placed before a trail or TTY; for example, a gap placed before an elevated ledge or a difficult corner. If the rider can successfully negotiate the more difficult gateway then they will likely be able to negotiate the TTY.
- GRAB DRYER CLAUSE** - provision occurs past certain pre-existing track from the requirements of a snow requirement.
- JUMP** - a wedge shaped feature built with the intention of sending the rider airborne.
- LADDER** - a TTY with rungs attached to sides (stepped) made of wood, wood or rope, used for climbing up or down.
- LOGGERS** - a pile of logs placed near perpendicular to trail to make a ramp, usually placed in front of and behind obstacle to ease passage.
- MACHINE BUILT** - constructed with the use of a machine.
- MANDATORY AIR** - a TTY requiring a vehicle drop or other advanced technique to exit due to steep or undercut exit.
- MAMMAL** - technique used to lift the front end of a bike up without the use of a peak strike; can be used off a rocky slope, etc.; generally require more forward momentum than a vehicle drop.
- PAN** - Protected Area Network, sometimes known as greenway, an environmental condition, landscape, heritage, wildlife condition or riparian habitat.
- RAMP** - any inclined structure, typically used as an approach to or from a TTY. A ramp can also be a jump.
- RHYTHM SECTION** - series of gap jumps placed and timed. Most technical form of jumping due to skill timing, technique and fall as a consequence.
- RIPARIAN ZONE AREA** - land between the water and the high water mark on the riverbank. Riparian areas typically comprise a rich and diverse vegetative mosaic reflecting the influence of water.
- ROLLABLE** - a section that can be ridden without requiring high level rider skills; for example, an elevated ledge with a wide/crowded trail can be ridden without having to hop and man.
- ROLL OVER** - usually a rock that gets in the way of the rider's abdomen, to the point where stopping may not be an option and the rider must continue down the trail regardless of what's ahead.
- TABLETOP** - two jumps back to back with the void between the jumps filled in with dirt, creating the tabletop.
- TESTER-TOYER** - a TTY consisting of a long plank balanced on a central support for riders to cross over, providing a down motion as the rider passes over the plank.
- TONGUE** - a steep ramp on the end of a TTY, often as an exit alternative to mandatory air.
- TOP OF THE BANK** - the highest elevation of bank, which confers to their descent water flowing to an intermediate or potential stream or river.
- TREAD** - the treaded surface of the trail.
- TYE** - Technical Trail feature - an obstacle on the trail requiring negotiation, the feature can be either man made or natural such as an elevated ledge or a rock face respectively.
- WHEELIE DROP** - technique used to pull off a drop off or log with the back wheel landing before the front wheel.

MAINTENANCE TRIGGERS

- Triggers for trails requiring additional maintenance
 - TTYs deteriorating.
 - Short cutting of climbing turns and/or switchbacks.
 - Trail falling or sliding down the hill.
 - Vegetation cover loss.
 - Trail proliferation (over-drawing or tracking).
 - Trail incision and soil loss (trails exceeding 15 cm depth).

GRANDFATHER CLAUSE

In the case of valued existing trails in protected areas when trail deactivation is unlikely to succeed, trail management becomes the preferred option. When considering the Grandfather Clause as a preferred option, evaluate the continuing cost of maintenance to manage the trail. Trail deactivation/ closure may not be successful if the trail has been established, is well used, and no alternative route is proposed. The resulting damage may be worse than had the trail remained open and effectively managed.

TRAIL DEACTIVATION

- There may be a number of reasons for deactivating an existing trail.
 - When considering deactivation of a trail, take into account:
 - Is the trail popular?
 - Is the level of impact acceptable or can it be made acceptable by management?
 - Can the trail or part of the trail be re-routed to improve the situation?
 - Are there suitable alternatives for users if the trail was deactivated?
 - Is the trail historically significant?



- Alternatives to trail deactivation:
 - Management of trail use.
 - Temporary closure
 - The route sections of trail
 - Education of users with signs or other education initiatives.
- When considering deactivation of trails, steps must include the following:
 - Consult user groups.
 - Public notice.
 - Monitoring to ensure trail remains deactivated.
- And must include:
 - Signs informing users of reasons for closure.
 - Fence in.

NOTES

20

REGIONAL DISTRICT OF NANAIMO

**MINUTES OF THE
NORTHERN COMMUNITY ECONOMIC DEVELOPMENT SELECT COMMITTEE
MEETING HELD ON THURSDAY, APRIL 20, 2017 AT 11:30 AM
(RDN OCEANSIDE PLACE)**

Present:

Director B. Rogers	Chairperson, Electoral Area E
Director J. Fell	Electoral Area F
Director J. Stanhope	Electoral Area G
Director B. Veenhof	Electoral Area H
Director M. Lefebvre	City of Parksville
Alternate N. Horner	Town of Qualicum Beach

Regrets:

Director T. Westbroek	Town of Qualicum Beach
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Also in Attendance:

P. Carlyle	Chief Administrative Officer
G. Garbutt	GM Strategic & Community Development
P. Thompson	Manager of Long Range Planning
S. Horsburgh	Sustainability Coordinator
P. Sherman	Recording Secretary

CALL TO ORDER

The Chairperson called the meeting to order and respectfully acknowledged the Coast Salish First Nations on whose traditional territory the meeting took place.

The Chairperson welcomed Alternate Director Horner to the meeting.

ADOPTION OF MINUTES

Minutes of the Northern Community Economic Development Select Committee meeting held on March 9, 2017

It was moved and seconded that the minutes of the Northern Community Economic Development Select Committee meeting held on March 9, 2017 be adopted as amended.

CARRIED UNANIMOUSLY

NEW BUSINESS

Northern Community Economic Development Committee Funding Request Amounts

It was moved and seconded that Northern Community Economic Development Select Committee funding requests normally be capped at \$5,000.

CARRIED UNANIMOUSLY

DELEGATIONS

Mike Andrews, President and Jim Windsor, Director, Echo Players Society – Mural Project

A presentation was given in support of the application outlined in the report Northern Community Economic Development – Spring 2017 Proposals.

Evelyn Clark, President/Chief Executive Officer, Qualicum Beach Chamber of Commerce – Entrepreneur’s Toolkit Workshop

A presenter was unavailable for the meeting.

Karla Duarte, Deputy Corporate Administrator, Town of Qualicum Beach – Renovating the Old Fire Hall for Regional Industry Growth

A presentation was given in support of the application outlined in the report Northern Community Economic Development – Spring 2017 Proposals.

Cheryl Dill, Executive Director, Central Vancouver Island Job Opportunities Building Society – Blade Runners 2017-2018

A presentation was given in support of the application outlined in the report Northern Community Economic Development – Spring 2017 Proposals.

Kim Burden, Executive Director, Parksville and District Chamber of Commerce – Mid Island Tech Forum

A presentation was given in support of the application outlined in the report Northern Community Economic Development – Spring 2017 Proposals.

Director Lefebvre left the meeting at 12:45 PM.

Monica Shore, Coordinator, Mt. Arrowsmith Biosphere Region at Vancouver Island University – An Amazing Places Passport Program

A presentation was given in support of the application outlined in the report Northern Community Economic Development – Spring 2017 Proposals.

STAFF REPORTS

Northern Community Economic Development – Spring 2017 Proposals

It was moved and seconded that the staff report, Northern community Economic Development – Spring 2017 Proposals be received.

CARRIED UNANIMOUSLY

It was moved and seconded that the Echo Players Society – Mural Project not be funded from the Northern Community Economic Development program.

WITHDRAWN

It was moved and seconded that the Echo Players Society – Mural Project be awarded funding of \$5,000 from the Northern Community Economic Development program.

CARRIED UNANIMOUSLY

It was moved and seconded that the Qualicum Beach Chamber of Commerce – Entrepreneur’s Toolkit Workshop be awarded funding of \$5,000 from the Northern Community Economic Development program.

CARRIED UNANIMOUSLY

It was moved and seconded that the Town of Qualicum Beach – Renovating the Old Fire Hall for Regional Industry Growth be awarded funding of \$5,000 from the Northern Community Economic Development program.

CARRIED UNANIMOUSLY

It was moved and seconded that the Mt. Arrowsmith Biosphere Region at Vancouver Island University – An Amazing Places Passport Program be awarded funding of \$3,000 from the Northern Community Economic Development program.

Opposed (1): Director Fell

CARRIED

It was moved and seconded that the Central Vancouver Island Job Opportunities Building Society – Blade Runners 2017-2018 be awarded funding of \$10,000 from the Northern Community Economic Development program.

