

**REGIONAL DISTRICT OF NANAIMO**  
**COMMITTEE OF THE WHOLE**  
**TUESDAY, MARCH 23, 2004**  
**(immediately following Special Board Meeting)**

*(RDN Board Chambers)*

**A G E N D A**

**PAGES**

**CALL TO ORDER**

**DELEGATIONS**

- 5                    **John Olsen**, re Electoral Area 'F' Zoning & Subdivision Bylaw No. 1285 –  
                         'Finetuning Project'.

**PRESENTATION**

- 6                    **Capt. David Marshall & Gary Leitch**, BC Ferries, re Going Forward With  
                         Stability.

**MINUTES**

- 7-15                Minutes of the special Committee of the Whole meeting held Tuesday, February  
                         17, 2004 and the regular Committee of the Whole meeting held Tuesday,  
                         February 24, 2004.

**BUSINESS ARISING FROM THE MINUTES**

**COMMUNICATION/CORRESPONDENCE**

***COMMUNITY SERVICES***

- 16-19              Community Water & Sewer Service Provision: Environmental or Public Health  
                         Reasons.

**RECREATION & PARKS**

- 20-23              Skateboard Park Proposal - Area A.

***CORPORATE SERVICES***

**ADMINISTRATION**

- 24-25              Committee & Board Meeting Schedule.
- 26-35              Yellowpoint-Waterloo Fire Protection Specified Area – Control of Fires During  
                         Fire Season Bylaw No. 1381.

**FINANCE**

- 36-38 Annual Report of Directors' & Committee Members' Remuneration and Expenses.
- 39-50 2003 Audited Financial Statements.
- 51-54 Reserve Fund Bylaws – Administration Computer Equipment Reserve Fund Expenditure Bylaw No. 1376 and Fairwinds Water LSA Reserve Fund Expenditure (Well #3) Bylaw No. 1378.

**HOSPITAL**

- 55-62 2003 Audited Financial Statements.

**DEVELOPMENT SERVICES**

**BUILDING INSPECTION**

- 63-64 Section 57 - Community Charter – Contravention of Building Bylaw Report.

**BYLAW ENFORCEMENT**

- 65-67 Structure Removal Repeal Bylaw No. 1382 - Illegal Construction – Scott Kilner Littlewood - 2406 Nanoose Beach Road – Area F.
- 68-69 Designation of Animal Control Officer – District 68.
- 70-71 Animal Control Contracts – District 68 & 69.
- 72-85 Noise Control Establishing Bylaw No. 1374 and Regulatory Bylaw No. 1375 – Portion of Electoral Area H.

**PLANNING**

- Implications of Changes to Land Title Act & Water Act. (Verbal)
- 86-98 Animal Control, Planning & Land Use Management Contract Services Agreement – District of Lantzville.

**ENVIRONMENTAL SERVICES**

**LIQUID WASTE**

- 99-100 French Creek Pollution Control Centre Biosolids Contract Extension.

**SOLID WASTE**

- 101-104 Residual Solid Waste Disposal Options Status Report.

**UTILITIES**

105-135 Arrowsmith Water Service Joint Venture Agreement.

**COMMISSION, ADVISORY & SELECT COMMITTEE**

**Regional Growth Monitoring Advisory Committee/State of Sustainability Project.**

136-141 Minutes from the meetings of the Regional Growth Monitoring Advisory Committee/State of Sustainability Project held February 19 and February 26, 2004. (for information)

**Intergovernmental Advisory Committee.**

142-155 Minutes from the meetings of the Intergovernmental Advisory Committee held February 17 and March 9, 2004. (for information)

***Verbal Reports As Available:***

Municipal Finance Authority

Deep Bay Harbour Authority

Regional Library Board

Treaty Advisory Committee

North Island 911 Corporation

Municipal Insurance Association

Mt. Arrowsmith Biosphere Foundation

Vancouver Island Generation Project Committee

Vancouver Island Health Authority - Project Building Committee

Vancouver Island Health Authority - Joint Capital Planning Committee

Vancouver Island Regional Transportation Advisory Committee

**ADDENDUM**

**BUSINESS ARISING FROM DELEGATIONS OR COMMUNICATIONS**

**NEW BUSINESS**

**BOARD INFORMATION** (Separate enclosure on blue paper)

**ADJOURNMENT**

**IN CAMERA**

*That pursuant to Section 242.2(1)(c)(h) of the Local Government Act the Board proceed to an In Camera meeting to consider a personnel matter and a legal matter.*

John Olsen  
Box 160  
Erimington

8 March 2004

Mr. Kelly Daniels,  
Administrative Officer  
Regional District of Nanaimo

Via fax # (250) 390-4183

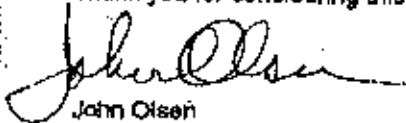
Dear Mr. Daniels,

As you requested, I am hereby asking to address the RDN Board which I believe is sitting as the Committee of the Whole, on 23 March, 2004. I represent an *ad hoc* committee of property owners who are in the ALR and who have more than one dwelling unit on their properties.

We believe there are a large number of properties to be affected by the Board's decision to require those property owners to apply to the B.C. Land Commission in order to regularize their situation in order to qualify as legally non-conforming properties. We also believe that the planning process failed to flag this situation, leaving many people at risk for possible action by the RDN and/or the Land Commission in the future.

It is our intention to ask the Board to (a) extend the deadline for this process, and (b) to direct the planning department to provide staffing and financial resources in an effort to mitigate possible negative consequences of this situation.

Thank you for considering this request.



John Olsen

Cc: Lou Biggemann  
Area F Director via fax # 951-2316

**Burgoyne, Linda**

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**From:** Mason, Carol  
**Sent:** Thursday, March 04, 2004 3:16 PM  
**To:** Burgoyne, Linda  
**Cc:** Daniels, Kelly; Pearce, Maureen; Stanhope, Joe  
**Subject:** FW: BC Ferries Presentation to RD Board 27 April

Hi Linda,

Can you please make a note that BC Ferries would like to appear and make a presentation to the Committee of the Whole meeting on April 27<sup>th</sup>. They will need 15 minutes for their presentation. We could schedule them immediately following the delegation portion of the agenda.

The topic of their presentation is "Going Forward with Stability" and is explained below.

Thanks.

Carol: as per my voice mail to you, this is to confirm an appearance at the NRD Board meeting on April 27. Capt. David Marshall, Vice president, Mainland Services & Operational Planning and I will represent BC Ferries. The topic of our presentation will be "Going forward with Stability." Capt. Marshall will talk about BC Ferries first year as a new commercial company and our plans for the next year and more. The objective of the presentation is to emphasize that while there will be many changes at BC Ferries aimed at improving customer service these changes will take place in a context of stability in the overall service, predictable tariff levels, a financially stable foundation for the company, and customer and community protection afforded by the Act and the independent regulator, the Commissioner of BC Ferries.

Can you please confirm the time of this meeting. Thank you for your help.

Regards

Manager

Stakeholder Relations & Consultation

Communications

British Columbia Ferry Services Inc.

250 978-1186

250 920-8798 (mobile)

250 978-1119 (fax)

email: [gary.leitch@bcferries.com](mailto:gary.leitch@bcferries.com)

[www.bcferries.com](http://www.bcferries.com)

3/4/2004

REGIONAL DISTRICT OF NANAIMO

MINUTES OF THE SPECIAL COMMITTEE OF THE WHOLE  
MEETING HELD ON TUESDAY, FEBRUARY 17, 2004,  
AT 7:00 PM IN THE RDN BOARD CHAMBERS

**Present:**

|                       |                        |
|-----------------------|------------------------|
| Director J. Stanhope  | Chairperson            |
| Director H. Kreiberg  | Electoral Area A       |
| Director G. Lund      | Electoral Area B       |
| Director E. Hamilton  | Electoral Area C       |
| Director D. Haime     | Electoral Area D       |
| Director P. Bibby     | Electoral Area E       |
| Director L. Biggemann | Electoral Area F       |
| Director D. Bartram   | Electoral Area II      |
| Alternate             |                        |
| Director B. Johnston  | City of Parksville     |
| Alternate             |                        |
| Director A. Kruyt     | Town of Qualicum Beach |
| Director L. Sherry    | City of Nanaimo        |
| Director T. Krall     | City of Nanaimo        |
| Director R. Cantelon  | City of Nanaimo        |
| Director B. Holdom    | City of Nanaimo        |
| Director L. McNabb    | City of Nanaimo        |

**Also in Attendance:**

|             |   |
|-------------|---|
| K. Daniels  | Chief Administrative Officer              |
| C. Mason    | General Manager of Corporate Services     |
| N. Connelly | General Manager of Community Services     |
| B. Lapham   | General Manager of Development Services   |
| J. Finnie   | General Manager of Environmental Services |
| N. Avery    | Manager of Financial Services             |
| N. Tonn     | Recording Secretary                       |

**PRESENTATION**

**2004 - 2009 Financial Plan.**

The General Manager of Corporate Services and the Manager of Financial Services presented a visual and verbal overview of the 2004 to 2009 financial plan, including 2004 year end and proposed budget adjustments.

MOVED Director D. Haime, SECONDED Director Bibby, that the Electoral Area Planning budget be increased by \$20,000.

CARRIED

MOVED Director Kreiberg, SECONDED Director Hamilton, that the Area 'A' Community Parks budget be increased by \$25,000.

CARRIED

MOVED Director Bartram, SECONDED Director Holdom, that a new Communications Officer position be approved.

CARRIED

MOVED Director D. Haime, SECONDED Director Hamilton, that the Electoral Area Administration budget be increased by \$3,000 for Area 'D' newsletters.

CARRIED

MOVED Director Holdom, SECONDED Director Cantelon, that the \$16,000 funding request from the Nanaimo and Area Land Trust be approved and that the funds come from the Regional Parks Operations budget.

CARRIED

MOVED Director Bartram, SECONDED Director Bibby, that staff bring forward a report on the District 69 Recreation Commission's request that the recreation budget be increased by \$110,000 for acoustic panels at Occanside Place.

CARRIED

MOVED Director Lund, SECONDED Director Cantelon, that the request by the Gabriola Island Recreation Society for a budget increase of \$16,500 be approved.

CARRIED

### **Financial Plan Review.**

#### *Corporate Services*

The General Manager of Corporate Services provided an overview of major financial impacts within the Corporate Services Department on 2005 to 2009 budgets.

#### *Development Services*

The General Manager of Development Services highlighted major financial impacts within the Building Inspection, Bylaw Enforcement, Community Planning and Emergency Planning budget areas for 2005 to 2009.

#### *Environmental Services*

The General Manager of Environmental Services provided an overview of 2005 to 2009 major financial budget impacts within the Solid Waste, Liquid Waste and Utilities departments.

#### *Community Services*

The General Manager of Community Services highlighted major financial impacts within the Recreation, Recreation Coordinating, Community Parks, Transportation Services and Regional Growth Management budget areas for 2005 to 2009.

It was noted that the Budget meeting scheduled for March 2, 2004 will be cancelled as all budget review presentations have been completed this evening. Directors were reminded of the two public information meetings to be held March 4 and 11, 2004.

### **IN CAMERA**

MOVED Director Sherry, SECONDED Director Krall, that pursuant to section 242.2(1)(c) and (h) of the *Local Government Act* the Board proceed to an In Camera meeting to consider employee negotiations and legal matters.

CARRIED



**ADJOURNMENT**

MOVED Director Sherry, SECONDED Director Bibby, that the meeting adjourn to allow for an In Camera meeting.

CARRIED

TIME: 8:48 PM

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CHAIRPERSON

## REGIONAL DISTRICT OF NANAIMO

### MINUTES OF THE COMMITTEE OF THE WHOLE MEETING HELD ON TUESDAY, FEBRUARY 24, 2004, AT 7:00 PM IN THE RDN BOARD CHAMBERS

#### Present:

|                       |                        |
|-----------------------|------------------------|
| Director J. Stanhope  | Chairperson            |
| Director H. Kreiberg  | Electoral Area A       |
| Director G. Lund      | Electoral Area B       |
| Director E. Hamilton  | Electoral Area C       |
| Alternate             |                        |
| Director B. Jepson    | Electoral Area D       |
| Director P. Bibby     | Electoral Area E       |
| Director L. Biggemann | Electoral Area F       |
| Director D. Bartram   | Electoral Area H       |
| Director R. Longmuir  | City of Parksville     |
| Alternate             |                        |
| Director A. Kruyt     | Town of Qualicum Beach |
| Director C. Haine     | District of Lantzville |
| Director L. Sherry    | City of Nanaimo        |
| Director R. Cantelon  | City of Nanaimo        |
| Director L. McNabb    | City of Nanaimo        |
| Alternate             |                        |
| Director D. Tyndall   | City of Nanaimo        |
| Director T. Kral      | City of Nanaimo        |
| Director B. Holdom    | City of Nanaimo        |

#### Also in Attendance:

|             |   |
|-------------|---|
| K. Daniels  | Chief Administrative Officer              |
| C. Mason    | General Manager of Corporate Services     |
| B. Lapham   | General Manager of Development Services   |
| N. Connelly | General Manager of Community Services     |
| J. Finnie   | General Manager of Environmental Services |
| N. Avery    | Manager of Financial Services             |
| N. Tonn     | Recording Secretary                       |

#### DELEGATIONS

**P. Van Westen, re Contravention of Land Use & Subdivision Bylaw and Building Regulations & Fees Bylaw – 3460 Whiting Way – Area A.**

Mr. Van Westen provided some historical information with respect to his property and requested an open ended time period to allow subdivision approval and compliance with RDN regulations.

#### MINUTES

MOVED Director Sherry, SECONDED Director Biggemann, that the minutes of the regular Committee of the Whole meeting held January 27, 2004 be adopted.

CARRIED

**COMMUNITY SERVICES**

**RECREATION & PARKS**

**Nanoose Bay Crown Land District Lot 137 Update.**

MOVED Director Bibby SECONDED Director Longmuir, that the update report on Crown Land District Lot 137 in Nanoose Bay be received for information.

**Horne Lake Regional Park Operations.**

CARRIED

MOVED Director Bartram, SECONDED Director Bibby:

1. That the Horne Lake Regional Park Operations report be received for information.
2. That staff be directed to advertise a request for proposals to operate Horne Lake Regional Park for 2004.
3. That staff be directed to complete a report on a long-term private-sector Horne Lake Regional Park development and operations plan by the early fall of 2004 and in time to advertise and conclude an agreement for 2005 and subsequent years with a private contractor before the end of the year.

**CORPORATE SERVICES**

CARRIED

**HOSPITAL**

**Presentation – Chuck Rowe, Vancouver Island Health Authority.**

Mr. Rowe presented an overview of the VIHA (Central Island) 2004 to 2005 capital requirements, a history of capital funding and an update on Phase II construction at Nanaimo Regional General Hospital.