Opposed (2): Director Fell, and Alternate Director Horner

CARRIED

It was moved and seconded that the Parksville and District Chamber of Commerce – Mid Island Tech Forum not be funded from the Northern Community Economic Development program.

CARRIED UNANIMOUSLY

UNFINISHED BUSINESS

Northern Community Economic Development Select Committee – Terms of Reference – Unspent Funds

Staff reviewed the Northern Community Economic Development Select Committee Terms of Reference and confirmed that funds not utilized for the application for which they were requested are to be returned to the Regional District of Nanaimo and put back into the Northern Community Economic Development budget.

NEW BUSINESS

Next Meeting Northern Community Economic Development Select Committee

The next Northern Community Economic Development Select Committee meeting be held on October 19, 2017.

ADJOURNMENT

It was moved and seconded that this meeting be adjourned.

CARRIED UNANIMOUSLY

Time: 1:32 PM

CHAIRPERSON

TO: Northern Community Economic Development Select Committee **MEETING:** April 20, 2017

FROM: Sharon Horsburgh
Sustainability Coordinator **FILE:** 6750-01

SUBJECT: Northern Community Economic Development – Spring 2017 Proposals

RECOMMENDATION

That the Northern Community Economic Development Select Committee receive six proposals for funding consideration for Spring 2017.

SUMMARY

Six applications for Northern Community Economic Development (NCED) funding have been received in time for consideration at the NCED Select Committee Meeting Scheduled for April 20, 2017:

Attachment 1: Echo Players Society – Mural Project

Attachment 2: Qualicum Beach Chamber of Commerce – Entrepreneur’s Toolkit Workshop

Attachment 3: Town of Qualicum Beach – Renovating the Old Fire Hall for Regional Industry Growth

Attachment 4: Mt. Arrowsmith Biosphere Region at Vancouver Island University – An Amazing Places Passport Program

Attachment 5: Central Vancouver Island Job Opportunities Building Society – Blade Runners 2017-2018

Attachment 6: Parksville and District Chamber of Commerce – Mid Island Tech Forum

Financial information requested through the application process is provided as confidential material under separate cover.

With Board approval of the 2017 Final Budget, funds available for disbursement from the Northern Community Economic Development Program total approximately \$52,000. For the NCED Spring intake six applications have been received for a total request of \$79,228.

It is intended the grants will be disbursed in the form of funding to support local initiatives that enhance economic resilience in Electoral Areas 'E', 'F', 'G' and 'H', the City of Parksville and the Town of Qualicum Beach.

BACKGROUND

The NCED Program (the Program) has been offered to organizations and local governments in School District 69 since 2012. The participation and awareness in the Program has grown and the range of activities is increasing. The grants typically assist with increasing tourism, arts and culture, recreation activities and increasing business opportunities.

FINANCIAL IMPLICATIONS

The RDN Board has approved \$50,000 for the NCED budget for 2017 to support economic development opportunities in School District 69. With a small carryover of funds from 2016 there is approximately \$52,000 for disbursement in 2017. The total funds requested from the current set of applications is \$79,228.

Table 1 lists the applicants, projects, amounts requested and the total amount requested for the Spring 2017 intake.

Table 1: NCED - Project Proposals (Spring 2017)

Proponent	Project Name	Amount Requested
Echo Players Society	Mural Project	\$ 18,900
Qualicum Beach Chamber of Commerce	Entrepreneur’s Toolkit Workshop	\$ 5,396
Town of Qualicum Beach	Renovating the Old Fire Hall	\$19,932
Mount Arrowsmith Biosphere Region at Vancouver Island University	An Amazing Places Passport Program	\$10,000
Central Vancouver Island Job Opportunities Building Society	Blade Runners 2017-2018	\$10,000
Parksville and District Chamber of Commerce	Mid Island Tech Forum	\$15,000
Spring 2017 Funding Requested - Total:		\$79,228

STRATEGIC PLAN IMPLICATIONS

The NCED Program supports the Board’s 2016 – 2020 Strategic Plan’s strategic priority of Focus On Economic Health. The goal of the NCED Program is to enhance economic resilience. The NCED Program is also consistent with the Board's strategic priority to Focus on Relationships by enhancing collaboration and cooperation between municipalities and electoral areas and to use a collaborative regional model for providing services.



Sharon Horsburgh
shorsburgh@rdn.bc.ca
April 10, 2017

Reviewed by:

- P. Thompson, Manager, Long Range Planning
- G. Garbutt, General Manager, Strategic and Community Planning
- P. Carlyle, Chief Administrative Officer

Attachments

1. The Echo Players Society – Mural Project
2. Qualicum Beach Chamber of Commerce – Entrepreneur’s Toolkit Workshop
3. Town of Qualicum Beach – Renovating the Old Fire Hall for Regional Industry Growth
4. Mount Arrowsmith Biosphere Region at Vancouver Island University – An Amazing Places Passport Program
5. Central Vancouver Island Job Opportunities Building Society – Blade Runners 2017-2018 - Employment Preparation for Youth at Risk
6. Parksville and District Chamber of Commerce – Mid Island Tech Forum



**MINUTES OF THE REGULAR MEETING OF THE
ENGLISHMAN RIVER WATER SERVICE (ERWS) MANAGEMENT BOARD
*Immediately following the AWS Management Board Meeting***

**HELD ON WEDNESDAY, MAY 3, 2017 AT 10:30AM
Parksville Community and Conference Centre**

Present:	Director J. Stanhope, Chair Director B. Rogers M. Lefebvre	Regional District of Nanaimo Regional District of Nanaimo City of Parksville
Also Present:	M. Squire L. Butterworth V. Figueira B. Weir B. Luchtmeijer P. Carlyle C. Midgley R. Alexander G. St. Pierre R. Graves	City of Parksville City of Parksville City of Parksville Town of Qualicum Beach Town of Qualicum Beach Regional District of Nanaimo Regional District of Nanaimo Regional District of Nanaimo Regional District of Nanaimo Recording Secretary
Regrets:	S. Powell	City of Parksville

CALL TO ORDER

The Chair called the meeting to order at 10:37 am and respectfully acknowledged the Coast Salish First Nations on whose traditional territory the meeting took place.

MINUTES

It was moved and seconded that the minutes of the regular meeting of the Englishman River Water Service Management Board held January 24, 2017 be adopted.

CARRIED UNANIMOUSLY

REPORTS

Project Update.

M. Squire gave a brief update on the project.

ERWS Revised 2017-2021 Financial Plan.

It was moved and seconded that the Englishman River Water Service Management Board meet to discuss topics of the Island Corridor Foundation requirements for the transmission main.

CARRIED UNANIMOUSLY

1. It was moved and seconded that the report from the Englishman River Water Service Management Committee dated May 3, 2017 entitled ERWS Revised 2017-2021 Financial Plan be received.

CARRIED UNANIMOUSLY

2. It was moved and seconded that the Englishman River Water Service Management Board accept the Revised 2017-2021 Financial Plan as outlined in Table 1 attached to the May 3, 2017 report.

CARRIED UNANIMOUSLY

3. It was moved and seconded that the Englishman River Water Service Management Board recommend the Joint Ventures adopt their portion of the Revised 2017-2021 Financial Plan as outlined in Table 2 attached to the May 3, 2017 report.

CARRIED UNANIMOUSLY

Contract 2 Award– Springwood Reservoir Transmission Main.

1. It was moved and seconded that the report from the Englishman River Water Service Management Committee dated April 10, 2017 entitled ERWS Contract 2: Springwood Reservoir Transmission Main be received.

CARRIED UNANIMOUSLY

2. It was moved and seconded that staff be authorized to award Contract 2: Springwood Reservoir Transmission Main to IDL Projects Incorporated in the amount of \$4,944, 700 (plus GST).

CARRIED UNANIMOUSLY

Audited Financial Statements.

L. Lee, KMPG, reviewed the ERWS Audited Financial Statements.

It was moved and seconded that the ERWS Audited Financial Statements be received and approved.

CARRIED UNANIMOUSLY

QUESTIONS

The Chair opened the floor to questions and comments.

Mike Jensson questioned if the consequences of dealing with algae blooms been fully considered with respect to handling the solids and potential toxins?

Mike Squire replied that it was considered and fully analyzed by Consultants and the solids.

ADJOURNMENT

MOVED Director Lefebvre, SECONDED Director Rogers, that the meeting be adjourned.