**2004 Annual Budget for the Nanaimo Regional Hospital District.**

MOVED Director Krall, SECONDED Director Hamilton, that "Nanaimo Regional Hospital District Annual Budget Bylaw No. 135, 2004" be introduced for first three readings.

CARRIED

MOVED Director Krall, SECONDED Director Bartram, that "Nanaimo Regional Hospital District Annual Budget Bylaw No. 135, 2004" having received first three readings, be adopted.

CARRIED

**DEVELOPMENT SERVICES**

**BUILDING INSPECTION**

**Section 57 – Community Charter – Contravention of Building Bylaw Report.**

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

**T. Snaydon, re Contravention of Building Bylaw – 2994 Kilpatrick Road - Area 'D'**

Mr. Snaydon provided information with respect to outstanding infractions on his property and requested an extension of six to eight weeks for completion.

MOVED Director Hamilton, SECONDED Director Sherry, that a notice be filed against the titles of the properties listed, pursuant to Section 57 of the *Community Charter* and that if the infractions are not rectified within ninety (90) days, legal action will be pursued:

- (a) Parcel A (DD357395-1) of Lot 2, Block 1, Section 11, Ranges 4 and 5, Plan 3115, Mountain Land District, 2994 Kilpatrick Road, Electoral Area 'D', owned by T. Snaydon and M. Lines;
- (b) Lot 9, District Lot 117, Plan 10367, Nanoose Land District, 3085 Hillview Road, Electoral Area 'E', owned by J. and J. Conway.

It was requested that the properties be handled seriatim.

MOVED Director Jepson, SECONDED Director Krall, that filing proceed in eight weeks to allow completion of project, against the title of the property listed, pursuant to Section 57 of the *Community Charter* and that if the infractions are not rectified within ninety (90) days of filing, legal action will be pursued:

- (a) Parcel A (DD357395-1) of Lot 2, Block 1, Section 11, Ranges 4 and 5, Plan 3115, Mountain Land District, 2994 Kilpatrick Road, Electoral Area 'D', owned by T. Snaydon and M. Lines.

CARRIED

MOVED Director Hamilton, SECONDED Director Sherry, that a notice be filed against the title of the property listed, pursuant to Section 57 of the *Community Charter* and that if the infractions are not rectified within ninety (90) days, legal action will be pursued:

- (a) Lot 9, District Lot 117, Plan 10367, Nanoose Land District, 3085 Hillview Road, Electoral Area 'E', owned by J. and J. Conway.

#### **ENVIRONMENTAL SERVICES**

CARRIED

#### **SOLID WASTE**

#### **Greater Nanaimo Pollution Control Centre Biosolids Composting.**

MOVED Director Haime, SECONDED Director Sherry, that Malaspina University-College be awarded the contract for composting biosolids from the Greater Nanaimo Pollution Control Centre for \$50.40 per tonne subject to the proponent coming to an agreement with staff to provide copies of compost testing results as well as copies of application plans and scheduled dates of proposed compost application to the RDN.

#### **UTILITIES**

CARRIED

#### **French Creek Village Streetlighting Local Service Area Bylaw No. 1062.02.**

MOVED Director Sherry, SECONDED Director Kruyt, that "French Creek Village Streetlighting Local Service Area Boundary Amendment Bylaw No. 1062.02, 2004" be introduced, read three times and forwarded to the Inspector of Municipalities for approval.

CARRIED

**Nanoose Bay Water Supply Service Area Bylaw No. 1372; Nanoose Bay Water Supply Service Area Amendment Bylaw No. 1372.01; and Nanoose Bay Bulk Water Supply Local Service Area Amendment Bylaw No. 1049.03.**

MOVED Director Bibby, SECONDED Director McNabb,:

1. That "Nanoose Bay Water Supply Service Area Bylaw No. 1372, 2004" be introduced, read three times and forwarded to the Inspector of Municipalities for approval.
2. That "Nanoose Bay Water Supply Service Area Boundary Amendment Bylaw No. 1372.01, 2004" be introduced, read three times and forwarded to the Inspector of Municipalities for approval.
3. That "Nanoose Bay Bulk Water Supply Local Service Area Boundary Amendment Bylaw No. 1049.03, 2004" be introduced, read three times and forwarded to the Inspector of Municipalities for approval.

CARRIED

**Pacific Shores Sewer Local Service Area Amendment Bylaw No. 1021.04 and Northern Community Sewer Local Service Area Amendment Bylaw No. 889.25.**

MOVED Director Bibby, SECONDED Director Krall,:

1. That "Pacific Shores Sewer Local Service Area Amendment Bylaw No. 1021.04, 2004" be introduced, read three times and forwarded to the Inspector of Municipalities for approval.
2. That "Regional District of Nanaimo Northern Community Sewer Local Service Area Amendment Bylaw No. 889.25, 2004" be introduced, read three times and forwarded to the Inspector of Municipalities for approval.

CARRIED

#### **COMMISSION, ADVISORY & SELECT COMMITTEE**

##### **Regional Growth Monitoring Advisory Committee/State of Sustainability Project.**

MOVED Director Cantelon, SECONDED Director Bartram, that the minutes of the Regional Growth Monitoring Advisory Committee/State of Sustainability Project meeting held January 21, 2004 be received for information.

CARRIED

##### **Intergovernmental Advisory Committee.**

MOVED Director Kruyt, SECONDED Director Cantelon, that the minutes of the Intergovernmental Advisory Committee meeting held January 28, 2004 be received for information.

CARRIED

##### **Electoral Area 'A' Parks & Green Spaces Advisory Committee.**

MOVED Director Kreiberg, SECONDED Director Sherry, that the minutes of the Electoral Area 'A' Parks & Green Spaces Advisory Committee meeting held January 15, 2004 be received for information.

CARRIED

##### **Electoral Area 'B' Parks & Open Space Advisory Committee.**

MOVED Director Lund, SECONDED Director Bibby, that the minutes of the Electoral Area 'B' Parks & Open Space Advisory Committee meeting held January 5, 2004 be received for information.

CARRIED

**Nanoose Bay Parks & Open Space Advisory Committee.**

MOVED Director Bibby, SECONDED Director Biggemann, that the minutes of the Nanoose Bay Parks & Open Space Advisory Committee meeting held January 12, 2004 be received for information.

CARRIED

**District 69 Recreation Commission.**

MOVED Director Bartram, SECONDED Director Tyndall, that the minutes of the District 69 Recreation Commission meeting held February 12, 2004 be received for information.

CARRIED

MOVED Director Bartram, SECONDED Director Longmuir, that the recommendations from the District 69 Recreation Commission Grants Committee be approved as follows and that the Youth Grant to Oceanside Minor Hockey be increased to \$2,500:

*Community Grants:*

|   |    |       |
|---|----|-------|
| Arrowsmith Community Enhance. Society – community programs    | \$ | 900   |
| Errington War Memorial Hall Association – building repair     | \$ | 2,000 |
| Lighthouse Recreation Commission – community programs         | \$ | 2,000 |
| Mid-Island Wildlife Watch Society – Brant Festival            | \$ | 1,000 |
| Oceanside Lyric Ensemble – set construction                   | \$ | 500   |
| Parksville Badminton Club – hall rental                       | \$ | 1,000 |
| Parksville Seniors Athletic Group – slo-pitch equipment       | \$ | 600   |
| San Pareil Owners and Residents Association – Maple Lane Park | \$ | 2,200 |

*Youth Grants:*

|  |    |       |
|--|----|-------|
| Adrenalin Games – event expenses                               | \$ | 500   |
| Ballenas Dry Grad – insurance                                  | \$ | 400   |
| District 69 Family Resource Association – youth program        | \$ | 500   |
| Kwalikum Secondary School Music Parents Group – hall rental    | \$ | 650   |
| Oceanside Baseball Association – resurface 3 diamonds          | \$ | 1,350 |
| Oceanside Minor Hockey – provincial midget tournament          | \$ | 2,500 |
| Parksville Qualicum 4-H Club – local program costs             | \$ | 500   |
| Qualicum Beach Volunteer Fire Dept. – youth leadership camp    | \$ | 2,500 |
| Royal Baseball Club – portable score clock                     | \$ | 500   |
| Society of Organized Services – children’s recreation subsidy  | \$ | 1,250 |
| Society of Organized Services – therapeutic recreation subsidy | \$ | 1,250 |
| Vicious Vacant Productions – two youth events                  | \$ | 1,715 |

CARRIED

**Transit Business Plan Update Select Committee.**

MOVED Director Krall, SECONDED Director C. Haime, that the minutes of the Transit Business Plan Update Select Committee meeting held January 29, 2004 be received for information.

CARRIED

MOVED Director Krall, SECONDED Director Holdom, that the Transit Service Agreement effective April 11, 2004 with BC Transit be approved.

CARRIED

MOVED Director Krall, SECONDED Director Bibby, that the Transportation Services’ Pets-on-Board Program be continued as part of the regular Transit service provision.

CARRIED

MOVED Director Krall, SECONDED Director Tyndall, that the minutes of the Transit Business Plan Update Select Committee meeting held February 12, 2004 be received for information.

CARRIED

MOVED Director Krall, SECONDED Director Kruyt, that the District 69 Community Bus Service Proposal be approved for introduction on June 28, 2004; and that the existing conventional transit routing in place for the Eagle Crest Subdivision be retained as part of the Community Bus service provision.

CARRIED

MOVED Director Holdom, SECONDED Director McNabb, that the Board express clear interest in obtaining the hybrid buses for use in a test project.

CARRIED

## COMMUNITY SERVICES

### TRANSIT

**District 69 Community Bus Transit Service Amendment Bylaws No. 897.04 and 908.05.**

MOVED Director Krall, SECONDED Director Kruyt,:

1. That the "Regional District of Nanaimo District 69 Community Bus Transit Service Amendment Bylaw No. 897.04, 2004" be introduced and given 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> reading and be forwarded to the Inspector of Municipalities.
2. That the "Regional District of Nanaimo District 69 Custom Transit and Paratransit Local Service Area Amendment Bylaw No. 908.05, 2004" be introduced and given 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> reading and be forwarded to the Inspector of Municipalities.

CARRIED

### **Regional Library Board.**

Director Krall noted that Director Bibby has been selected to sit on the Regional Library Board Executive Committee for the coming year.

### IN CAMERA

MOVED Director Sherry, SECONDED Director Hamilton, that pursuant to Section 242.2(1)(e) and (h) of the *Local Government Act* the Board proceed to an In Camera meeting to consider a potential land acquisition issue and a legal matter.

CARRIED

### ADJOURNMENT

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

CARRIED

TIME: 7:52 PM

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CHAIRPERSON



MAR 16 2004

MEMORANDUM

|                    |  |       |  |
|--------------------|--|-------|--|
| CHAIR              |  | GMCrs |  |
| CAO                |  | GMDS  |  |
| GMCms              |  | GMES  |  |
| <i>[Signature]</i> |  |       |  |

TO: Neil Connolly  
General Manager, Community Services

DATE: March 10, 2004

FROM: Christina Thomas  
Senior Planner, Community Services

FILE:

SUBJECT: COMMUNITY WATER & COMMUNITY SEWER SERVICE PROVISION:  
ENVIRONMENTAL OR PUBLIC HEALTH REASONS

PURPOSE

The purpose of this report is to confirm the approach to be used by the parties to the Regional Growth Strategy (RGS) to make decisions about the provision of community water and community sewer services to land designated by the RGS as Resource Lands and Open Space and Rural Residential for environmental or public health reasons.

BACKGROUND

Issue

Policy 7B of the RGS establishes that lands designated by the RGS as Resource Lands and Open Space and Rural Residential are not priority areas for the provision of community water and community sewer service. It does, however, allow for the provision of these services to lands in these designations where public health or the environment may be threatened by the present domestic water supply or wastewater management method used. It also establishes that where properties in these designations are provided community water or community sewer service the provision of the service is not to result in a higher level of development than supported by the RGS in Policy 3A (the policy that establishes the maximum desirable level of development for land designated by the RGS as Resource Lands and Open Space and Rural Residential, and generally provides for minimum parcel sizes as specified in official community plans in place on June 10, 2003), and makes a requirement that the full cost of the service provision be borne by the property owner to be provided the service. The policy also provides for the RDN and member municipalities to develop criteria, in partnership, to use in the identification of lands that ought to be provided community water and or community sewer services to address an environmental or public health threat.

Policy 7B was intended to establish a greater degree of flexibility regarding the determination of environmental or public health risks that warrant the provision of community water or community sewer services than was permitted in the servicing policies contained in the old RGS. Under the previous RGS, the RDN relied upon the Ministry of Health to certify that a property presented a "documented health hazard" which the Ministry defines as "an area wide failure of onsite sewage disposal systems or other sewage disposal practices resulting in discharge of inadequately treated wastewater to the environment as demonstrated by sanitary surveys or other data collection methods and confirmed by the Medical Health Officer as posing a threat to human health". Under that scenario the Ministry of Health used a combination of their field knowledge obtained through sewage permit application inspections, information reported to them by property owners about failing or problematic septic disposal systems, and their professional judgment and discretion to identify these areas. Ministry of Health staff noted that such



determinations were often difficult to arrive at given the tendency of many property owners to not report to the Ministry septic system problems on their own properties, for fear of reprisal. It was agreed in the revised RGS that an approach whereby the RDN and member municipalities did not rely solely upon the Ministry of Health to identify areas that should be serviced for environmental or public health reasons would provide for more flexibility and discretion for the RDN and member municipalities in their decisions about what property to service for environmental or public health reasons.

### *Proposed Approach*

Since the new RGS was adopted on June 10, 2003 Regional Growth Management Services staff have consulted with staff of each of the parties to the Regional Growth Strategy through one-on-one meetings and through six meetings of the Intergovernmental Advisory Committee (IAC) 'core group'<sup>1</sup> which is comprised of representatives from each of the member municipalities and the electoral area planning function.

The proposed approach (*see Attachment 1*) includes the following key elements:

- Recognition that servicing may be required for environmental or health reasons in certain areas of the RDN as a result of historic settlement patterns and associated rural residential densities.
- The RDN and the member municipalities will be responsible for developing their own approach for decisions regarding the provision of services to lands for environmental or health reasons in recognition that:
  - The jurisdictions have supported, and may wish to provide, community water and or community sewer services for reasons of individual preference or a very broad interpretation of environmental reasons;
  - The jurisdictions are obliged to make decisions consistent with the RGS and, as such, are responsible for ensuring that the provision of services for environmental or health reasons does not result in a level of development greater than supported by the RGS in Policy 3A.
- The IAC will review decisions undertaken by the parties to the RGS on an annual basis to assess how the approach is working and to allow for changes to be considered in the future if necessary. Provision will also be made for the parties to provide more regular updates to each other at IAC meetings.

The wording of the proposed approach was discussed and fine-tuned at the last two IAC meetings. The IAC concurs with the approach as presented.

### **ALTERNATIVES**

1. Support the proposed approach.
2. Not support the proposed approach, and identify aspects of the proposed approach that should be reconsidered.

### **FINANCIAL IMPLICATIONS**

If the proposed approach is supported as presented the RDN and member municipalities would need to ensure that owners of properties that they provide community water service and or community sewer service pay the full cost of the service, including capital, operating, connection and development cost charges.

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<sup>1</sup> Please see the minutes for the October 29, 2003, December 2, 2003, January 14, 2004, January 28, 2004 and February 17, 2004 and March 9, 2004 meetings for more details.

### GROWTH MANAGEMENT IMPLICATIONS

If the proposed approach is supported it will be important for the RDN and member municipalities to ensure that where they approve the provision of community water or community sewer service to land designated as Resource Lands and Open Space or Rural Residential for environmental or public health reasons that no additional development beyond that supported by Policy 3A of the RGS is enabled. The RDN and or member municipalities will need to require the registration of a restrictive covenant on each property provided service for environmental or public health reasons to ensure that a higher level of development than anticipated by RGS policy 3A is not facilitated by the service provision. Alternatively, the RDN and or member municipalities may wish to adjust the zoning of the land so that it provides for the same amount or less development potential than supported by RGS policy 3A.

### PUBLIC CONSULTATION IMPLICATIONS

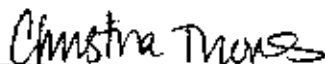
The proposed approach is consistent with the public feedback received during the review of the RGS that was completed on June 10, 2003.

### SUMMARY

The new RGS enables the RDN and member municipalities to agree to a more flexible approach regarding the provision of community water and or community sewer services to land designated by the RGS as Resource Lands and Open Space and Rural Residential to address and environmental or public health threat. The approach developed for decision-making about this matter in consultation with the IAC is provided for the Board's consideration of approval.

### RECOMMENDATIONS


1. That the March 10, 2004 report "Community Water and Community Sewer Service Provision: Environmental or Public Health Threats" be received.
2. That the approach for decision making about the provision of community water service and or community sewer service to land designated by the Regional Growth Strategy as Resource Lands and Open Space and Rural Residential for environmental or public health reasons under Policy 7B of the Regional Growth Strategy be approved as presented in Attachment 1 to the report.



Report Writer



General Manager Concurrence



CAO Concurrence

ATTACHMENT #1

**DECISION MAKING REGARDING THE PROVISION OF SERVICES UNDER REGIONAL GROWTH STRATEGY POLICY 7B**

**Regional Growth Strategy Goal 7, Efficient Services, is "to provide cost efficient services and infrastructure where urban development is intended, and to provide services in other areas where the service is needed to address environmental or public health issues and the provision of the service will not result in additional development.**

Policy 7B: The RDN and member municipalities do not support the provision of community water or community sewer services to land designated as Rural Residential or to land designated Resource Lands and Open Space to accommodate future urban growth and development. However, the RDN and member municipalities recognize that public health or the environment may be threatened by the present domestic water supply or wastewater management method used on land in these designations. Consequently, the RDN and member municipalities permit the provision of community water and community sewer services to land in these designations provided that the service provision does not result in a higher level of development than supported on the land by Policy 3A of this Regional Growth Strategy and the full cost is paid by the landowners. The RDN and member municipalities will, in partnership, develop criteria to use in the identification of these lands as well as a strategy to assess the financial impacts of providing services to these lands (i.e. capital planning implications, proximity of property to existing servicing lines, etc.).

Policy 3A: The RDN and member municipalities agree to promote and encourage the retention of large rural holdings on lands designated as Resource Lands and Open Space and lands designated Rural Residential. To this end, the RDN and member municipalities agree that the minimum parcel size of lands designated Rural Residential and Resource Lands and Open Space will not be reduced below the minimum parcel size established in official community plans in place at the date of the adoption of this regional growth strategy except where the land is in a Community Water Service Area at the date of the adoption of this Regional Growth Strategy, subdivision may be permitted to the minimum parcel size allowed by the zoning bylaw with community water service at the date of the adoption of the Regional Growth Strategy. Further, the RDN and member municipalities agree to investigate the ideal and practical minimum parcel sizes for resource uses on lands designated as Resource Lands and Open Space.

**In support of Goal 7 and, particularly Policy 7B, the following approach will be undertaken by the parties to the Regional Growth Strategy:**

**Based on historic settlement patterns and the associated rural residential densities it is anticipated that certain areas in the RDN may require servicing due to environmental or health considerations. The RDN and member municipalities will be responsible for developing their own approach for decisions regarding the provision of services to these lands in accordance with Policy 7B in recognition that:**

- **the jurisdictions have supported, and may wish to provide, community water and community sewer services for reasons of individual preference or a very broad interpretation of environmental reasons;**
- **the jurisdictions are obliged to make decisions consistent with the Regional Growth Strategy and, as such, are responsible for ensuring that any decisions they make to provide services under Policy 7B do not result in a level of development greater than supported by the Regional Growth Strategy in Policy 3A.**

**The IAC will review decisions undertaken by the parties to the Regional Growth Strategy on an annual basis to assess how the approach is working and to allow for changes to be considered in the future, if necessary.**



|                              |       |
|------------------------------|-------|
| REGIONAL DISTRICT OF NANAIMO |       |
| MAR 16 2004                  |       |
| CHAIR                        | GMCrs |
| CAO                          | GMDS  |
| GMCms                        | GMES  |
| DATE: _____                  |       |

**MEMORANDUM**

**TO:** Kelly Daniels  
Chief Administrative Officer

**FROM:** Neil Connelly  
General Manager, Community Services

**SUBJECT:** Electoral Area 'A' Skate Park Proposal

**DATE:** March 15, 2004

**FILE:** 6240-20-ASKA

**PURPOSE**

To consider a recreation group request that the Regional District acquire land and approval from School District 68 to develop a skate park on part of the Cedar Community Secondary School grounds.

**BACKGROUND**

A group of residents in Electoral Area 'A' have formed the Cedar Skate Park Association and requested the Regional District's assistance in advancing the development of a skate park facility that could serve the youth of the community. Their letter is attached. Over the past several years they have researched the skate parks in Ladysmith, Nanaimo and other centres and the fundraising and organizational efforts that have been used to develop new specialized recreational facilities of this type. A major issue in advancing the proposal has been finding a site that meets their requirements, that is available and is in a location that is readily accessible by users.

Preliminary discussions have been held with School District No. 68 officials regarding the use of a portion of the Cedar Community Secondary School site. Several areas that are adjacent to the soccer field and the ball field have been identified that are not currently utilized by the school or planned for future school use. One area is adjacent to Holden Corso Road and the other is next to Walsh Road. A map and aerial photo of the school parcel is attached.

The Association has actively sought out support for their proposal from business owners, community organizations, and parents and skate boarders. Thirty letters of support for the initiative have been forwarded to the Regional District in support of the Association's request. They include letters from the Tamagawa Gakuen of Canada Society, 49<sup>th</sup> Parallel Grocery, Cedar Lions Club, Cedar School and Community Enhancement Society, Bedrock Redi Mix Ltd., Mayco Mix Ltd., Cranberry Arms Hotel, Village Loonie Bin, Vancouver Island Powder Coating 1997 Ltd., North Cedar Fire Department, Friesen Rentals and Sales, Island Savings, Cedar General Store, and Clarica, as well as numerous individuals.

The skate park proposal provides for fundraising, volunteer efforts, and community involvement that would ultimately lead to the development of a park and facility that would serve youth from eight to twenty-five who are skateboarders, roller bladers and BMXers. There is also the potential for future tennis courts, fitness trails and play area development.

The immediate priority of the Association is for certainty regarding the park location, which will allow for the proposal to advance to the next stage of project planning and fundraising. Other than the school grounds, there are no community park sites or other locations that are readily available and centrally located for a skateboard park.

School District 68 staff has indicated that they would not make arrangements with a community group for a skate park development on their property. They would, however, be open to consider a proposal that would provide for the Regional District to obtain a form of tenure over a portion of the school grounds that in turn could be used by a society or group under arrangements to the RDN. A lease or other form of legal agreement between the School District and the RDN would ultimately be required, should the project proceed.

**ALTERNATIVES**

1. That School District No. 68 be requested to provide an area of the Cedar Community Secondary School grounds through a long-term lease or other form of agreement with the Regional District for the development of a skate park facility by the Cedar Skate Park Association.
2. That the Regional District decline to assist the Skate Park Associations at this time in acquiring a site from School District No. 68 for their skate park facilities proposal.

**FINANCIAL IMPLICATIONS**

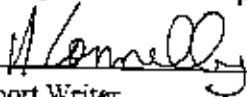
If the Regional District were successful in obtaining a skate park site on a part of the school property owned by School District No. 68, survey and legal agreement costs would likely be incurred. Any other additional land costs would be subject to further discussion and negotiation. The 2004 Electoral Area Community Parks Budget does not specifically provide funding for the initiative except for general staff support to assist with park related initiatives in the community.

**SUMMARY/CONCLUSIONS**

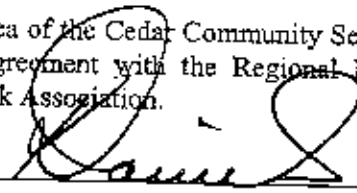
The Cedar Skate Park Association has requested that the Regional District assist in their initiative to develop a skate park facility to serve the young people in the community. At this stage of the proposal, the Regional District's specific role would be to acquire a site on the Cedar Community Secondary School grounds through an agreement with School District No. 68. Preliminary discussions indicate that the School District would be open to favourably receive the Regional District's request subject to further work and specific information on the proposal being advanced by both the RDN and the Skate Park Association.

**RECOMMENDATION**

That School District No. 68 be requested to provide an area of the Cedar Community Secondary School grounds through a long-term lease or other form of agreement with the Regional District for the development of a skate park facility by the Cedar Skate Park Association.



Report Writer



CAO Concurrence

COMMENTS:

Director Henrik Kreiberg  
 Regional District of Nanaimo  
 6300 Hammond Bay Road  
 Nanaimo B. C.  
 V9V 6N2

March 6<sup>th</sup>, 2004

Dear Director Kreiberg,

I'm writing this letter on behalf of Cedar Skate Park Association. Our membership represents a broad spectrum of our community including business owners, a non-profit organization, parents and hopeful users of the park. We have letters of support from service groups and other residents acknowledging the need for a recreation site in our own area. Please see attached letters.

The Cedar Skate Park Association requests that you, as Director of the Regional district "A", represent us in appealing to the Regional District to consider entering into a partnership with our committee to acquire School Board land for a recreation area in Cedar for a skate park as discussed at our monthly meetings. Cedar has a population of 6,420 (2001 Census) and is growing, with more young families, into a Regional District Node, which needs to have some leisure facilities for young people.

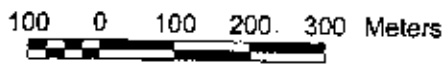
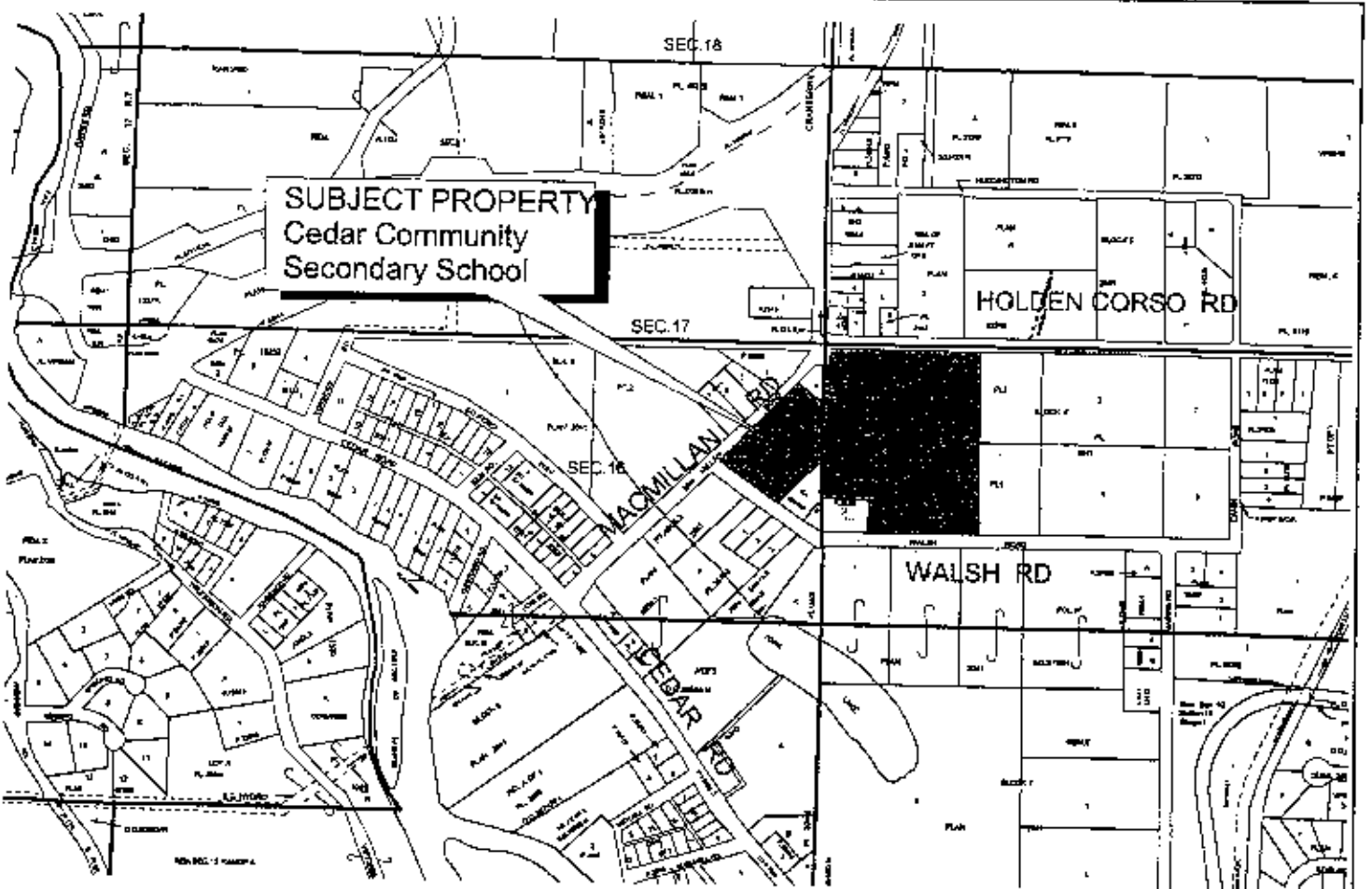
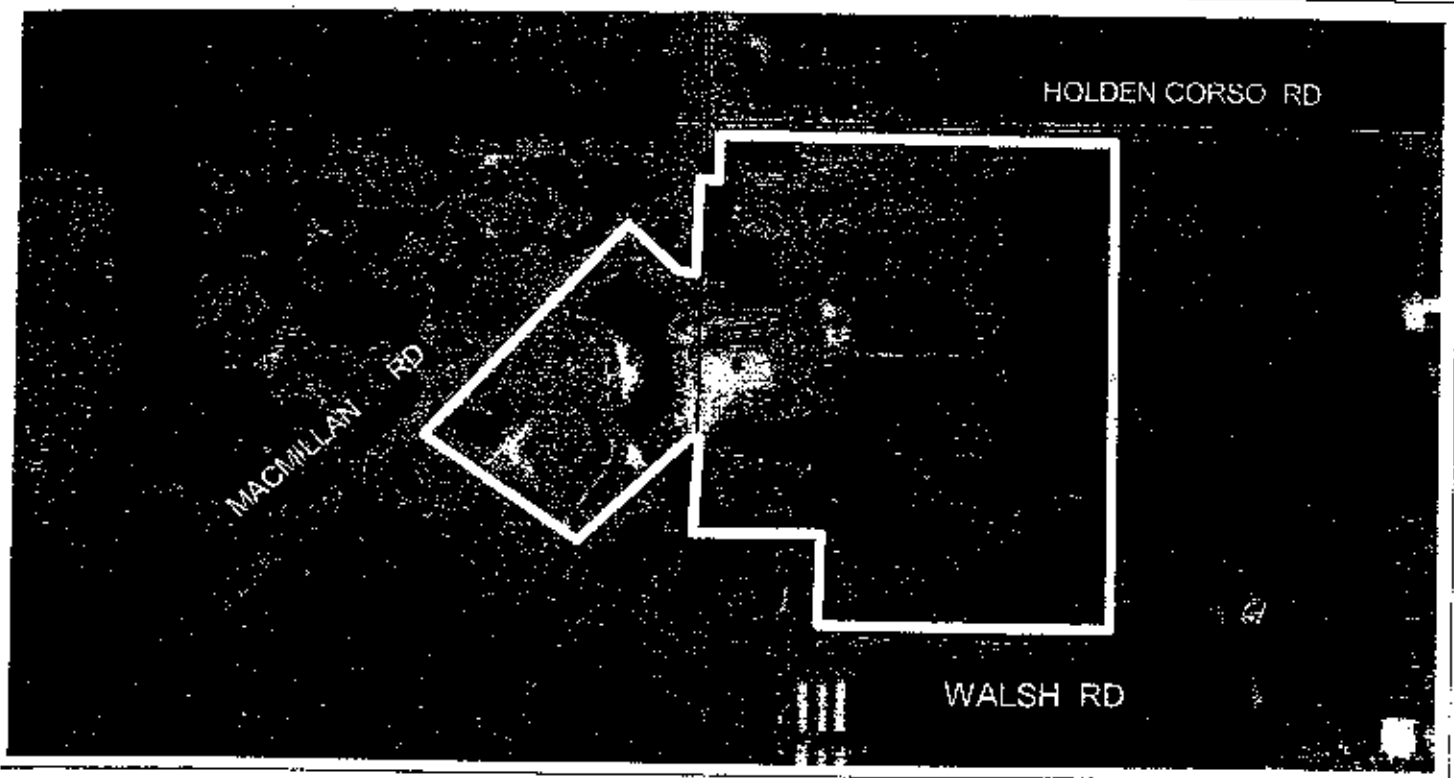
The site proposal: starting at the Holden Corso Road side of the property, northeast corner, polygons 1 (touching Holden Corso Road, north of the sportfield), 2 (lying immediately south of the sportfield and bordered to the west by the ballfield), 3 (southeast corner of the site, separately fenced), and 4 (immediately west of polygon 3 and bordered to the north by the exiting ballfield). This leaves the ball field for further discussion depending on minor ball users.