DATE: May 3, 2017

REPORT TO: ENGLISHMAN RIVER WATER SERVICE MANAGEMENT BOARD

FROM: ENGLISHMAN RIVER WATER SERVICE MANAGEMENT COMMITTEE

SUBJECT: ENGLISHMAN RIVER WATER SERVICE (ERWS)
REVISED 2017 - 2021 FINANCIAL PLAN

PURPOSE: ADOPTION OF THE ERWS REVISED 2017 - 2021 FINANCIAL PLAN

EXECUTIVE SUMMARY:

The ERWS 2017 - 2021 Financial Plan sets out the financial requirements needed to advance the objectives of bulk water supply to the Joint Venture Communities.

On March 15, 2017, the project was awarded over \$ 6 million dollars through the Clean Water and Wastewater Fund (CWWF). During the application process for the Clean Water and Wastewater Fund, it was important to ensure all components being applied for were separate and distinct from those already awarded under the New Building Canada Fund: Small Communities Fund.

The proposed revised capital budget is required to account for the additional revenue, entertain key contract site servicing options, provide additional contingency funds to support Island Corridor Foundation requests and provide potential funding for First Nation archeological field services monitoring. The total budget estimate of these additional expenditures to entertain such key components of the project and provide adequate contingencies are \$ 3 million and are fully subsidized by the additional grant monies received through the CWWF grant on March 15, 2017. The total requisition for the City of Parksville and the Regional District of Nanaimo does not increase from the previously approved financial plan and the remainder of the grant monies received of \$ 3 million will go towards additional revenue that will benefit water rate users (taxpayers).

RECOMMENDATION(S):

1. THAT the report from the Englishman River Water Service Management Committee, dated May 3, 2017, entitled ERWS Revised 2017 - 2021 Financial Plan be received.
2. THAT the Englishman River Water Service Management Board accept the Revised 2017 - 2021 Financial Plan as outlined in Table 1 attached to the May 3, 2017 report.
3. THAT the Englishman River Water Service Management Board recommend the Joint Ventures adopt their portion of the Revised 2017 - 2021 Financial Plan as outlined in Table 2 attached to the May 3, 2017 report.

BACKGROUND:

The ERWS project is now in the final stages of the implementation plan with the construction of the water treatment plant, intake, pump station and transmission mains to Top Bridge Park and Springwood Reservoir.

With the announcement of an additional grant of over \$ 6 million from the Clean Water and Wastewater Fund (CWWF) on March 15, 2017, it now allows the project to continue to the full extent and provide adequate contingencies for contracts of this scale and magnitude. The additional revenue allows key components of the project that were deferred due to budget constraints, to be completed as part of the current contract. This is more efficient and financially constructive than incurring these costs in the future.

The below Table 1 is a summary of the CWWF grant, showing the description of eligible funds grant application funds, the total federal and provincial share (83 %), and the respected Regional District of Nanaimo and the City of Parksville's shares based on the current Joint Venture Cost Sharing Agreement.

Table 1 - CWWF Grant

Description	Grant Application Amount	Fed. / Prov. Funding (83 %)	RDN Share	CoP Share
CoP Transmission Mains	\$ 4,444,428	\$ 3,688,875	\$ -	\$ 3,688,875
ERWS Transmission Main to Top Bridge Park	\$ 789,746	\$ 655,489	\$ 170,427	\$ 485,062
WTP Secondary Stage Backwash	\$ 224,969	\$ 186,724	\$ 48,548	\$ 138,176
Sand Separation at River Pump Station	\$ 221,910	\$ 184,185	\$ 47,888	\$ 136,297
Additional UV Module	\$ 275,395	\$ 228,578	\$ 59,430	\$ 169,148
WTP Mechanical Upgrades	\$ 264,000	\$ 219,120	\$ 56,971	\$ 162,149
Design / Engineering Fees	\$ 933,067	\$ 774,446	\$ 201,356	\$ 573,090
Environmental Assessments / Permitting Requirements	\$ 82,514	\$ 68,487	\$ 17,807	\$ 50,680
Total:	\$ 7,236,029	\$ 6,005,904	\$ 602,427	\$ 5,403,477

During the application process for the CWWF, through discussions with provincial staff, it was clearly indicated that in order for the grant to be successful it was important to ensure components being applied for were separate and distinct from those already awarded under the New Building Canada Fund: Small Communities Fund.

The 2017 - 2021 revised budget includes additions to the project scope of work resulting in extra expenses. The additional proposed items identified since the Provisional Budget adopted on November 1, 2016 prior to receiving tender bids are summarized below:

- Full site servicing and storm water drainage control,
- Landscaping,
- Irrigation,
- Island Health requirements for additional ultraviolet disinfection module to treat waste from the primary membranes to the secondary membranes,
- Provide a 10 % contingency for Contract 1: Intake, Pump Station, Treatment and transmission main to Top Bridge Park
- Provide a 15 % contingency for Contract 2: Transmission Main to Springwood Park given the potential unknown environmental challenges with crossing the Englishman River and Shelly Creek
- Support additional requirements requested by the Island Corridor Foundation
- Support the potential to have full time environmental monitoring performed by representatives of Nanoose First Nation

The proposed budget adjustments required to the Revised 2017 - 2021 Financial Plan accounts for an overall increase of approximately 9.2% compared to the Provisional 2017 - 2021 last year. Table 2 below summarizes the changes:

Table 2 - Summary of the Revised 2017 - 2021 Financial Plan

Budget Item	Provisional 2017 - 2021 Budget	Revised 2017 - 2021 Budget	Difference	CoP Share	RDN Share
River Intake / Pump Station:	\$6,810,000	\$6,910,000	\$100,000	\$74,000	\$26,000
Water Treatment:	\$18,990,000	\$21,120,000	\$2,130,000	\$1,576,200	\$553,800
Joint Transmission Line:	\$1,000,000	\$1,000,000	\$0	\$0	\$0
Springwood Transmission Main:	\$5,700,000	\$6,470,000	\$770,000	\$770,000	\$0
Sub-Total Direct Costs:	\$32,500,000	\$35,500,000	\$3,000,000	\$2,420,200	\$579,800

In summary, the total additional expenditures to entertain key components and provide adequate contingencies are \$ 3 million and are fully subsidized by the additional grant monies received through the CWWF. The total requisition for the City of Parksville and the RDN does not increase from the previously approved financial plan. The remainder of the grant monies received of \$ 3 million will go towards benefiting water rate users (taxpayers) and additional revenue into reserves as each jurisdiction so requires.

A Revised 2017 - 2021 Financial Plan has been prepared for consideration by the ERWS Management Board. Table 1 attached outlines the detailed total ERWS project cost and Table 2 attached references each jurisdiction's share to take forward to each respected Council / Board for ratification.

OPTIONS:

1. Accept the Revised ERWS 2017 - 2021 Financial Plan as presented in Table 1 attached.
2. Provide the ERWS Management Committee with further direction.

ANALYSIS:

Option 1

This is consistent with the ERWS Management Committee recommendation to proceed with the project and would allow completion by June 2019.

Option 2

The 2017 - 2021 Financial Plan sets out the financial requirements needed for ERWS to carry out projects necessary to advance ERWS objectives.

FINANCIAL IMPACT:

Cost sharing for the Englishman River Water Service budget is established based on ownership (i.e. Parksville 74 % and RDN 26 %) as referenced in Schedule "C" of the Englishman River Water Service Joint Venture, dated July 1, 2011.

The ERWS has received over \$12 million in funding from senior government that will help augment the additional costs.

The ERWS 2017 - 2021 Financial Plan sets out the financial requirements needed for the ERWS staff to carry out the project for the next several years.

REFERENCES:

ERWS 2017 - 2021 Provisional Financial Plan adopted on November 1, 2016

Table 1, dated April 24, 2017 showing the recommended ERWS Revised 2017 - 2021 Financial Plan and Table 2 showing each Joint Venture's requisition share.