A recreation site would provide a social venue for our young people. They need a safe place to burn off youthful exuberance in a healthy manner, to build self-esteem and a sense of belonging to their community. Parents and business owners will appreciate that the youth are involved in this active sport in a confirmed space rather than on highways and parking lots.

We want to thank you for your help and support to establish a safe recreation area for our community. If you have any question or concerns please contact me at 722 3767.

Sincerely

Vicki Suddaby  
 And the Cedar SkatePark Committee  
 Nanaimo B.C.  
 V9X 1G8



BCGS MAPSHEET  
92G.011.2.1





REGIONAL DISTRICT OF NANAIMO

MAR 16 2004

MEMORANDUM

|                     |       |
|---------------------|-------|
| CHAIR               | GMCrs |
| CAO                 | GMDS  |
| GMCrs               | GMES  |
| DATE: <i>Callie</i> |       |
| FILE:               |       |

TO: K. Daniels  
Chief Administrative Officer

March 15, 2004

FROM: C. Mason  
General Manager, Corporate Services

SUBJECT: Committee & Board Meeting Schedule

**PURPOSE:**

To review the current schedule for Board and Committee meetings and consider whether the Board meeting dates should be changed to the fourth Tuesday of each month.

**BACKGROUND:**

Under the Board Procedure Bylaw No. 1268, the bylaw sets out that regular meetings of the Board must be held on the second Tuesday of each month commencing at 7:00 pm. Committee of the Whole meetings are held on the fourth Tuesday of each month at 7:00 pm and Electoral Area Planning Committee meetings are held on the fourth Tuesday of each month at 6:30 pm.

Staff have been asked to prepare a report to consider whether the schedule could be amended to reverse the meeting schedule so that Board meetings are held on the fourth Tuesday of each month. This request is based on the premise that business is often being considered by municipalities early in each month. If the schedule were reversed, the Board would also be considering items at the Committee of the Whole meeting earlier in the month. If the Board supports this change, it will require a change to the Board Procedure Bylaw.

**ALTERNATIVES:**

1. Amend "Board Procedure Bylaw No. 1268" to hold regular Board Meetings on the fourth Tuesday of each month at 7:00 pm.
2. Amend "Board Procedure Bylaw No. 1268" to specify an alternate date for holding regular Board meetings.
3. Continue with the current schedule and make no changes to the Board Procedure Bylaw.

**FINANCIAL IMPLICATIONS:**

Other than some advertising costs for notifying the public of proposed meeting schedule change, there are no financial implications.



**CONCLUSIONS:**

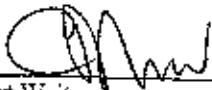
Staff have been asked to prepare a report considering a revision to the Board meeting schedule so that Board meetings can be held on the fourth Tuesday of each month. If the Board supports this change, it continues to have the option of calling a Special Board meeting earlier in the month to address issues that do not fit within the proposed meeting schedule.

It is not anticipated that this change will have an impact on how the Board conducts its business, except for meeting dates during the December/January period. Due to the timing of Christmas and New Year, it is not possible to hold a Board meeting on the fourth Tuesday in December. In addition, section 792 of the *Local Government Act* requires the election of a Board Chair and Vice Chair at the first meeting in December. As a result, the Procedure Bylaw will need to identify the second Tuesday in December as the date for its Inaugural meeting.

With the Board holding its regular meeting annually on the second Tuesday in December, there may be an occasional requirement for special Board meetings to be held in early January due to the long gap between regular Board meetings.

**RECOMMENDATION:**

That "Board Procedure Bylaw 1268, 2002" be amended to incorporate the fourth Tuesday of each month (for the months from January to November) as the regular meeting date for Board meetings, and that the second Tuesday in December be defined as the regular Board meeting date for the month of December.



Report Writer



C.A.O. Concurrence

**COMMENTS:**

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**TO:** C. Mason  
General Manager, Corporate Services

**DATE:** March 15, 2004

**FROM:** N. Avery  
Manager, Financial Services

**FILE:**

**SUBJECT:** Yellowpoint-Waterloo Fire Protection Specified Area Burning Season Bylaw

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**PURPOSE:**

To introduce for first three readings "Yellow Point-Waterloo Fire Protection Specified Area – Control of Fires During Fire Season Bylaw No. 1381, 2004".

**BACKGROUND:**

The Yellowpoint-Waterloo Fire Protection Specified Area covers a portion of Electoral Areas 'A' and 'C'. The Cowichan Valley Regional District provides fire protection service to this area by way of agreement, using the North Oyster Volunteer Fire Department. In the course of renewing the agreement in 2003 it came to staff's attention that the Cowichan Valley Regional District has a fire season burning control bylaw but none exists under the Regional District of Nanaimo. The Cowichan Valley Regional District requested that we "consider adopting a control of fires during fire season bylaw within one year" when they executed the fire protection service contract in March 2003.

Staff met with the Directors for Electoral Areas 'A' and 'C' (as well as the Alternate for Electoral Area 'A') in November, 2003 and took direction to proceed to hold a public information meeting to discuss the community's interest in having a complimentary burning control bylaw.

A public information meeting was held on January 21<sup>st</sup>, 2004 at which approximately 40 residents attended. Ms. Jennifer Franssen, Protective Services Manager for the Cowichan Valley Regional District gave an overview of the content of the bylaw. The bylaw is intended to allow the Fire Chief to require and to issue permits for burning which takes place during fire season (April 1<sup>st</sup> to October 31<sup>st</sup>). The bylaw covers open fires which fall under the Provincial regulatory size limits. Large agricultural clearing fires for instance are outside the scope of this bylaw. Further, there are times when the overall Provincial standards and warnings for fire hazards are not reflective of local conditions. This bylaw will allow the local fire department to establish appropriate burning periods for localized conditions.

Many of those attending the information meeting expressed frustration about what they considered to be burning infractions in the recent past. Some of the infractions involved large fires requiring the attention of Provincial fire officials and would not be stopped by the bylaw proposed with this report. A poll of those attending the meeting indicated virtually unanimous support for a burning season bylaw.

**ALTERNATIVES:**

1. Introduce the bylaw for three readings, advertise the bylaw in accordance with Section 94 of the *Community Charter* and adopt the bylaw at the April Board meeting.
2. Introduce the bylaw for three readings and adopt the bylaw at the April Board meeting.
3. Defer introduction of the bylaw at this time.

**FINANCIAL IMPLICATIONS:**

There are no financial implications.

**CITIZEN IMPLICATIONS**


It is our general practice to follow the statutory advertising sections of the *Community Charter* for notifying residents and property owners when new regulatory bylaws are introduced. This bylaw will be advertised in two consecutive editions of a local paper and in one edition of a neighborhood paper. Both Electoral Area Directors were consulted on this approach and concur.

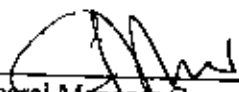
**SUMMARY/CONCLUSIONS:**

This report responds to a request from the Cowichan Valley Regional District, that the Regional District of Nanaimo consider adopting a control of fires during burning season bylaw for the Yellowpoint-Waterloo Fire Protection service area. Fire protection in this Regional District service area is provided under contract by the Cowichan Valley Regional District through their North Oyster Fire Department. The Cowichan Valley Regional District has adopted a bylaw which allows the Fire Chief to issue permits for, or to restrict burning if local conditions warrant it, during the period between April 1<sup>st</sup> and October 31<sup>st</sup>. The bylaw covers open fires which fall under the Provincial regulatory size limits. Large agricultural clearing fires, for instance, are outside the scope of this bylaw. Following direction from the Directors for Electoral Areas A and C, a public information meeting was held on January 21<sup>st</sup> to discuss implementing the bylaw in the service area. Those attending the meeting gave virtually unanimous approval to proceed. The Directors have recommended that the bylaw proceed to first three readings and be advertised as outlined above.

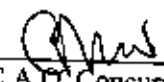
**RECOMMENDATION:**

That "Yellow Point-Waterloo Fire Protection Specified Area – Control of Fires During Fire Season Bylaw 1381, 2004" be introduced for three readings and proceed to be advertised as outlined in this report.

  
Report Writer

  
General Manager Corporate Services

**COMMENTS:**

  
C.A.O. Concurrence

# REGIONAL DISTRICT OF NANAIMO

## BYLAW NO. 1381

### A BYLAW TO CONTROL FIRES DURING FIRE SEASON WITHIN THE YELLOWPOINT-WATERLOO FIRE PROTECTION SPECIFIED AREA

WHEREAS the Board of the Regional District of Nanaimo deems it desirable to provide authority to manage fire prevention and protection during periods of high and extreme fire risk;

AND WHEREAS authority is granted to the Regional District of Nanaimo under Yellowpoint-Waterloo Fire Protection Specified Area Extension Bylaw No. 15, 1970 to provide Fire protection services within defined portions of Electoral Areas A and C;

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

1. This bylaw may be cited for all purposes as "Yellowpoint-Waterloo Fire Protection Specified Area – Control of Fires During Fire Season Bylaw No. 1381, 2004".

2. **DEFINITIONS**

For the purposes of this bylaw, unless the context otherwise requires:

"**Adult**" means a person over the age of 19.

"**Beach Fire**" means an outdoor Fire located on land below the natural boundary of any lake, stream or water course.

"**Camp Fire**" means an outdoor Fire for cooking, warmth or ceremonial purposes, and maintained within a Fire pit.

"**CVRD**" means the Cowichan Valley Regional District.

"**Department**" means the North Oyster Volunteer Fire Department.

"**Deputy Fire Chief**" means the Deputy Fire Chief as appointed from time to time by the North Oyster Fire Commission.

"**Enforcement Officer**" means a member(s) of the North Oyster Volunteer Fire Department or an Officer(s) of the Royal Canadian Mounted Police.

"**Fire Chief**" means the Fire Chief as appointed from time to time by the North Oyster Fire Commission.

"**Fire Prevention Officer**" means the Fire Prevention Officer appointed by the Fire Chief.

"**Fire Pit**" means an enclosure or surround of non-combustible material such as iron rings, or stone masonry surrounds no larger than one (1) meter in diameter.

"**Fire Season**" means the period between April 1<sup>st</sup> and October 31<sup>st</sup> in any given year.

**"Member(s)"** means a volunteer fire fighter of the Department including every Officer and the Fire Chief and the Deputy Fire Chief.

**"Natural Boundary"** means the visible high water mark of any lake, river, stream or other body of water where the presence and action of the water are so common and usual, and so long continued in all ordinary years, as to mark on the soil of the bed of the body of water a character distinct from that of its banks, in vegetation, as well as in the nature of the soil itself.

**"North Oyster Fire Commission"** means the body established under CVRD Bylaw No. 2080 to manage the operations of the Department.

**"Off Season"** means that period of time other than the Fire Season.

**"Regional District"** means either the Regional District of Nanaimo or the Cowichan Valley Regional District as the context warrants.

**"Small Open Fires -- Category 1"** means a fire in the open air for the purpose of burning accumulations of waste material that do not exceed 2 m in height and 3 m in diameter where the products of combustion are not conveyed and disposed of by means of a chimney constructed and maintained in accordance with the Provincial regulations and excludes Beach Fires and Camp Fires.

**"Small Open Fires -- Category 2"** means a fire in the open air for the purpose of burning grass or stubble where the burn area is less than 0.2 ha in size where the produces of combustion are not conveyed and disposed of by means of a chimney constructed and maintained in accordance with the Provincial regulations and excludes Beach Fires and Camp Fires.

### 3. GENERAL CONDITIONS

- 1) This bylaw applies to Small Open Fires, Beach Fires and Camp Fires.
- 2) In the event of a conflict between a provision of this bylaw and a provision of the *National Fire Code of Canada*, the *Forest Practices Code and Regulations (British Columbia)*, the *Forest Act (British Columbia)*, the provisions of the *National Fire Code of Canada*, the *Forest Practices Code and Regulations*, or the *Forest Act (British Columbia)* as applicable, will prevail.
- 3) Except as permitted by this bylaw, no person shall start or maintain a Small Open Fire, Beach Fire and Camp Fire:
  - (a) where the Fire Chief or, in his or her absence, the Deputy Fire Chief is of the opinion that conditions are not safe for Small Open Fires, Beach Fires or Camp Fires, owing to drought, lack of precipitation, accumulation of flammable materials, wind conditions or any other reason, the Fire Chief or Deputy Fire Chief, as applicable, may post a notice, outlined in Schedule 'B' attached to this bylaw, advising that Small Open Fires, Beach Fires and Camp Fires are not allowed.

- (b) From the posting of the notice under Section 3(3)(a), no person shall start or maintain a Small Open Fire, Beach Fire or Camp Fire until the notice is removed by the Fire Chief or the Deputy Fire Chief.
- 4) The Fire Chief or Deputy Fire Chief must post copies of the notice (see Schedule 'B') in at least three (3) locations where it is reasonable to expect that they will be visible to members of the public.
- 5) No person shall burn any garbage, animal organic waste, rubber, tires, oil, tar, asphalt shingles, battery boxes, plastic material, polypropylene, polystyrene, electric wires, plastic pipe, adhesives, hydro carbons or any similar material which may be toxic and which may or may not produce heavy black smoke or create a noxious odour.
- 6) Small Open Fires, Beach Fires and Camp Fires shall from the time they are ignited until they are completely extinguished be kept under control at all times and shall be supervised by an Adult.
- 7) No person shall obstruct or prevent an Enforcement Officer from carrying out inspections or enforcing the regulations of this bylaw.

#### 4. **SMALL OPEN FIRES – PERMITS**

- 1) No person shall light, ignite, or maintain a Small Open Fire or cause or permit a Small Open Fire to be lit, ignited or maintained in the open air without first completing the application form and obtaining a permit outlined in Schedule 'A' attached to this bylaw, from the Fire Prevention Officer.
- 2) The Fire Chief or designated Fire Prevention Officer may issue permits for Small Open Fires and may attach to a permit whatever conditions in their opinion are advisable.
- 3) The Fire Chief or designated Fire Prevention Officer may withhold any permit or cancel any permit issued where in their opinion, the igniting of a Small Open Fire may create a hazard to persons or property.
- 4) A permit shall be in writing and is valid only for the purpose stated in the permit and for the time set out in the permit.
- 5) No person is required to obtain a permit for the occasional burning of vegetative debris in a state that is conducive to combustion from sunrise to sunset on any day from November 1<sup>st</sup> in any year to March 30<sup>th</sup> of the following year, unless a notice is published that Permits will be required during the period specified in the notice.
- 6) Small Open Fires must be attended to and kept under control at all times by an Adult.

**5. BEACH FIRES**

- 1) Beach Fires shall only be ignited or maintained with wood and used for cooking, warmth or ceremonial purposes.
- 2) No person shall ignite or maintain a Beach Fire except in a Fire Pit.
- 3) Beach Fires will be permitted only below the Natural Boundary and must be a minimum of three (3) meters from driftwood, slash, grass or other combustible material.
- 4) Beach Fires shall be no larger than one (1) meter in diameter and one (1) meter in height.
- 5) A Beach Fire must be completely extinguished with water and not by covering the fire with sand or other material, by 12:00 midnight.
- 6) Beach Fires must be attended to and kept under control at all times by an Adult.

**6. CAMP FIRES**

- 1) Camp Fires shall be ignited or maintained three (3) meters away from standing trees, stumps, slash or other inflammable debris or wooden structures.
- 2) No person shall ignite or maintain a Camp Fire greater than one (1) meter in diameter and one (1) meter in height.
- 3) No person shall ignite or maintain a Camp Fire except in a Fire Pit.
- 4) All inflammable material shall be removed down to mineral soil for not less than one (1) meter in all directions from the perimeter of the Fire Pit.
- 5) A person who ignites a Camp Fire shall ensure that an effective means of extinguishing the fire, by means of water or by smothering with mineral soils is available immediately adjacent to the Fire Pit at all times while the fire is maintained.
- 6) A Camp Fire, other than a Camp Fire ignited and maintained on private property, shall be extinguished by 10:00 pm.
- 7) Camp Fires must be attended to and kept under control at all times by an Adult.

**7. SEVERABILITY**

If any section, subsection or clause of this bylaw is declared or held to be invalid by a Court of competent jurisdiction, then that invalid portion shall be severed and the remainder of this bylaw shall be deemed to have been enacted and adopted without the invalid and severed section, subsection or clause.

8. **INSPECTION**

An Enforcement Officer is authorized to enter at all reasonable times on any land that is subject to this bylaw, to ascertain whether the requirement is being met or the regulations are being observed.

9. **PENALTY**

- 1) Any person who violates any provision of this bylaw shall be liable, upon conviction to the penalties described in the *Offence Act*.
- 2) Where any violation continues, each day in which it continues shall be deemed to be a separate violation for the purpose of prosecution under this bylaw.

Introduced and read three times this 13th day of April, 2004.

Adopted this \_\_\_\_ day of \_\_\_\_\_, 2004.

\_\_\_\_\_  
CHAIRPERSON

\_\_\_\_\_  
GENERAL MANAGER, CORPORATE SERVICES



\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
General Manager, Corporate Services

## NORTH OYSTER VOLUNTEER FIRE DEPARTMENT FIRE PERMIT

### PART 1 - APPLICATION

I, \_\_\_\_\_, (name of registered owner/agent for the registered owner) of lands described as:

Lot \_\_\_\_\_ DL \_\_\_\_\_ LD \_\_\_\_\_ Plan \_\_\_\_\_ (the "Land") with an address of

\_\_\_\_\_ apply to the Cowichan Valley Regional District

(Civic Address)

for a permit for a fire on the Land on \_\_\_\_\_ in order to burn the following material and no other:

(Day/Month/Year)

\_\_\_\_\_  
(Address and Telephone No. of Applicant)

\_\_\_\_\_  
(Signature of Applicant)

As owner of the Land I agree to carry out any fire authorized by this permit in accordance with all relevant enactments, including the *Fire Services Act* (British Columbia) and Regulations, the *Forest Act* (British Columbia) and Regulations and the *Waste Management Act* (British Columbia) and Regulations and to release and indemnify and save harmless the North Oyster Fire Department from any and all claims and liability which I or any other person may have against the Regional District arising from the fire authorized by this permit.

\_\_\_\_\_  
(Address and Telephone No. of Owner)

\_\_\_\_\_  
(Signature of Registered Owner)

### PART 2 - PERMIT

Permission is hereby granted to carry out a fire on the Lands specified in the above application on the following dates:

\_\_\_\_\_ in order to burn the materials specified in the application and no other in accordance with the conditions (if any) listed below.

\_\_\_\_\_  
(Fire Prevention Officer)

\_\_\_\_\_  
(Date)

*(See categories and conditions on other side)*

### **□ Category 1 – Open Fires – Small Open Fires for waste material**

A person who lights, fuels or makes use of one or more open fires on a burn area to burn accumulations of waste material that do not exceed 2 m in height and 3 m in diameter or width must do so in accordance with the following conditions:

- (a) before a fire is ignited, all combustible material must be removed for at least 1 m in every direction from the perimeter of the waste material to be burned;
- (b) the distance from a fire to any slash, snag, standing tree or wooden structure must be
  - (i) at least twice the diameter or width of the waste material, whichever is greater, or
  - (ii) at least 2 m, if twice the diameter or width of the waste material is less than 2 m;
- (c) during ignition and until all fires are extinguished there must be at least one adult at the burn area who actively patrols to prevent the fire from escaping, and who is equipped with the following:
  - (i) a round nose shovel;
  - (ii) either an axe or a pulaski;
  - (iii) a pail containing at least 18 litres of water, or a means of water delivery that is at least equivalent to an 18 litre pail of water;
- (d) the person lighting, fueling or making use of the fire must, immediately on a fire escaping or threatening to escape, provide, in addition to the person patrolling, 2 adult persons with suitable fire fighting tools, and must ensure that they make reasonable attempts to extinguish the fire;
- (e) no more than 2 accumulations are ignited or burning at one time;
- (f) if 2 accumulations are ignited or burning at one time
  - (i) the accumulations must not be more than 50 m apart, and
  - (ii) one of them must be extinguished before another accumulation is ignited.

### **□ Category 2 – Open Fires – Small Open Fires for grass or stubble**

A person who lights, fuels or makes use of an open fire to burn grass or stubble where the burn area is less than 0.2 ha in size must do so in accordance with the following conditions:

- (a) before a Fire is ignited, a fuel break must be established around the burn area to prevent the Fire from escaping;
- (b) during ignition and until the Fire is extinguished there must be at least 2 adult persons at the burn area who actively patrol to prevent the Fire from escaping, and who are equipped with the following:
  - (i) a round nose shovel;
  - (ii) either an axe or a pulaski;
  - (iii) a means to deliver 400 litres of water to any place on the burn area in a manner which is appropriate for Fire fighting;
- (c) the person lighting, fueling or making use of the fire must, immediately on a fire escaping or threatening to escape, provide, in addition to the persons patrolling, 2 adult persons with suitable Fire fighting tools, and must ensure that they make reasonable attempts to extinguish the Fire;
- (d) only one burn area may be ignited or be burning at one time;
- (e) the Fire on a burn area must be extinguished before another burn area is ignited.

Notes:

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\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
General Manager, Corporate Services



(SCHEDULE "B" TO CVRD BYLAW NO. 2237)

## SMALL OPEN BURNING PROHIBITION NOTICE

Effective Midnight \_\_\_\_\_

Until Further Notice

In order to limit the risk of starting forest fires, backyard burning (*Small Open Fires*) is **prohibited** within the **North Oyster and Yellowpoint Fire Protection Service Areas**. Backyard burning means burning woody material in hand piles not greater than 2 meters in height and 3 meters in diameter, and burning areas of grass or stubble not greater than .2 hectares in size.

This prohibition does not apply to the use of fires more than one kilometer from a Forest, or within areas regulated by local government burning bylaws.

These restrictions for Category 1 and 2 Open Fires, as described in *CVRD Bylaw No. 2237 - Control of Fires (North Oyster Fires Protection Area) During Fires Season Bylaw, 2001, Regional District of Nanaimo Yellowpoint Fire Protection Service - Control of Fires During Burning Season Bylaw No. 1381, 2004* and Sections 23.1 and 23.2 of the *Forest Fires Prevention and Suppression Regulations (BC Reg. 169/95)*, are made pursuant to Section 78(1)(a)(1) of the *Forest Practices Code of BC Act*.

Any questions may be directed to the North Oyster Volunteer Fire Department at (250) 245-5111.

|                                |
|--------------------------------|
| Signature: _____<br>Fire Chief |
| Date of Issue: _____           |





|                                 |       |
|---------------------------------|-------|
| REGIONAL DISTRICT<br>OF NANAIMO |       |
| MAR 15 2004                     |       |
| CHAIR                           | GMCrS |
| CAO                             | GMDS  |
| GMCmS                           | GMES  |

**MEMORANDUM**

**TO:** Carol Mason  
General Manager of Corporate Services

**FROM:** N. Avery  
Manager of Financial Services

*Call*

**DATE:** March 9, 2004

**FILE:**

**SUBJECT:** Annual Report of Directors' and Committee Members' Remuneration and Expenses

**PURPOSE**

To present a schedule listing the remuneration and expenses paid on behalf of elected members and committee members in 2003.

**BACKGROUND**

Section 814.1 of the *Local Government Act* requires that at least once a year, a report listing the amount of remuneration and expenses paid to a Board or committee member be prepared and considered by the Board. Copies of the listing are to be made available to the public from the date of consideration for a period of one year. A charge may be made to the public for a copy of the report. The attached report has been prepared from the 2003 audited records of the District.

Remuneration rates are established by an independent committee, following Board policy, for the three year period between elections. Current remuneration rates were recommended and established in 2001. Remuneration includes an annual base remuneration for regular Board and Standing Committee meetings, plus per meeting stipends for additional select committees, advisory committees, public hearings or information meetings attended. The District also reimburses members for mileage, ferry fares, business meals, communication equipment costs, internet service costs and attendance at the annual UBCM, AVICC and FCM conventions.

The District's remuneration bylaw provides that one third of remuneration amounts paid to Board members or their alternates are a tax-exempt allowance for the purpose of carrying out their duties as an elected member. The basic annual remuneration rates for 2003 are as follows:

| Member                                   | Base Remuneration         | Allowance | Total                     |
|--|---------------------------|-----------|---------------------------|
| Municipal Director                       | \$7,940                   |           | \$7,940                   |
| Electoral Area Director                  | \$7,940                   | \$2,290   | \$10,230                  |
| Chairperson                              | \$7,940                   | \$10,976  | \$18,916                  |
| Other Public/Advisory Committee Meetings | \$60 per meeting attended |           | \$60 per meeting attended |

The amount expended for Board remuneration and expenses in 2003 was about 7.7% higher overall than in 2002 (2003 - \$223,974; 2002 - \$207,872). This change reflects a very active year of business and an increase for information meetings related to development proposals.

#### ALTERNATIVES

There are no alternatives to this provision of the Act.

#### FINANCIAL IMPLICATIONS


There are no financial implications.

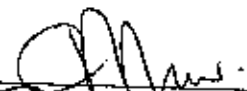
#### SUMMARY/CONCLUSIONS

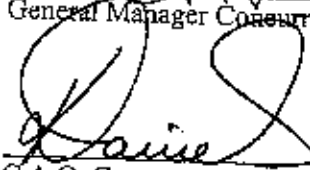
The attached remuneration and expense report is submitted in compliance with Section 814.1 of the *Local Government Act*.

#### RECOMMENDATION

That the 2003 report on remuneration and expenses for Board and committee members be received.