TABLE 1 ENGLISHMAN RIVER WATER SERVICE 2017 - 2021 REVISED FINANCIAL PLAN (\$)											
	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
REVENUE											
Joint Venture Requisitions											
Parksville Requisition (74 %)	1,082,538	225,017	443,183	593,655	468,754	1,634,991	11,986,367	5,911,180	696,403	978,450	397,745
RDN Requisition (26%)	380,351	79,060	155,713	208,581	164,697	409,309	3,067,778	2,278,533	2,009,547	343,780	139,748
Total Joint Venture Requisitions	1,462,889	304,077	598,896	802,236	633,452	2,044,300	15,054,145	8,189,713	2,705,949	1,322,229	537,494
Other Revenue											
Grants - Small Communities Fund & CWWF	0	483,801	669,172	581,257	0	828,854	5,171,146	6,005,904	0	0	0
Transfer From Reserves	0	0	0	0	0	0	0	0	0	0	0
Total Other Revenue	0	483,801	669,172	581,257	0	828,854	5,171,146	6,005,904	0	0	0
TOTAL REVENUE	1,462,889	787,878	1,268,068	1,383,493	633,452	2,873,154	20,225,291	14,195,617	2,705,949	1,322,229	537,494
EXPENDITURES											
Operating											
Administration (Operating)											
Salaries / Wages 7-2-28-7310-300	1,950	0	259	0	258	1,214	0	0	84,000	84,000	84,000
Training 7-2-28-7310-306	0	2,060	0	59	0	0	102	104	106	108	110
Conferences / Seminars 7-2-28-7310-307	0	1,006	0	0	0	0	0	0	0	0	0
Memberships 7-2-28-7310-311	0	273	301	0	0	0	0	0	0	0	0
Contracts 7-2-28-7310-330	1,628	748	5,109	1,819	0	0	2,040	2,081	2,122	2,165	2,208
Consulting 7-2-28-7310-331	256	0	0	470	0	0	0	0	0	0	0
Legal Fees 7-2-28-7310-332	0	2,596	0	0	3,427	0	3,570	3,641	3,714	3,789	3,864
Audit Fees 7-2-28-7310-333	0	4,172	4,100	4,100	4,100	3,900	7,500	7,650	7,803	3,900	3,978
Tel / Cable 7-2-28-7310-422	0	809	924	602	0	0	510	520	531	541	552
Meeting Costs 7-2-28-7310-423	8	478	608	1,276	1,901	1,219	1,243	1,268	1,293	1,319	1,346
Licences and Insurance 7-2-28-7310-400	0	0	0	0	884	1,675	510	520	531	541	552
Advertising 7-2-28-7310-410	0	0	0	766	11,382	0	204	208	212	216	221
Printing 7-2-28-7310-413	0	0	0	0	1,920	225	0	0	0	0	0
Courier 7-2-28-7310-452	0	0	0	44	29	0	102	104	106	108	110
Small Tools, Equipment & Furniture 7-2-28-7310-450	81	1,631	139	356	0	85	510	520	531	541	552
Hydro 7-2-28-7310-461	0	0	0	0	53	1,397	0	0	0	0	0
7-2-28-7310-451	0	0	0	0	0	0	0	0	0	0	0
Minor Capital - Contracts 7-2-28-7350-330	1,209	0	0	0	0	0	0	0	0	0	0
Minor Capital - Parts / Materials 7-2-28-7350-450	503	0	0	0	0	0	0	0	0	0	0
Intake, Raw Watermain and Joint Transmission Mains	0	0	0	0	0	0	0	0	150,000	150,000	150,000
Water Treatment Plant	0	0	0	0	0	0	0	0	225,000	225,000	225,000
ASR	0	0	0	0	0	0	0	0	0	0	0
Total Administration (Operating)	5,634	13,772	11,440	9,492	23,954	9,714	16,291	16,617	475,949	472,229	472,494
Total Operating	5,634	13,772	11,440	9,492	23,954	9,714	16,291	16,617	475,949	472,229	472,494

Capital - Program Summary

Description	G/L	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Property Acquisition - Administration	7-6-28-9750-300	13,683	-4,070	11,203	0	0	0	0	0	0	0	0
Property Acquisition - Contracts	7-6-28-9750-330	4,983	0	0	0	0	0	0	0	0	0	0
Property Acquisition - Consulting	7-6-28-9750-331	6,574	0	0	0	0	0	0	0	0	0	0
Property Acquisition - Equipment Res Charge Out	7-6-28-9750-800	136	739	0	0	0	0	0	0	0	0	0
Property Acquisition - Parts Materials / Supplies	7-6-28-9750-450	1,200,550	0	0	0	0	0	0	0	0	0	0
Total Property Acquisition		1,225,925	-3,331	11,203	0	0	0	0	0	0	0	0
River Intake / Supply Mains - Administration	7-6-28-9751-300	48,421	34,906	39,635	35,808	15,212	19,719	42,000	42,000	0	0	0
River Intake / Supply Mains - Contracts	7-6-28-9751-330	358	256	0	1,031	1,450	0	4,770,000	1,380,000	180,000	0	0
River Intake / Supply Mains - Engineering	7-6-28-9751-331	10,685	17,681	338,863	490,301	236,921	579,263	280,000	300,000	0	0	0
River Intake / Supply Mains - Legal	7-6-28-9751-332	0	0	0	0	1,592	0	0	0	0	0	0
River Intake / Supply Mains - Advertising	7-6-28-9751-410	0	0	0	603	0	0	0	0	0	0	0
River Intake / Supply Mains - Meetings	7-6-28-9751-423	0	103	3,822	790	780	0	0	0	0	0	0
River Intake / Supply Mains - Parts / Supplies	7-6-28-9751-450	3,023	389	1,008	443	489	0	0	0	0	0	0
River Intake / Supply Mains - Equip. Charge Out	7-6-28-9751-800	2,189	727	19	0	1,188	0	0	0	0	0	0
River Intake / Supply Mains - Equip. Lease / Rent	7-6-28-9751-340	28	0	915	0	0	0	0	0	0	0	0
Joint Transmission Main - Contracts	7-6-28-9754.330						6,586	560,000	310,000	50,000		
Joint Transmission Main - Consulting	7-6-28-9754.331						122,540	40,000	40,000			
COP Transmission Main - Contracts	7-6-28-9755-330						9,717	3,030,000	2,720,000	100,000		
COP Transmission Main - Consulting	7-6-28-9755-331						460,317	225,000	395,000			
RDN - Craig Bay Pump Station / Top Bridge Transmission										1,800,000		
Total River Intake / Supply Mains		64,703	54,062	384,263	528,976	257,632	1,198,143	8,947,000	5,187,000	2,130,000	0	0
Water Treatment - Administration	7-6-28-9752-300	23,513	44,296	41,016	33,595	16,831	54,192	42,000	42,000	0	0	0
Water Treatment - Travel	7-6-28-9752-307	0	0	6,420	0	0	0	0	0	0	0	0
Water Treatment - Contracts	7-6-28-9752-330	27,222	20,167	0	1,032	45,327	173,868	10,600,000	8,200,000	100,000	850,000	0
Water Treatment - Engineering	7-6-28-9752-331	78,978	123,760	127,492	490,301	161,300	1,391,297	620,000	750,000	0	0	0
Water Treatment - Equip. Lease / Rental	7-6-28-9752-340	9,057	22,949	0	0	0	20,063	0	0	0	0	0
Water Treatment - Rent & Lease	7-6-28-9752-345	900	1,614	0	0	0	0	0	0	0	0	0
Water Treatment - Insurance / Permits	7-6-28-9752-400	102	102	0	0	0	0	0	0	0	0	0
Water Treatment - Advertising	7-6-28-9752-410	0	0	0	603	511	500	0	0	0	0	0
Water Treatment - Meeting Costs	7-6-28-9752-423	0	0	0	791	0	0	0	0	0	0	0
Water Treatment - Parts and Materials	7-6-28-9752-450	1,759	525	0	443	2,782	18,722	0	0	0	0	0
Water Treatment - Courier	7-6-28-9752-452	0	611	0	0	485	1,770	0	0	0	0	0
Water Treatment - Equip Res Charge	7-6-28-9752-800	0	306	739	0	485	2,726	0	0	0	0	0
Water Treatment - Gas & Oil	7-6-28-9752-460	689	0	0	0	0	0	0	0	0	0	0
Water Treatment - Hydro	7-6-28-9752-461					553	2,159					
Total Water Treatment		142,219	214,330	175,666	526,765	228,274	1,665,297	11,262,000	8,992,000	100,000	850,000	0