  
\_\_\_\_\_  
Report Writer

  
\_\_\_\_\_  
General Manager Concurrence

  
\_\_\_\_\_  
C.A.O. Concurrence

COMMENTS:

**REPORT OF DIRECTORS AND COMMITTEE MEMBERS REMUNERATION & EXPENSES FOR 2003**

| Area             | 2003 Board<br>G (Board/Chair) | Name             | Remuneration    |                  |               |               | Out of Pocket Expenses Reimbursed |               | Total         |               |               |
|------------------|-------------------------------|------------------|-----------------|------------------|---------------|---------------|-----------------------------------|---------------|---------------|---------------|---------------|
|                  |                               |                  | Taxable Payroll | Exempt Allowance | Total 2003    | Total 2002    | 2003                              | 2002          | 2003          | 2002          |               |
| Lantiville       | A                             | Stanhope, J.     | \$ 13,437.36    | \$ 6,718.68      | \$ 20,156.04  | \$ 12,580.02  | \$ 10,812.74                      | \$ 6,983.07   | \$ 30,968.78  | \$ 19,573.09  |               |
|                  |                               | Kredberg, H.     | \$ 6,023.20     | \$ 3,011.60      | \$ 9,034.80   | \$ 225.00     | \$ 94.93                          | \$ -          | \$ -          | \$ 9,129.73   | \$ 225.00     |
|                  |                               | Elliott, L.      | \$ 1,686.96     | \$ 843.48        | \$ 2,530.44   | \$ -          | \$ -                              | \$ -          | \$ -          | \$ 2,530.44   | \$ -          |
|                  |                               | Lund, G.         | \$ 6,819.97     | \$ 3,409.99      | \$ 10,229.96  | \$ -          | \$ -                              | \$ -          | \$ -          | \$ 11,771.50  | \$ -          |
|                  |                               | Sperring, Bernie | \$ -            | \$ -             | \$ -          | \$ 10,210.02  | \$ 1,541.54                       | \$ -          | \$ -          | \$ -          | \$ 11,927.73  |
|                  |                               | Hamilton, E.     | \$ 8,366.64     | \$ 4,183.32      | \$ 12,549.96  | \$ 13,530.02  | \$ 3,317.77                       | \$ 2,656.33   | \$ -          | \$ 15,867.73  | \$ 16,186.35  |
|                  |                               | Haine, D.        | \$ 7,299.97     | \$ 3,649.99      | \$ 10,949.96  | \$ 11,250.02  | \$ 2,677.58                       | \$ 2,030.42   | \$ -          | \$ 13,877.54  | \$ 13,280.44  |
|                  |                               | Bibby, P.        | \$ 6,233.31     | \$ 3,116.65      | \$ 9,349.96   | \$ -          | \$ 5,094.33                       | \$ 267.08     | \$ -          | \$ 17,444.29  | \$ 267.08     |
|                  |                               | Holme, G.        | \$ -            | \$ -             | \$ -          | \$ 21,641.02  | \$ -                              | \$ -          | \$ -          | \$ -          | \$ 21,641.02  |
|                  |                               | Biggemann, L.    | \$ 8,170.44     | \$ 4,085.22      | \$ 12,255.66  | \$ -          | \$ 5,186.73                       | \$ 4,732.83   | \$ -          | \$ 17,442.30  | \$ 26,373.85  |
|                  |                               | McLean, J.       | \$ 9,779.97     | \$ 4,889.99      | \$ 14,669.96  | \$ 10,990.02  | \$ 6,830.03                       | \$ 5,816.42   | \$ 354.72     | \$ 17,442.30  | \$ 354.72     |
|                  |                               | Quintenton, R.   | \$ -            | \$ -             | \$ -          | \$ 11,770.02  | \$ -                              | \$ -          | \$ -          | \$ -          | \$ 11,770.02  |
|                  |                               | Haine, C.        | \$ 2,443.04     | \$ 1,221.52      | \$ 3,664.56   | \$ -          | \$ 82.04                          | \$ -          | \$ -          | \$ 3,664.56   | \$ -          |
|                  |                               | Korpan, G.       | \$ 5,293.25     | \$ 2,646.63      | \$ 7,939.88   | \$ 7,939.88   | \$ 1,923.18                       | \$ 236.92     | \$ 26.18      | \$ 10,343.06  | \$ 8,021.92   |
|                  |                               | Sherry, L.       | \$ 5,813.75     | \$ 2,906.63      | \$ 8,419.88   | \$ 8,219.88   | \$ 655.52                         | \$ 272.72     | \$ -          | \$ 10,085.40  | \$ 8,456.80   |
|                  |                               | McNabb, L.       | \$ 6,286.59     | \$ 3,143.29      | \$ 9,429.88   | \$ 8,839.88   | \$ 434.54                         | \$ 195.74     | \$ -          | \$ 9,314.42   | \$ 9,112.60   |
| Krall, T.        | \$ 5,919.92                   | \$ 2,959.96      | \$ 8,879.88     | \$ 8,039.88      | \$ 365.97     | \$ -          | \$ -                              | \$ 9,085.85   | \$ 8,165.62   |               |               |
| Holden, B.       | \$ 5,813.25                   | \$ 2,906.63      | \$ 8,719.88     | \$ 7,939.88      | \$ 77.19      | \$ -          | \$ -                              | \$ 8,017.07   | \$ 7,939.88   |               |               |
| Nanaimo          | \$ 5,293.25                   | \$ 2,646.63      | \$ 7,939.88     | \$ 300.00        | \$ -          | \$ -          | \$ -                              | \$ 8,017.07   | \$ 300.00     |               |               |
| Parksville       | \$ 5,773.25                   | \$ 2,886.63      | \$ 8,659.88     | \$ 7,999.88      | \$ 1,360.42   | \$ -          | \$ 705.23                         | \$ 10,020.30  | \$ 7,999.88   |               |               |
| Parksville       | \$ 8,293.25                   | \$ 3,146.63      | \$ 9,439.88     | \$ 8,950.88      | \$ 1,407.97   | \$ -          | \$ 891.37                         | \$ 10,847.85  | \$ 9,665.11   |               |               |
| Qualicum Beach   | \$ 118,546.87                 | \$ 59,273.47     | \$ 177,820.34   | \$ 170,490.20    | \$ 41,862.48  | \$ 33,173.02  | \$ -                              | \$ 219,682.82 | \$ 203,663.22 |               |               |
| Board Alternates | B                             | Sperring, B.     | \$ 200.00       | \$ 100.00        | \$ 300.00     | \$ -          | \$ -                              | \$ -          | \$ 300.00     | \$ -          |               |
|                  |                               | Jepson, R.       | \$ 150.00       | \$ 75.00         | \$ 225.00     | \$ 50.00      | \$ -                              | \$ -          | \$ 225.00     | \$ 50.00      |               |
|                  |                               | Webster, H.      | \$ 100.00       | \$ 50.00         | \$ 150.00     | \$ -          | \$ 24.83                          | \$ -          | \$ -          | \$ 174.83     |               |
|                  |                               | Pullen, J.       | \$ -            | \$ -             | \$ -          | \$ 150.00     | \$ -                              | \$ -          | \$ 81.97      | \$ 725.88     | \$ 231.97     |
|                  |                               | Klee, M.         | \$ 363.33       | \$ 181.67        | \$ 545.00     | \$ 252.00     | \$ 180.89                         | \$ 79.91      | \$ -          | \$ 725.88     | \$ 231.97     |
|                  |                               | Heenan, D.       | \$ -            | \$ -             | \$ -          | \$ -          | \$ 48.84                          | \$ -          | \$ -          | \$ 48.84      | \$ -          |
|                  |                               | Pipes, J.        | \$ -            | \$ -             | \$ -          | \$ 210.00     | \$ -                              | \$ -          | \$ 933.83     | \$ -          | \$ 1,143.83   |
|                  |                               | Dempsey, B.      | \$ 100.00       | \$ 50.00         | \$ 150.00     | \$ -          | \$ -                              | \$ -          | \$ -          | \$ 150.00     | \$ -          |
|                  |                               | Tyndell, D.      | \$ 350.00       | \$ 175.00        | \$ 525.00     | \$ 450.00     | \$ -                              | \$ -          | \$ -          | \$ 525.00     | \$ 450.00     |
|                  |                               | Manthe, C.       | \$ 200.00       | \$ 100.00        | \$ 300.00     | \$ 75.00      | \$ -                              | \$ -          | \$ -          | \$ 300.00     | \$ 75.00      |
| Qualicum Beach   | Parksville                    | Brennan, D.      | \$ 300.00       | \$ 150.00        | \$ 450.00     | \$ 465.00     | \$ 671.91                         | \$ -          | \$ 450.00     | \$ 921.91     |               |
|                  |                               | Beech, T.        | \$ -            | \$ -             | \$ -          | \$ -          | \$ -                              | \$ -          | \$ -          | \$ -          |               |
|                  |                               | Lance, S.        | \$ 100.00       | \$ 50.00         | \$ 150.00     | \$ -          | \$ -                              | \$ -          | \$ -          | \$ 150.00     |               |
|                  |                               | Dennison, F.     | \$ 250.00       | \$ 125.00        | \$ 375.00     | \$ -          | \$ -                              | \$ -          | \$ -          | \$ 375.00     |               |
| Other Committees | B. of Variance                | Kruff, A.        | \$ 2,113.33     | \$ 1,056.67      | \$ 3,170.00   | \$ 1,890.00   | \$ 926.47                         | \$ 233.66     | \$ 4,096.47   | \$ 3,219.37   |               |
|                  |                               | Lees, D.         | \$ -            | \$ -             | \$ -          | \$ -          | \$ -                              | \$ -          | \$ -          | \$ -          |               |
|                  |                               | Little, John     | \$ -            | \$ -             | \$ -          | \$ -          | \$ 158.67                         | \$ 169.16     | \$ -          | \$ 169.16     |               |
|                  |                               | Collins, J.      | \$ -            | \$ -             | \$ -          | \$ -          | \$ -                              | \$ -          | \$ -          | \$ -          |               |
|                  |                               | Loonnis, R.      | \$ -            | \$ -             | \$ -          | \$ -          | \$ -                              | \$ 100.12     | \$ -          | \$ 100.12     |               |
|                  |                               | Young, C.        | \$ -            | \$ -             | \$ -          | \$ -          | \$ -                              | \$ 166.21     | \$ -          | \$ 166.21     |               |
|                  |                               | Sproule, H.      | \$ -            | \$ -             | \$ -          | \$ -          | \$ 36.51                          | \$ 39.92      | \$ -          | \$ 36.51      |               |
|                  |                               | \$ -             | \$ -            | \$ -             | \$ -          | \$ 195.18     | \$ 989.44                         | \$ -          | \$ 195.18     | \$ 989.44     |               |
|                  |                               | TOTAL            | \$ 120,650.20   | \$ 60,325.14     | \$ 180,975.34 | \$ 172,360.20 | \$ 42,984.13                      | \$ 35,491.83  | \$ -          | \$ 223,974.47 | \$ 207,872.03 |



|                              |            |
|------------------------------|------------|
| REGIONAL DISTRICT OF NANAIMO |            |
| MAR 15 2004                  |            |
| CHAIR                        | GMCrs      |
| CAO                          | GMDS       |
| GMCms                        | GMES       |
|                              | <i>Cou</i> |
|                              | FILE:      |

MEMORANDUM

TO: N. Avery  
 Manager, Financial Services

FROM: Wayne Thexton  
 Senior Accountant

DATE: March 11, 2004

SUBJECT: Report on the 2003 Audited Financial Statements

PURPOSE

To provide comments on the financial performance of the Regional District of Nanaimo for the fiscal period ending December 31, 2003.

BACKGROUND

Regional Districts are required by Section 814.1 of the Local Government Act to present at a public meeting of the Board the results of the annual audit. Board members have been provided with a full copy of the annual financial report. This report and the attachments are intended to identify highlights and explain the results of the fiscal year ending on December 31, 2003.

The financial statements have been prepared following the recommendations of the Public Sector Accounting and Auditing Board (PSAAB). PSAAB recommends that a consolidated picture of a governmental entity be prepared in order to properly assess the results of all of its activities. The objective of the statements is to fairly present the financial position of the Regional District as a whole. The Regional District accounts for its activities in three funds, the General Revenue (or operating) Fund, the Capital Fund and the Reserve Fund. The statements presented to you, consolidate transactions from all funds into one overall entity, the Regional District.

Auditor Opinion Letter (Page 2 of the annual report)

The Regional District maintains a system of internal accounting controls designed to provide reasonable assurance of the safekeeping of assets and revenues, the propriety of expenditures, and the accuracy of the financial records. The audit firm of Meyers Norris Penny LLP is responsible for reporting to the Board the results of their audit. As in prior years, the auditor's report is unqualified, assuring readers that based on the audit procedures conducted; the financial statements are considered to be free of material errors and prepared in accordance with generally accepted accounting standards.

Consolidated Statement of Financial Position (Page 3 of the annual report)

The Statement of Financial Position or balance sheet shows the value of assets and liabilities as at December 31<sup>st</sup>. The Regional District had a net financial liability position at December 31, 2003 of \$9,849,532 (2002 \$5,113,810). Three main items contribute to the net liability position - Unfunded Liabilities (2003, \$5,885,135 - 2002, \$6,758,073), Deferred Revenue (2003, \$6,413,919 - 2002, \$4,914,914) and Long-term Debt (2003, a net of \$18,293,882 - 2002, a net of \$19,945,251).

Unfunded Liabilities - (Note 9 to the statements - page 9/10) explains that this amount is an estimate of our statutory obligations for closing and then monitoring our landfill for a period of 25 years after the site is decommissioned. The intent of calculating this estimate is to signal in the statements that at some point future tax or other revenues will be needed to cover those costs. The Regional District's financial plans include annual appropriations to reserves to assist in closure costs, while it is expected that annual tax requisitions will be raised for annual monitoring and maintenance activities. Of note is that the estimate has declined from 2002 as a result of the added capacity and time resulting from the approval to construct a berm wall on the southern flank of the landfill.

Deferred Revenues - Deferred revenues are primarily Development Cost Charges which have not been used to fund an eligible project. Statement presentation requires that these "reserves" be included as liabilities, since they have been collected from third parties to fulfill future obligations of the Regional District.

The Regional District's overall Equity Position remains in a positive year-end balance. The consolidated surplus from operations (General Revenue Fund) was \$6,096,468 (2002 \$6,932,543). In practice the surplus belongs to some 82 individual services operated by the Regional District. Under Regional District accounting rules surpluses must be brought forward each year into the same function where it was earned in the prior year.

#### Consolidated Statement of Financial Activities (Page 4 of the annual report)

The Statement of Financial Activities is a form of 'profit and loss' statement summarizing the operating and financing activities that have occurred during the year. The Regional District drew down its fund balance by \$7,027,027 in 2003, largely because expenditures for the new District 69 multiplex were paid for with current cash reserves. Loan proceeds will be received in 2004 to restore the cash position.

Actual expenditures for Environmental Services (\$14,239,842) are below budget (\$20,316,976) due mostly to a combination of not using reserve funds to purchase a transfer station site (\$2,000,000), and the partial completion of the capital projects in the Southern Wastewater service (\$1,328,944 actual versus budget of \$3,200,000). The capital projects will be completed in 2004.

Actual expenditures for Parks, Recreation and Culture (\$14,053,455) are at budget, but considerably above 2002 (\$7,957,517) due to the construction of the Oceanside Place Multiplex Arena facility.

#### General Revenue Fund - Schedule of Revenues and Expenditures (Page 16 of the annual report)

The General Revenue Fund is the primary budgeting and operating fund. This schedule presents the results of operations at an organizational level. The detailed operating results of individual functions are shown in the General Revenue Fund schedules included in the annual financial report (pages 16 to 30).

Overall actual revenues were very close to budgeted revenues (\$44,888,784 actual vs \$44,546,519 budgeted). In particular strong construction activity resulted in permit fees exceeding budget by \$380,630. Overall actual operating expenditures were lower than budgeted expenditures by 9.2% (\$33,943,265 actual vs \$37,076,130 budgeted). Expenditures were lower overall for Professional fees, Building operating and Capital expenditures. Capital expenditure timing is somewhat unpredictable and as mentioned earlier in this report, while the budget includes the full cost of a project (particularly if it is being paid for from reserves), project completion may cross over year end.



Schedule of Reserve Fund Balances (Pages 22 and 23 of the annual report)

This schedule shows the activity which occurred in each of the separate reserve funds established by the Board. Highlights of total activity for the year include:

|                                       | <u>2003</u>  | <u>2002</u> |
|---------------------------------------|--------------|-------------|
| Contributions in the year             |              |             |
| Interest earned                       | \$ 1,628,626 | \$ 546,275  |
| Funds applied to capital expenditures | 526,051      | 473,144     |
|                                       | 2,081,571    | 2,168,584   |


Reserve funds were utilized in 2003 to construct a boiler building at the Southern Wastewater Treatment Plant (\$1,362,966), to complete the purchase of a fire truck for the Coombs-Hilliers Volunteer Fire Department (\$122,697), to complete the Board Chambers and office addition and to renovate the Administration building (\$492,698). Significant reserve fund contributions in 2003 included \$500,000 for future landfill closure costs and \$1,280,000 for future expansion of the Southern Wastewater Treatment Plant.


**SUMMARY**


The financial statements have been prepared and audited within the framework of the accounting policies applicable to local government entities. These statements present, in all significant respects, the financial position of the Regional District of Nanaimo as at December 31, 2003.

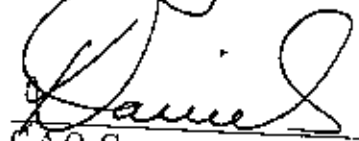
**RECOMMENDATION**

That the report on the audited financial statements for the year ended December 31, 2003 be received.

  
Report Writer

  
General Manager Concurrence

  
Manager Concurrence

  
C.A.O. Concurrence



MEYERS NORRIS PENNY LLP

## AUDITORS' REPORT

To the Members of the Board  
Regional District of Nanaimo

We have audited the consolidated statement of financial position of the Regional District of Nanaimo as at December 31, 2003 and the consolidated statements of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the Regional District. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Regional District as at December 31, 2003 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles for British Columbia municipalities. As required by the Local Government Act (British Columbia), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information, including schedules presented on pages 15 through 41, is presented for purposes of additional analysis. Such supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

*Meyers Norris Penny LLP*  
CHARTERED ACCOUNTANTS

Nanaimo, B.C.

February 20, 2004

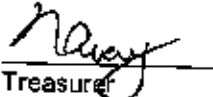
- 1 -

CHARTERED ACCOUNTANTS & BUSINESS ADVISORS  
96 WALLACE STREET, P.O. BOX 514, NANAIMO, BC V9R 5L5  
1-877-340-3330 PH. (250) 753-8251 FAX (250) 754-3999 www.mnp.ca

**REGIONAL DISTRICT OF NANAIMO  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2003**

|   | <u>2003</u>          | <u>2002</u>          |
|---|----------------------|----------------------|
| <b>Financial Assets</b>                         |                      |                      |
| Cash and short-term deposits<br>(Note 2, Pg. 5) | \$ 10,604,715        | \$ 11,306,294        |
| Accounts receivable (Note 3)                    | 3,902,030            | 2,591,962            |
| Investments (Note 4)                            | 12,814,714           | 16,607,045           |
| Other assets (Note 5)                           | <u>116,236</u>       | <u>253,438</u>       |
|   | <u>27,437,695</u>    | <u>30,758,739</u>    |
| <b>Financial Liabilities</b>                    |                      |                      |
| Short-term loans (Note 6)                       | 666,135              | 810,940              |
| Accounts payable (Note 7)                       | 3,952,403            | 1,943,430            |
| Other liabilities (Note 8)                      | 1,697,946            | 1,499,941            |
| Unfunded Liabilities (Note 9)                   | 5,885,135            | 6,758,073            |
| Deferred revenue (Note 10)                      | 6,413,919            | 4,914,914            |
| Obligation under capital lease (Note 13)        | 377,807              | -                    |
| Long-term debt (Notes 11, 12, Pg. 41)           | 34,219,705           | 38,075,049           |
| Less: Municipal Debt (Note 11)                  | <u>(15,925,823)</u>  | <u>(18,129,798)</u>  |
|   | <u>37,287,227</u>    | <u>35,872,549</u>    |
| <b>Net Financial Assets (Liabilities)</b>       | <u>(9,849,532)</u>   | <u>(5,113,810)</u>   |
| <b>Capital Assets</b>                           |                      |                      |
| Tangible capital assets (Pg. 37)                | 108,967,396          | 95,187,943           |
| Assets under capital lease (Note 13)            | <u>429,640</u>       | <u>-</u>             |
|   | <u>109,397,036</u>   | <u>95,187,943</u>    |
| <b>Net Position</b>                             | <u>\$ 99,547,504</u> | <u>\$ 90,074,133</u> |
| <b>Regional District Equity Position</b>        |                      |                      |
| General Revenue Fund                            | \$ 6,096,468         | \$ 6,932,543         |
| Capital Fund                                    | (6,610,539)          | 224,706              |
| Reserves  | <u>15,887,498</u>    | <u>15,243,205</u>    |
| Fund Balances (Note 15)                         | <u>15,373,427</u>    | <u>22,400,454</u>    |
| Equity in Tangible Capital Assets (Pg. 35)      | <u>90,059,212</u>    | <u>74,431,752</u>    |
| Unfunded liabilities (Note 9)                   | <u>(5,885,135)</u>   | <u>(6,758,073)</u>   |
| <b>Regional District Equity Position</b>        | <u>\$ 99,547,504</u> | <u>\$ 90,074,133</u> |

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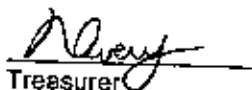
  
Treasurer

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO  
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

|   | <u>Budget</u>         | <u>2003</u>          | <u>2002</u>          |
|---|-----------------------|----------------------|----------------------|
| <b>Revenues</b>                                   |                       |                      |                      |
| Property taxes                                    | \$ 21,500,047         | \$ 21,500,047        | \$ 20,469,527        |
| Grants in lieu of taxes                           | 97,275                | 253,444              | 168,781              |
| Operating grants                                  | 3,702,961             | 3,076,110            | 3,806,706            |
| Operating revenues                                | 14,131,756            | 14,208,803           | 13,281,611           |
| Developer contributions                           | 165,410               | 366,898              | 142,732              |
| Other   | 259,360               | 943,281              | 1,258,717            |
| Interest on investments                           | 806,143               | 909,880              | 764,590              |
| Debt recoveries from member municipalities        | 2,511,030             | 2,414,913            | 2,788,807            |
| IFA debt surplus refunds                          | -                     | 160,965              | 27,846               |
|   | <u>43,173,982</u>     | <u>43,844,341</u>    | <u>42,709,317</u>    |
| <b>Expenditures</b>                               |                       |                      |                      |
| General government services                       | 3,476,412             | 1,990,542            | 1,708,467            |
| Planning and development                          | 2,223,288             | 1,942,583            | 1,985,004            |
| Environmental services                            | 20,316,976            | 14,239,842           | 17,902,591           |
| Utility services                                  | 3,049,170             | 2,466,849            | 2,779,292            |
| Transportation services                           | 9,408,829             | 8,970,067            | 9,245,025            |
| Protective services                               | 2,306,051             | 2,072,173            | 1,756,303            |
| Parks, recreation and culture                     | 14,050,294            | 14,053,455           | 7,957,517            |
| Debt payments for member municipalities           | 2,511,030             | 2,414,913            | 2,788,807            |
|   | <u>57,342,050</u>     | <u>48,150,424</u>    | <u>46,123,006</u>    |
| <b>Net Revenues (Expenditures)</b>                | <u>(14,168,068)</u>   | <u>(4,306,083)</u>   | <u>(3,413,689)</u>   |
| <b>Financing activities</b>                       |                       |                      |                      |
| Reduction in Obligation under capital lease       | -                     | (51,833)             | -                    |
| Short-term and long-term debt issued              | 8,461,000             | 379,509              | 898,250              |
| Trade payable repayments                          | -                     | -                    | (8,967)              |
| Debt actuarial adjustments                        | (500,861)             | (517,572)            | (449,938)            |
| Debt principal repayments                         | (1,658,655)           | (1,658,110)          | (1,476,363)          |
|   | <u>6,301,484</u>      | <u>(1,848,006)</u>   | <u>(1,037,018)</u>   |
| <b>Increase (Decrease) in long-term financing</b> |                       |                      |                      |
|   | <u>6,301,484</u>      | <u>(1,848,006)</u>   | <u>(1,037,018)</u>   |
| <b>Capital funded expenditures:</b>               |                       |                      |                      |
| Employee benefits                                 | -                     | -                    | (77,275)             |
| Landfill closure and post closure costs           | -                     | (872,938)            | 4,041,834            |
|   | <u>-</u>              | <u>(872,938)</u>     | <u>3,964,559</u>     |
| <b>Change in Fund Balances (Note 15)</b>          | <u>\$ (7,866,584)</u> | <u>(7,027,027)</u>   | <u>(486,148)</u>     |
| <b>Fund Balances, beginning (Pg 3)</b>            |                       | 22,400,454           | 22,886,602           |
| <b>Fund Balances, ending (Pg 3)</b>               |                       | <u>\$ 15,373,427</u> | <u>\$ 22,400,454</u> |

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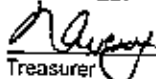
  
Treasurer

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO  
GENERAL REVENUE FUND  
SCHEDULE OF REVENUE AND EXPENDITURES  
AS AT DECEMBER 31, 2003**

|                                       | Corporate<br>Services<br>(Schedule A) | Development<br>Services<br>(Schedule B) | Community<br>Services<br>(Schedule C) | Environment<br>Services<br>(Schedule D) | Actual<br>2003      | Budget<br>2003      | Actual<br>2002      |
|---------------------------------------|---------------------------------------|---|---------------------------------------|---|---------------------|---------------------|---------------------|
| <b>REVENUES</b>                       |                                       |   |                                       |   |                     |                     |                     |
| Tax requisitor                        | \$ 3,510,229                          | \$ 1,087,260                            | \$ 7,871,188                          | \$ 9,231,390                            | \$21,500,047        | \$21,500,047        | \$20,469,527        |
| Grants                                | 19,000                                | 10,000                                  | 3,055,548                             | 492                                     | 3,076,110           | 3,702,961           | 3,806,766           |
| Grants in Lieu                        | 53,237                                | 4,419                                   | 73,554                                | 132,234                                 | 263,444             | 97,275              | 188,781             |
| Interest                              | 344,825                               | -                                       | -                                     | -                                       | 344,825             | 275,000             | 257,888             |
| Permit fees & other                   | -                                     | 992,287                                 | 91,033                                | -                                       | 1,083,320           | 702,690             | 907,878             |
| Operating revenues                    | -                                     | 288,978                                 | 4,527,637                             | 3,139,163                               | 7,965,778           | 7,804,066           | 7,113,422           |
| Disposal fees                         | -                                     | -                                       | -                                     | 6,033,852                               | 6,033,862           | 5,765,000           | 5,856,894           |
| Other                                 | 4,257,311                             | -                                       | -                                     | 364,087                                 | 4,621,398           | 4,699,480           | 4,732,084           |
|                                       | <u>8,175,802</u>                      | <u>2,382,944</u>                        | <u>15,429,040</u>                     | <u>18,901,198</u>                       | <u>44,888,784</u>   | <u>44,545,519</u>   | <u>43,313,190</u>   |
| <b>EXPENDITURES</b>                   |                                       |   |                                       |   |                     |                     |                     |
| General administration                | 593,353                               | 275,376                                 | 1,825,199                             | 1,037,096                               | 3,731,024           | 3,943,463           | 3,508,224           |
| Professional fees                     | 154,431                               | 212,892                                 | 25,833                                | 534,697                                 | 937,883             | 1,564,129           | 964,989             |
| Community grants                      | 44,816                                | -                                       | 80,255                                | -                                       | 125,081             | 131,012             | 142,449             |
| Legislative                           | 208,398                               | -                                       | -                                     | -                                       | 208,008             | 210,515             | 228,868             |
| Recreation program costs              | -                                     | -                                       | 164,690                               | -                                       | 164,690             | 233,395             | 176,138             |
| Equipment operating                   | 58,958                                | 10,692                                  | 48,264                                | -                                       | 117,914             | 156,844             | 123,177             |
| Building operating                    | 212,335                               | 47,901                                  | 406,597                               | 247,257                                 | 913,090             | 1,092,242           | 843,767             |
| Vehicle operating                     | 53,776                                | 23,770                                  | 2,121,782                             | 829,531                                 | 3,028,859           | 3,157,273           | 2,893,798           |
| Other operating                       | 15,913                                | 150,566                                 | 277,807                               | 5,333,344                               | 6,777,636           | 6,954,031           | 7,003,553           |
| Wages & Benefits                      | 1,327,477                             | 1,473,084                               | 7,763,289                             | 3,461,693                               | 14,025,543          | 14,139,047          | 13,931,537          |
| Capital purchases                     | 67,049                                | 81,908                                  | 723,272                               | 2,437,708                               | 3,913,537           | 5,494,179           | 1,853,817           |
|                                       | <u>3,350,152</u>                      | <u>2,275,789</u>                        | <u>13,435,998</u>                     | <u>14,881,326</u>                       | <u>33,943,265</u>   | <u>37,076,130</u>   | <u>31,670,317</u>   |
| <b>OPERATING SURPLUS</b>              |                                       |   |                                       |   |                     |                     |                     |
|                                       | <u>4,825,450</u>                      | <u>107,155</u>                          | <u>1,993,042</u>                      | <u>4,019,872</u>                        | <u>10,945,519</u>   | <u>7,470,389</u>    | <u>11,642,873</u>   |
| Debt retirement                       |                                       |   |                                       |   |                     |                     |                     |
| - interest                            | 1,467,358                             | -                                       | 407,876                               | 1,744,322                               | 3,619,356           | 3,740,730           | 3,863,934           |
| - principal                           | 915,304                               | -                                       | 222,441                               | 1,355,669                               | 2,494,414           | 2,414,960           | 2,500,999           |
| - foreign exchange                    | 33,178                                | -                                       | -                                     | -                                       | 33,176              | 30,700              | 31,846              |
| Reserve contributions                 | 204,806                               | 5,887                                   | 8,930                                 | 1,941,725                               | 2,159,348           | 2,410,517           | 811,275             |
| Transfers to other govts              | 2,514,979                             | -                                       | 960,320                               | -                                       | 3,475,299           | 3,476,560           | 3,392,359           |
|                                       | <u>5,136,623</u>                      | <u>5,887</u>                            | <u>1,597,367</u>                      | <u>5,041,716</u>                        | <u>11,781,593</u>   | <u>12,073,467</u>   | <u>10,600,413</u>   |
| <b>CURRENT YEAR SURPLUS (DEFICIT)</b> |                                       |   |                                       |   |                     |                     |                     |
|                                       | <u>(311,173)</u>                      | <u>101,268</u>                          | <u>395,675</u>                        | <u>(1,021,844)</u>                      | <u>(936,074)</u>    | <u>(4,603,078)</u>  | <u>1,042,460</u>    |
| Prior year's surplus                  | 1,132,115                             | 1,054,632                               | 680,769                               | 4,065,028                               | 6,932,542           | 6,945,963           | 5,890,083           |
| <b>TOTAL SURPLUS</b>                  |                                       |   |                                       |   |                     |                     |                     |
|                                       | <u>\$ 820,942</u>                     | <u>\$ 1,155,900</u>                     | <u>\$ 1,076,444</u>                   | <u>\$ 3,043,182</u>                     | <u>\$ 6,036,468</u> | <u>\$ 2,342,885</u> | <u>\$ 6,932,543</u> |