Capital - Program Summary

Description	G/L	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Aquifer Storage and Recovery - Administration	7-6-28-9753-300	0	47,966	68,824	42,248	10,218	0	0	0	0	0	15,000
Aquifer Storage and Recovery - Contracts	7-6-28-9753-330	0	184,135	234,995	135,486	99,833	0	0	0	0	0	0
Aquifer Storage and Recovery - Engineering	7-6-28-9753-331	24,407	263,943	229,267	128,733	13,232	0	0	0	0	0	50,000
Aquifer Storage and Recovery - Equip Rental	7-6-28-9753-340	0	1,806	1,619	605	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Meeting Costs	7-6-28-9753-423	0	120	134	754	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Advertising	7-6-28-9753-410	0	0	0	603	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Parts / Materials	7-6-28-9753-450	0	9,491	136,424	5,894	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Small Tools	7-6-28-9753-451	0	0	5,832	39	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Courier	7-6-28-9753-452	0	0	0	161	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Hydro	7-6-28-9753-461	0	0	500	1,652	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Equip Res Charge Out	7-6-28-9753-800	0	1,585	7,901	2,086	309	0	0	0	0	0	0
Total Aquifer Storage and Recovery		24,407	509,045	685,496	318,261	123,592	0	0	0	0	0	65,000
Total Capital		1,457,254	774,107	1,256,628	1,374,001	609,498	2,863,440	20,209,000	14,179,000	2,230,000	850,000	65,000
TOTAL EXPENDITURES		1,462,889	787,878	1,268,068	1,383,493	633,452	2,873,154	20,225,291	14,195,617	2,705,949	1,322,229	537,494

TABLE 2
Parkville Requisition - ERWS
2017 - 2021 REVISED FINANCIAL PLAN (\$)

	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
REVENUE											
Joint Venture Requisitions											
Parkville Requisition (74%)	1,082,538	225,017	443,183	593,655	468,754	1,634,991	11,986,367	5,911,180	696,403	978,450	397,745
Other Revenue											
Grants - Small Communities Fund & CWWF	0	358,013	495,187	430,130	0	613,352	3,826,648	5,403,477	0	0	0
Transfer From Reserves	0	0	0	0	0	0	0	0	0	0	0
Total Other Revenue	0	358,013	495,187	430,130	0	613,352	3,826,648	5,403,477	0	0	0
TOTAL REVENUE	1,082,538	583,030	938,370	1,023,785	468,754	2,248,343	15,813,016	11,314,657	696,403	978,450	397,745
EXPENDITURES											
Operating	74%	74%	74%	74%	74%	74%	74%	74%	74%	74%	74%
Administration (Operating)											
Salaries / Wages 7-2-28-7310-300	1,443	0	192	0	191	898	0	0	62,160	62,160	62,160
Training 7-2-28-7310-306	0	1,524	0	44	0	0	75	77	79	80	82
Conferences / Seminars 7-2-28-7310-307	0	744	0	0	0	0	0	0	0	0	0
Memberships 7-2-28-7310-311	0	202	223	0	0	0	0	0	0	0	0
Contracts 7-2-28-7310-330	1,205	554	3,780	1,346	0	0	1,510	1,540	1,571	1,602	1,634
Consulting 7-2-28-7310-331	189	0	0	348	0	0	0	0	0	0	0
Legal Fees 7-2-28-7310-332	0	1,921	0	0	2,536	0	2,642	2,695	2,749	2,803	2,860
Audit Fees 7-2-28-7310-333	0	3,087	3,034	3,034	3,034	2,886	5,550	5,661	5,774	2,886	2,944
Tel / Cable 7-2-28-7310-422	0	599	684	445	0	0	377	385	393	400	409
Meeting Costs 7-2-28-7310-423	6	354	450	944	1,407	902	920	938	957	976	996
Licences and Insurance 7-2-28-7310-400	0	0	0	0	654	1,239	377	385	393	400	409
Advertising 7-2-28-7310-410	0	0	0	566	8,423	0	151	154	157	160	163
Printing 7-2-28-7310-413	0	0	0	0	1,421	167	0	0	0	0	0
Courier 7-2-28-7310-452	0	0	0	33	21	0	75	77	79	80	82
Small Tools, Equipment & Furniture 7-2-28-7310-450	60	1,207	103	263	0	63	377	385	393	400	409
Hydro 7-2-28-7310-461	0	0	0	0	39	1,034	0	0	0	0	0
Minor Capital - Contracts 7-2-28-7350-330	895	0	0	0	0	0	0	0	0	0	0
Minor Capital - Parts / Materials 7-2-28-7350-450	372	0	0	0	0	0	0	0	0	0	0
Intake, Raw Watermain and Joint Transmission Mains									111,000	111,000	111,000
Water Treatment Plant									166,500	166,500	166,500
ASR									0	0	0
Total Administration (Operating)	4,169	10,191	8,465	7,024	17,726	7,189	12,056	12,297	352,203	349,450	349,645
Total Operating	4,169	10,191	8,465	7,024	17,726	7,189	12,056	12,297	352,203	349,450	349,645

Capital - Program Summary												
Description	G/L	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
		74%	74%	74%	74%	74%	74%	74%	74%	74%	74%	74%
Property Acquisition - Administration	7-6-28-9750-300	10,125	-3,011	8,290	0	0	0	0	0	0	0	0
Property Acquisition - Contracts	7-6-28-9750-330	3,688	0	0	0	0	0	0	0	0	0	0
Property Acquisition - Consulting	7-6-28-9750-331	4,865	0	0	0	0	0	0	0	0	0	0
Property Acquisition - Equipment Res Charge Out	7-6-28-9750-800	101	547	0	0	0	0	0	0	0	0	0
Property Acquisition - Parts Materials / Supplies	7-6-28-9750-450	888,407	0	0	0	0	0	0	0	0	0	0
Total Property Acquisition		907,185	-2,465	8,290	0	0	0	0	0	0	0	0
River Intake / Supply Mains - Administration	7-6-28-9751-300	35,832	25,830	29,330	26,498	11,257	14,592	31,080	31,080	0	0	0
River Intake / Supply Mains - Contracts	7-6-28-9751-330	265	190	0	763	1,073	0	3,529,800	1,021,200	133,200	0	0
River Intake / Supply Mains - Engineering	7-6-28-9751-331	7,907	13,084	250,759	362,823	175,322	428,655	207,200	222,000	0	0	0
River Intake / Supply Mains - Legal	7-6-28-9751-332	0	0	0	0	1,178	0	0	0	0	0	0
River Intake / Supply Mains - Advertising	7-6-28-9751-410	0	0	0	446	0	0	0	0	0	0	0
River Intake / Supply Mains - Meetings	7-6-28-9751-423	0	76	2,828	585	577	0	0	0	0	0	0
River Intake / Supply Mains - Parts / Supplies	7-6-28-9751-450	2,237	288	746	328	362	0	0	0	0	0	0
River Intake / Supply Mains - Equip. Charge Out	7-6-28-9751-800	1,619	538	14	0	879	0	0	0	0	0	0
River Intake / Supply Mains - Equip. Lease / Rent	7-6-28-9751-340	21	0	677	0	0	0	0	0	0	0	0
Joint Transmission Main - Contracts	7-6-28-9754-330	0	0	0	0	0	4,874	414,400	229,400	37,000	0	0
Joint Transmission Main - Consulting	7-6-28-9754-331	0	0	0	0	0	90,680	29,600	29,600	0	0	0
COP Transmission Main - Contracts	7-6-28-9755-330	0	0	0	0	0	9,717	3,030,000	2,720,000	100,000	0	0
COP Transmission Main - Consulting	7-6-28-9755-331	0	0	0	0	0	460,317	225,000	395,000	0	0	0
RDN - Craig Bay Pump Station / Top Bridge Transmission										0		
Total River Intake / Supply Mains		47,880	40,006	284,354	391,442	190,648	1,008,835	7,467,080	4,648,280	270,200	0	0
Water Treatment - Administration	7-6-28-9752-300	17,399	32,779	30,352	24,860	12,455	40,102	31,080	31,080	0	0	0
Water Treatment - Travel	7-6-28-9752-307	0	0	4,751	0	0	0	0	0	0	0	0
Water Treatment - Contracts	7-6-28-9752-330	20,144	14,924	0	764	33,542	128,662	7,844,000	6,068,000	74,000	629,000	0
Water Treatment - Engineering	7-6-28-9752-331	58,444	91,582	94,344	362,823	119,362	1,029,560	458,800	555,000	0	0	0
Water Treatment - Equip. Lease / Rental	7-6-28-9752-340	6,702	16,982	0	0	0	14,846	0	0	0	0	0
Water Treatment - Rent & Lease	7-6-28-9752-345	666	1,195	0	0	0	0	0	0	0	0	0
Water Treatment - Insurance	7-6-28-9752-400	75	75	0	0	0	0	0	0	0	0	0
Water Treatment - Advertising	7-6-28-9752-410	0	0	0	446	378	370	0	0	0	0	0
Water Treatment - Meeting Costs	7-6-28-9752-423	0	0	0	585	0	0	0	0	0	0	0
Water Treatment - Parts and Materials	7-6-28-9752-450	1,301	388	0	328	2,059	13,855	0	0	0	0	0
Water Treatment - Courier	7-6-28-9752-452	0	452	0	0	359	1,310	0	0	0	0	0
Water Treatment - Equip Res Charge	7-6-28-9752-800	0	226	547	0	359	2,018	0	0	0	0	0
Water Treatment - Gas & Oil	7-6-28-9752-460	510	0	0	0	0	0	0	0	0	0	0
Water Treatment - Hydro	7-6-28-9752-461					409	1,598					
Total Water Treatment		105,242	158,604	129,993	389,806	168,923	1,232,320	8,333,880	6,654,080	74,000	629,000	0

Capital - Program Summary												
Description	G/L	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Aquifer Storage and Recovery - Administration	7-6-28-9753-300	0	35,495	50,930	31,263	7,561	0	0	0	0	0	11,100
Aquifer Storage and Recovery - Contracts	7-6-28-9753-330	0	136,260	173,896	100,260	73,876	0	0	0	0	0	0
Aquifer Storage and Recovery - Engineering	7-6-28-9753-331	18,061	195,318	169,658	95,263	9,792	0	0	0	0	0	37,000
Aquifer Storage and Recovery - Equip Rental	7-6-28-9753-340	0	1,336	1,198	447	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Meeting Costs	7-6-28-9753-423	0	89	100	558	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Advertising	7-6-28-9753-410	0	0	0	446	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Parts / Materials	7-6-28-9753-450	0	7,023	100,954	4,361	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Small Tools	7-6-28-9753-451	0	0	4,316	29	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Courier	7-6-28-9753-452	0	0	0	119	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Hydro	7-6-28-9753-461	0	0	370	1,222	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Equip Res Charge Out	7-6-28-9753-800	0	1,173	5,846	1,544	228	0	0	0	0	0	0
Total Aquifer Storage and Recovery		18,061	376,694	507,267	235,513	91,458	0	0	0	0	0	48,100
Total Capital		1,078,368	572,839	929,905	1,016,761	451,028	2,241,155	15,800,960	11,302,360	344,200	629,000	48,100
TOTAL EXPENDITURES		1,082,538	583,030	938,370	1,023,785	468,754	2,248,343	15,813,016	11,314,657	696,403	978,450	397,745

TABLE 2

Regional District of Nanaimo Requisition - ERWS

2017 - 2021 REVISED FINANCIAL PLAN (\$)

	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
REVENUE											
Joint Venture Requisitions											
RDN Requisition (26%)	380,351	79,060	155,713	208,581	164,697	409,309	3,067,778	2,278,533	2,009,547	343,780	139,748
Other Revenue											
Grants - Small Communities Fund & CWWF	0	125,788	173,985	151,127	0	215,502	1,344,498	602,427	0	0	0
Transfer From Reserves	0	0	0	0	0	0	0	0	0	0	0
Total Other Revenue	0	125,788	173,985	151,127	0	215,502	1,344,498	602,427	0	0	0
TOTAL REVENUE	380,351	204,848	329,698	359,708	164,697	624,811	4,412,276	2,880,960	2,009,547	343,780	139,748
EXPENDITURES											
Operating	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%
Administration (Operating)											
Salaries / Wages 7-2-28-7310-300	507	0	67	0	67	316	0	0	21,840	21,840	21,840
Training 7-2-28-7310-306	0	536	0	15	0	0	27	27	28	28	29
Conferences / Seminars 7-2-28-7310-307	0	261	0	0	0	0	0	0	0	0	0
Memberships 7-2-28-7310-311	0	71	78	0	0	0	0	0	0	0	0
Contracts 7-2-28-7310-330	423	195	1,328	473	0	0	530	541	552	563	574
Consulting 7-2-28-7310-331	66	0	0	122	0	0	0	0	0	0	0
Legal Fees 7-2-28-7310-332	0	675	0	0	891	0	928	947	966	985	1,005
Audit Fees 7-2-28-7310-333	0	1,085	1,066	1,066	1,066	1,014	1,950	1,989	2,029	1,014	1,034
Tel / Cable 7-2-28-7310-422	0	210	240	157	0	0	133	135	138	141	144
Meeting Costs 7-2-28-7310-423	2	124	158	332	494	317	323	330	336	343	350
Licences and Insurance 7-2-28-7310-400	0	0	0	0	230	435	133	135	138	141	144
Advertising 7-2-28-7310-410	0	0	0	199	2,959	0	53	54	55	56	57
Printing 7-2-28-7310-413					499	59					
Courier 7-2-28-7310-452	0	0	0	11	8	0	27	27	28	28	29
Small Tools, Equipment & Furniture 7-2-28-7310-450	21	424	36	93	0	22	133	135	138	141	144
Hydro 7-2-28-7310-461					14	363					
Minor Capital - Contracts 7-2-28-7350-330	314	0	0	0	0	0	0	0	0	0	0
Minor Capital - Parts / Materials 7-2-28-7350-450	131	0	0	0	0	0	0	0	0	0	0
Intake, Raw Watermain and Joint Transmission Mains									39,000	39,000	39,000
Water Treatment Plant									58,500	58,500	58,500
ASR									0	0	0
Total Administration (Operating)	1,465	3,581	2,974	2,468	6,228	2,526	4,236	4,320	123,747	122,780	122,848
Total Operating	1,465	3,581	2,974	2,468	6,228	2,526	4,236	4,320	123,747	122,780	122,848

Capital - Program Summary

Description	G/L	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Property Acquisition - Administration	7-6-28-9750-300	3,558	-1,058	2,913	0	0	0	0	0	0	0	0
Property Acquisition - Contracts	7-6-28-9750-330	1,296	0	0	0	0	0	0	0	0	0	0
Property Acquisition - Consulting	7-6-28-9750-331	1,709	0	0	0	0	0	0	0	0	0	0
Property Acquisition - Equipment Res Charge Out	7-6-28-9750-800	35	192	0	0	0	0	0	0	0	0	0
Property Acquisition - Parts Materials / Supplies	7-6-28-9750-450	312,143	0	0	0	0	0	0	0	0	0	0
Total Property Acquisition		318,741	-866	2,913	0	0	0	0	0	0	0	0
River Intake / Supply Mains - Administration	7-6-28-9751-300	12,590	9,075	10,305	9,310	3,955	5,127	10,920	10,920	0	0	0
River Intake / Supply Mains - Contracts	7-6-28-9751-330	93	67	0	268	377	0	1,240,200	358,800	46,800	0	0
River Intake / Supply Mains - Engineering	7-6-28-9751-331	2,778	4,597	88,104	127,478	61,599	150,608	72,800	78,000	0	0	0
River Intake / Supply Mains - Legal	7-6-28-9751-332	0	0	0	0	414	0	0	0	0	0	0
River Intake / Supply Mains - Advertising	7-6-28-9751-410	0	0	0	157	0	0	0	0	0	0	0
River Intake / Supply Mains - Meetings	7-6-28-9751-423	0	27	994	206	203	0	0	0	0	0	0
River Intake / Supply Mains - Parts / Supplies	7-6-28-9751-450	786	101	262	115	127	0	0	0	0	0	0
River Intake / Supply Mains - Equip. Charge Out	7-6-28-9751-800	569	189	5	0	309	0	0	0	0	0	0
River Intake / Supply Mains - Equip. Lease / Rent	7-6-28-9751-340	7	0	238	0	0	0	0	0	0	0	0
Joint Transmission Main - Contracts	7-6-28-9754.330	0	0	0	0	0	1,712	145,600	80,600	13,000	0	0
Joint Transmission Main - Consulting	7-6-28-9754.331	0	0	0	0	0	31,860	10,400	10,400	0	0	0
COP Transmission Main - Contracts	7-6-28-9755-330	0	0	0	0	0	0	0	0	0	0	0
COP Transmission Main - Consulting	7-6-28-9755-331	0	0	0	0	0	0	0	0	0	0	0
RDN - Craig Bay Pump Station / Top Bridge Transmission										1,800,000		
Total River Intake / Supply Mains		16,823	14,056	99,908	137,534	66,984	189,308	1,479,920	538,720	1,859,800	0	0
Water Treatment - Administration	7-6-28-9752-300	6,113	11,517	10,664	8,735	4,376	14,090	10,920	10,920	0	0	0
Water Treatment - Travel	7-6-28-9752-307	0	0	1,669	0	0	0	0	0	0	0	0
Water Treatment - Contracts	7-6-28-9752-330	7,078	5,244	0	268	11,785	45,206	2,756,000	2,132,000	26,000	221,000	0
Water Treatment - Engineering	7-6-28-9752-331	20,534	32,178	33,148	127,478	41,938	361,737	161,200	195,000	0	0	0
Water Treatment - Equip. Lease / Rental	7-6-28-9752-340	2,355	5,967	0	0	0	5,216	0	0	0	0	0
Water Treatment - Rent & Lease	7-6-28-9752-345	234	420	0	0	0	0	0	0	0	0	0
Water Treatment - Insurance	7-6-28-9752-400	26	26	0	0	0	0	0	0	0	0	0
Water Treatment - Advertising	7-6-28-9752-410	0	0	0	157	133	130	0	0	0	0	0
Water Treatment - Meeting Costs	7-6-28-9752-423	0	0	0	206	0	0	0	0	0	0	0
Water Treatment - Parts and Materials	7-6-28-9752-450	457	136	0	115	723	4,868	0	0	0	0	0
Water Treatment - Courier	7-6-28-9752-452	0	159	0	0	126	460	0	0	0	0	0
Water Treatment - Equip Res Charge	7-6-28-9752-800	0	79	192	0	126	709	0	0	0	0	0
Water Treatment - Gas & Oil	7-6-28-9752-460	179	0	0	0	0	0	0	0	0	0	0
Water Treatment - Hydro	7-6-28-9752-461					144	561					
Total Water Treatment		36,977	55,726	45,673	136,959	59,351	432,977	2,928,120	2,337,920	26,000	221,000	0

Capital - Program Summary

Description	G/L	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Aquifer Storage and Recovery - Administration	7-6-28-9753-300	0	12,471	17,894	10,984	2,657	0	0	0	0	0	3,900
Aquifer Storage and Recovery - Contracts	7-6-28-9753-330	0	47,875	61,099	35,226	25,957	0	0	0	0	0	0
Aquifer Storage and Recovery - Engineering	7-6-28-9753-331	6,346	68,625	59,609	33,471	3,440	0	0	0	0	0	13,000
Aquifer Storage and Recovery - Equip Rental	7-6-28-9753-340	0	470	421	157	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Meeting Costs	7-6-28-9753-423	0	31	35	196	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Advertising	7-6-28-9753-410	0	0	0	157	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Parts / Materials	7-6-28-9753-450	0	2,468	35,470	1,532	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Small Tools	7-6-28-9753-451	0	0	1,516	10	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Courier	7-6-28-9753-452	0	0	0	42	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Hydro	7-6-28-9753-461	0	0	130	429	0	0	0	0	0	0	0
Aquifer Storage and Recovery - Equip Res Charge Out	7-6-28-9753-800	0	412	2,054	542	80	0	0	0	0	0	0
Total Aquifer Storage and Recovery		6,346	132,352	178,229	82,748	32,134	0	0	0	0	0	16,900
Total Capital		378,886	201,268	326,723	357,240	158,469	622,285	4,408,040	2,876,640	1,885,800	221,000	16,900
TOTAL EXPENDITURES		380,351	204,848	329,698	359,708	164,697	624,811	4,412,276	2,880,960	2,009,547	343,780	139,748



**MINUTES OF THE REGULAR MEETING OF THE
ARROWSMITH WATER SERVICE (AWS) MANAGEMENT BOARD
HELD ON TUESDAY, MAY 3, 2017 AT 10:30AM
Parksville Community and Conference Centre**

Present:	M. Lefebvre, Chair B. Luchtmeijer B. Rogers	City of Parksville Town of Qualicum Beach Regional District of Nanaimo
Also Present:	M. Squire L. Butterworth B. Weir C. Midgley J. Stanhope R. Alexander W. Idema R. Graves	City of Parksville City of Parksville Town of Qualicum Beach Regional District of Nanaimo Regional District of Nanaimo Regional District of Nanaimo Regional District of Nanaimo Recording Secretary
Regrets:	S. Powell	City of Parksville

CALL TO ORDER

The Chairperson called the meeting to order at 10:30 AM and respectfully acknowledged the Coast Salish First Nations on whose traditional territory the meeting took place.

APPROVAL OF THE AGENDA

It was moved and seconded that the agenda be approved.

CARRIED UNANIMOUSLY

ADOPTION OF MINUTES

It was moved and seconded that the minutes of the regular meeting of the Arrowsmith Water Service Management Board held November 1, 2016 be adopted.

CARRIED UNANIMOUSLY

REPORTS

AWS Audited Financial Statements.

L. Lee from KPMG, presented on the highlights of the AWS Audited Financial Statement.

It was moved and seconded that the AWS Audited Financial Statements be received and approved.

UNANIMOUSLY CARRIED

Arrowsmith Lake Reservoir Update.

M. Squire provided a verbal presentation to the Board on the lake levels and reported that the reservoir is at full capacity.

It was moved and seconded that the Arrowsmith Lake Reservoir Update be received.

CARRIED UNANIMOUSLY

QUESTIONS

The Chair opened the floor to questions and comments, none received.

NEXT MEETING

To be announced.

ADJOURNMENT

MOVED Director Luchtmeijer, SECONDED Director Rogers, that the meeting be adjourned.

CARRIED UNANIMOUSLY

Marc Lefebvre, CHAIRPERSON

TO: Regional District of Nanaimo Board **MEETING:** May 23, 2017
FROM: Paul Thompson
 Manager of Long Range Planning **FILE:** 6750
SUBJECT: Nanaimo Economic Development Strategic Planning Committee

RECOMMENDATION

That the Board nominate one of the Directors in the Southern Community Economic Development Service to serve on the Nanaimo Economic Development Strategic Planning Committee.

SUMMARY

The City of Nanaimo has initiated a process to transition its economic development service from the Nanaimo Economic Development Corporation to an in-house model. One task of the transition process is to establish an advisory committee to provide advice on the development of an economic development strategy. The RDN has been identified as one of the agencies that will be invited to be involved in the Nanaimo Economic Development Strategic Planning Committee.

BACKGROUND

The City of Nanaimo is in the process of transitioning from having the Nanaimo Economic Development Commission provide its economic development service to an in-house model of delivery. The City has identified three different tasks in the process to transition to the in-house model that include: the formation of an advisory committee to provide advice on the creation of an economic development strategy, work to identify the best structure for delivery of the service, and then establishing the new economic development department. The City has identified several agencies to participate on the committee including the Regional District of Nanaimo.

The RDN has partnered with the City in the past for the delivery of economic development in School District 68. Most recently, the RDN had an agreement with the Nanaimo Economic Development Corporation to deliver the Southern Community Economic Development Service. With the dissolution of the NEDC the RDN will be looking at alternative delivery models for delivery of the SCED service.

The City will be developing a new model for delivery of economic development. The RDN has been encouraged to participate in a strategic planning process. As participation in the City of Nanaimo programs for economic development may still be an option for the SCED, staff are recommending that the RDN participate in the strategic planning process hosted by the City for the delivery of economic development.

ALTERNATIVES

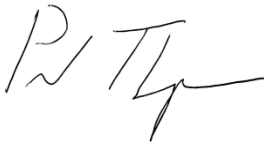
1. Nominate a Director to represent the RDN on the Nanaimo Economic Development Strategic Planning Committee
2. Do not nominate anyone to represent the RDN on the Nanaimo Economic Development Strategic Planning Committee

FINANCIAL IMPLICATIONS

There are no financial implications for participating in the NEDSPC.

STRATEGIC PLAN IMPLICATIONS

A focus on economic health and relationships are two of the strategic priorities in the RDN Strategic Plan 2016-2020. In particular the plan directs that the RDN will foster economic development and look for opportunities to partner with other governments. Participation in the update of the City of Nanaimo's economic development strategy is consistent with the strategic plan.



Paul Thompson
pthompson@rdn.bc.ca
May 17, 2017

Reviewed by:

- P. Thompson, Manager, Long Range Planning
- G. Garbutt, General Manager, Strategic and Community Development
- P. Carlyle, Chief Administrative Officer

REGIONAL DISTRICT OF NANAIMO
BYLAW NO. 1049.09
A BYLAW TO AMEND THE BOUNDARIES
OF THE NANOOSE BAY BULK WATER SUPPLY
LOCAL SERVICE AREA

WHEREAS the Regional District of Nanaimo established the Nanoose Bay Bulk Water Supply Service pursuant to Bylaw No. 1049, cited as “Nanoose Bay Bulk Water Supply Local Service Area Establishment Bylaw No. 1049, 1996”;

AND WHEREAS the Board of the Regional District of Nanaimo wishes to extend the boundaries of the service area to include the lands shown outlined in black on Schedule ‘A’ of this bylaw and legally described as:

- THAT PART OF LOT E, DISTRICT LOT 51, NANOOSE DISTRICT, PLAN 7705, LYING TO THE SOUTH EAST OF A BOUNDARY BEARING NORTH 19 DEGREES, 45 MINTUES EAST FROM A POINT ON THE SOUTH WESTERLY BOUNDARY OF SAID LOT E DISTANT 170 FEET FROM THE MOST SOUTHERLY CORNER OF SAID LOT E;

AND WHEREAS at least 2/3 of the service participants have consented to the adoption of this bylaw in accordance with the *Local Government Act*;

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

1. Amendment

“Nanoose Bay Bulk Water Supply Local Service Area Establishment Bylaw No. 1049, 1996” is amended as follows:

- a) By amending Schedule ‘A’ of Bylaw No. 1049 to add the lands outlined in black on Schedule ‘A’ attached to this bylaw.

2. Citation

This bylaw may be cited for all purposes as “Nanoose Bay Bulk Water Supply Local Service Area Amendment Bylaw No. 1049.09, 2017”.

Introduced and read three times this this 25th day of April, 2017.

Adopted this ____ day of _____, 2017.

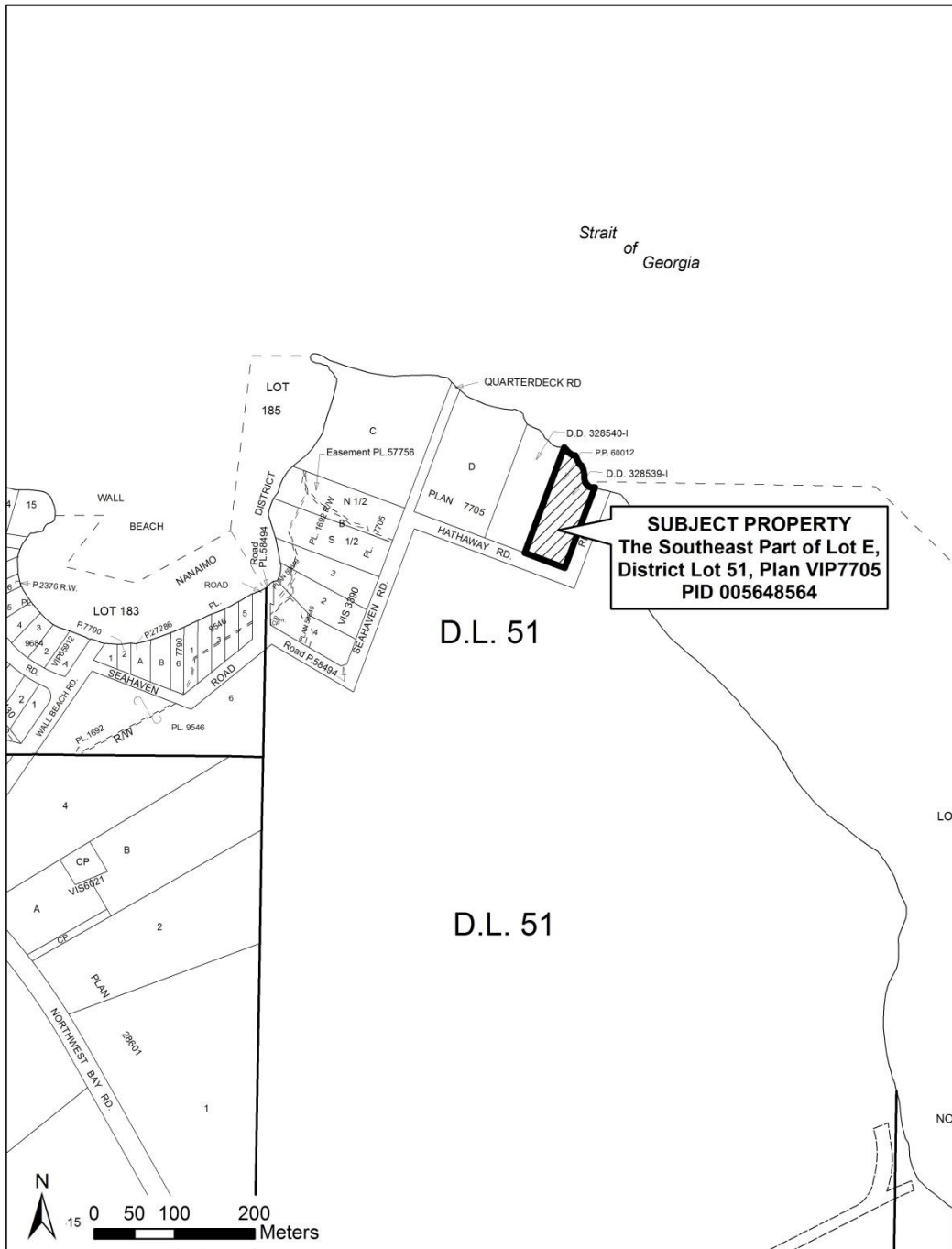
CHAIRPERSON

CORPORATE OFFICER

Schedule 'A' to accompany "Nanoose Bay Bulk Water Supply
Local Service Area Amendment Bylaw No. 1049.09, 2017"

Chairperson

Corporate Officer



REGIONAL DISTRICT OF NANAIMO

BYLAW NO. 867.08

**A BYLAW TO AMEND THE BOUNDARIES OF THE
NANOOSE BAY PENINSULA WATER SERVICE AREA**

WHEREAS the Regional District of Nanaimo established the Nanoose Bay Peninsula Water Service pursuant to Bylaw No. 867, cited as "Nanoose Bay Peninsula Water Service Area Bylaw No. 867, 2005";

AND WHEREAS the Board of the Regional District of Nanaimo wishes to extend the boundaries of the service area to include the land shown outlined in black on Schedule 'A' of this bylaw and legally described as:

- THAT PART OF LOT E, DISTRICT LOT 51, NANOOSE DISTRICT, PLAN 7705, LYING TO THE SOUTH EAST OF A BOUNDARY BEARING NORTH 19 DEGREES, 45 MINUTES EAST FROM A POINT ON THE SOUTH WESTERLY BOUNDARY OF SAID LOT E DISTANT 170 FEET FROM THE MOST SOUTHERLY CORNER OF SAID LOT E;

AND WHEREAS at least 2/3 of the service participants have consented to the adoption of this bylaw in accordance with the *Local Government Act*;

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

1. Amendment

"Nanoose Bay Peninsula Water Service Area Bylaw No. 867, 2005" is amended as follows:

- a) By amending Schedule 'A' of Bylaw No. 867 to add the lands outlined in black on Schedule 'A' attached to this bylaw.

2. Citation

This bylaw may be cited for all purposes as "Nanoose Bay Peninsula Water Service Area Amendment Bylaw No. 867.08, 2017".

Introduced and read three times this 25th day of April, 2017.

Adopted this ___ day of _____, 2017.

CHAIRPERSON

CORPORATE OFFICER

REGIONAL DISTRICT OF NANAIMO

BYLAW NO. 1490.03

**A BYLAW TO AMEND REGIONAL DISTRICT OF NANAIMO
SOUTHERN COMMUNITY RESTORATIVE JUSTICE PROGRAM SERVICE
ESTABLISHMENT BYLAW NO. 1490, 2006**

WHEREAS the Board of the Regional District of Nanaimo wishes to amend "Southern Community Restorative Justice Program Service Establishment Bylaw No. 1490, 2006";

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

1. Citation

This Bylaw may be cited as "Southern Community Restorative Justice Program Service Requisition Limit Amendment Bylaw No. 1490.03, 2017".

2. Amendment

"Southern Community Restorative Justice Program Service Establishment Bylaw No. 1490, 2006" is amended as follows:

(1) By deleting Section 6 and substituting it with the following:

"In accordance with the *Local Government Act*, the maximum amount that may be requisitioned for the Service is the greater of:

(a) \$19,150 (Nineteen Thousand One Hundred and Fifty Dollars), or;

(b) the amount obtained by multiplying the net taxable value of lands and improvements within the Service Area by a property tax value rate of \$0.0061 per thousand dollars of assessment."

Introduced and read three times this 28th day of February, 2017.

Received the approval of the Inspector of Municipalities this 20th day of April, 2017.

Adopted this _____ day of _____, 2017.

CHAIRPERSON

CORPORATE OFFICER