APPROVED:

  
Treasurer

See notes to consolidated financial statements

REGIONAL DISTRICT OF NANAIMO  
 SCHEDULE OF RESERVE FUND BALANCES  
 AS AT DECEMBER 31, 2003

|                                       | Feasibility | Cowbbs Fire | Erington Fire | Extension Fire | Manoose Fire | Dashwood Fire | Landfill Acquisition | Parks Acquisition | Extension Recreation | Admin Computer | Admin Building | SURF E911 |
|---------------------------------------|-------------|-------------|---------------|----------------|--------------|---------------|----------------------|-------------------|----------------------|----------------|----------------|-----------|
| <b>ASSETS:</b>                        |             |             |               |                |              |               |                      |                   |                      |                |                |           |
| DUE FROM REVENUE FUND (Pg 15)         | \$ (8,164)  | \$ 25,892   | \$ 10,427     | \$ 95,740      | \$ 390,011   | \$ 88,095     | \$ 7,359,785         | \$ 1,071,592      | \$ 36,020            | \$ 240,128     | \$             | \$ 80,361 |
| MT ARROWSMITH JOINT VENTURE           | (8,164)     | 25,892      | 10,427        | 95,740         | 390,011      | 88,095        | 7,359,785            | 1,071,592         | 36,020               | 240,128        |                | 80,361    |
| <b>LIABILITIES AND FUND BALANCE:</b>  |             |             |               |                |              |               |                      |                   |                      |                |                |           |
| <b>FUND ACTIVITY</b>                  |             |             |               |                |              |               |                      |                   |                      |                |                |           |
| Balance, beginning                    | 23,754      | 146,884     | 17,542        | 79,833         | 322,512      | 53,070        | 7,100,590            | 995,824           | 36,306               | 235,946        | 490,083        | 77,531    |
| Add:                                  |             |             |               |                |              |               |                      |                   |                      |                |                |           |
| Contribution by developers & others   |             |             |               | 12,205         | 55,000       | 32,771        | -                    | 68,047            |                      | 100,000        |                |           |
| Contribution from Revenue Fund        |             |             |               | 618            |              |               |                      |                   |                      |                |                |           |
| MFA surplus                           |             | 1,705       | 313           | 3,084          | 12,499       | 2,254         | 259,195              | 36,363            | 1,288                | 8,425          | 2,615          |           |
| Interest earned                       |             |             |               |                |              |               |                      |                   |                      |                |                |           |
| Less:                                 |             |             |               |                |              |               |                      |                   |                      |                |                |           |
| Feasibility costs                     | (16,918)    |             |               |                |              |               |                      |                   |                      |                |                |           |
| Parks Purchase                        |             |             |               |                |              |               |                      |                   |                      |                |                |           |
| Contribution to Capital Fund (Pg. 20) |             | (122,697)   | (7,428)       |                |              |               |                      |                   |                      |                |                |           |
| Transfers to Revenue Fund             | (15,000)    |             |               |                |              |               |                      |                   |                      |                |                |           |
| Transfers to Other Agencies           |             |             |               |                |              |               |                      |                   |                      |                |                |           |
| <b>FUND BALANCE Ending (Note 15)</b>  | \$ (8,164)  | \$ 25,892   | \$ 10,427     | \$ 95,740      | \$ 390,011   | \$ 88,095     | \$ 7,359,785         | \$ 1,071,592      | \$ 36,020            | \$ 240,128     | \$             | \$ 80,361 |
|                                       |             |             |               |                |              |               |                      | (29,242)          | (1,574)              | (100,243)      | (492,698)      |           |

APPROVED:

  
 Treasurer

See notes to consolidated financial statements  
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**REGIONAL DISTRICT OF NANAIMO  
SCHEDULE OF RESERVE FUND BALANCES  
AS AT DECEMBER 31, 2003**

| ASSETS:                              | Fairwinds Wastewater Improvement |              | Southern Wastewater |          | Surfside Sewer |           | Pacific Shores Sewer |            | French Creek Sewer |           | French Creek Water |       | Madrona Water |       | Fairwinds Water |      | Surfside Water |      | Arbutus Park Est Water |      | Nanoose Bulk Water |      | French Creek Bulk Water |      | Actual 2002 |               |  |
|--------------------------------------|----------------------------------|--------------|---------------------|----------|----------------|-----------|----------------------|------------|--------------------|-----------|--------------------|-------|---------------|-------|-----------------|------|----------------|------|------------------------|------|--------------------|------|-------------------------|------|-------------|---------------|--|
|                                      | 2003                             | 2002         | 2003                | 2002     | 2003           | 2002      | 2003                 | 2002       | 2003               | 2002      | 2003               | 2002  | 2003          | 2002  | 2003            | 2002 | 2003           | 2002 | 2003                   | 2002 | 2003               | 2002 | 2003                    | 2002 |             |               |  |
| DUE FROM REVENUE FUND (Pg 15)        | \$ 64,419                        | \$ 4,596,099 | \$ 966              | \$ 2,051 | \$ 379,158     | \$ 46,514 | \$ 62,980            | \$ 129,042 | \$ 1,976           | \$ 35,464 | \$ -               | \$ -  | \$ -          | \$ -  | \$ -            | \$ - | \$ -           | \$ - | \$ -                   | \$ - | \$ -               | \$ - | \$ -                    | \$ - | \$ -        |               |  |
| MT ARROWSMITH JOINT VENTURE          | 64,419                           | 4,596,099    | 966                 | 2,051    | 379,158        | 46,514    | 62,980               | 129,042    | 1,976              | 35,464    | -                  | -     | -             | -     | -               | -    | -              | -    | -                      | -    | -                  | -    | -                       | -    | 14,708,556  |               |  |
| <b>LIABILITIES AND FUND BALANCE:</b> |                                  |              |                     |          |                |           |                      |            |                    |           |                    |       |               |       |                 |      |                |      |                        |      |                    |      |                         |      |             |               |  |
| <b>FUND ACTIVITY</b>                 |                                  |              |                     |          |                |           |                      |            |                    |           |                    |       |               |       |                 |      |                |      |                        |      |                    |      |                         |      |             |               |  |
| Balance, beginning                   | 42,599                           | 4,447,996    | 932                 | 1,978    | 326,701        | 44,874    | 43,227               | 110,382    |                    |           |                    |       |               |       |                 |      |                |      |                        |      |                    |      |                         |      |             | 32,480        |  |
| Add:                                 |                                  |              |                     |          |                |           |                      |            |                    |           |                    |       |               |       |                 |      |                |      |                        |      |                    |      |                         |      |             |               |  |
| Contribution by developers & others  |                                  |              |                     |          |                |           |                      |            |                    |           |                    |       |               |       |                 |      |                |      |                        |      |                    |      |                         |      |             |               |  |
| Contribution from Revenue Fund       | 20,000                           | 1,280,000    |                     |          |                |           |                      |            |                    |           |                    |       |               |       |                 |      |                |      |                        |      |                    |      |                         |      |             |               |  |
| MFA surplus                          |                                  | 23,994       |                     |          |                |           |                      |            |                    |           |                    |       |               |       |                 |      |                |      |                        |      |                    |      |                         |      |             |               |  |
| Interest earned                      | 1,820                            | 173,053      | 34                  | 73       | 12,457         | 1,840     | 1,692                | 4,221      | 1,950              | 35,000    | 1,840              | 5,000 | 13,061        | 1,692 | 4,221           | 26   | 464            |      |                        |      |                    |      |                         |      |             |               |  |
| Less:                                |                                  |              |                     |          |                |           |                      |            |                    |           |                    |       |               |       |                 |      |                |      |                        |      |                    |      |                         |      |             |               |  |
| Feasibility costs                    |                                  |              |                     |          |                |           |                      |            |                    |           |                    |       |               |       |                 |      |                |      |                        |      |                    |      |                         |      |             |               |  |
| Parks Purchase                       |                                  |              |                     |          |                |           |                      |            |                    |           |                    |       |               |       |                 |      |                |      |                        |      |                    |      |                         |      |             |               |  |
| Contribution to Capital Fund (Pg.20) |                                  |              |                     |          |                |           |                      |            |                    |           |                    |       |               |       |                 |      |                |      |                        |      |                    |      |                         |      |             |               |  |
| Transfers to Revenue Fund            |                                  |              |                     |          |                |           |                      |            |                    |           |                    |       |               |       |                 |      |                |      |                        |      |                    |      |                         |      |             |               |  |
| Transfers to Other Agencies          |                                  |              |                     |          |                |           |                      |            |                    |           |                    |       |               |       |                 |      |                |      |                        |      |                    |      |                         |      |             |               |  |
|                                      |                                  |              |                     |          |                |           |                      |            |                    |           |                    |       |               |       |                 |      |                |      |                        |      |                    |      |                         |      |             |               |  |
| <b>FUND BALANCE Ending (Note 15)</b> | \$ 64,419                        | \$ 4,596,099 | \$ 966              | \$ 2,051 | \$ 379,158     | \$ 46,514 | \$ 62,980            | \$ 129,042 | \$ 1,976           | \$ 35,464 | \$ -               | \$ -  | \$ -          | \$ -  | \$ -            | \$ - | \$ -           | \$ - | \$ -                   | \$ - | \$ -               | \$ - | \$ -                    | \$ - | \$ -        | \$ 14,741,036 |  |
|                                      |                                  |              |                     |          |                |           |                      |            |                    |           |                    |       |               |       |                 |      |                |      |                        |      |                    |      |                         |      |             | \$ 14,630,771 |  |

APPROVED:   
Treasurer

See notes to consolidated financial statements  
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|                                 |  |       |  |
|---------------------------------|--|-------|--|
| REGIONAL DISTRICT<br>OF NANAIMO |  |       |  |
| MAR 15 2004                     |  |       |  |
| CHAIR                           |  | GMCrs |  |
| CAO                             |  | GMDS  |  |
| GMCms                           |  | GMES  |  |
|                                 |  |       |  |
|                                 |  |       |  |
|                                 |  |       |  |



MEYERS NORRIS PENNY LLP

March 1, 2004

Mr. Kelly Daniels  
 Chief Administrative Officer  
 Regional District of Nanaimo  
 6300 Hammond Bay Road  
 Nanaimo, BC V9T 6N2

Re: Audit Findings  
December 31, 2003

Dear Sir:

We are pleased to submit this report for discussion of our audit of the consolidated financial statements of the Regional District of Nanaimo for the year ended December 31, 2003. In this report we cover those significant matters which, in our opinion, you should be aware of.

**1. The Audit**

Our responsibility, as auditor of the Regional District of Nanaimo, is to report to the Members of the Board on the fair presentation of the year end financial statements, in accordance with Canadian generally accepted accounting principles. To properly discharge this responsibility, we designed our audit process to assess the risk of material misstatement within the statements by examining and assessing the effectiveness of the Regional District of Nanaimo's internal controls and accounting systems and the evidence supporting the amounts and disclosures in the statements, including the appropriateness of accounting principles and significant estimates made by Management.

Wherever possible, we relied on the effectiveness of internal controls within the reporting systems in order to reduce the extent of our audit testing. Our audit procedures, consisting of separate examination of all individually significant transactions and year-end balances, were concentrated in areas where risks were identified and therefore errors or misstatements were most likely to arise.

Management has provided us with written representations, acknowledging, among other things, their responsibility for the implementation and maintenance of appropriate reporting systems and controls including those designed to detect and prevent fraud and error, the amounts recorded in the accounting records, and the appropriateness of the amounts and disclosures in the financial statements.

**2. Audit Results**

We have satisfactorily completed our audit and have signed our Auditors' Report after the review and approval of the financial statements with the Manager of Financial Services. The audit report provides an unqualified opinion to the Members of the Board. Key matters noted during our audit are summarized in the table below.



CHARTERED ACCOUNTANTS & BUSINESS ADVISORS  
 96 WALLACE STREET, P.O. BOX 514, NANAIMO, BC V9R 5L5  
 1-877-340-3330 PH. (250) 753-8251 FAX (250) 754-3999 www.mnp.ca



| Strengths  | (current period) | (prior period) |
|--|------------------|----------------|
| Illegal or fraudulent acts   | None noted       | None noted     |
| Irregularities having a material financial statement effect  | None             | None           |
| Limitations placed on the scope of our audit   | None             | None           |
| Significant transactions not in the ordinary course of business, or other unusual related party transactions | None             | None           |
| Transactions that increase risk  | None             | None           |
| Concerns with management corporate conduct   | None             | None           |
| Conflicts of interest  | None             | None           |
| Disagreements with management  | None             | None           |
| Matters influencing audit appointment  | None             | None           |
| Difficulties encountered during the audit  | None             | None           |
| Significant weaknesses in internal controls  | None             | None           |

All significant management estimates were reviewed and no material errors were noted. The methodologies and processes used by management were consistent with prior periods except with respect to the landfill closure and post closure liability. Plans to expand the capacity of the landfill will significantly extend its life. The methodology of the liability calculation did not change but the change in capacity and estimated useful life had a significant impact on the results of the calculation. We will be issuing a letter to Management containing our comments with respect to accounting matters and enhancement of internal controls.

Errors and omissions identified during our audit were discussed with Management. The cumulative net effect of all unadjusted errors has not resulted in material misstatement, and therefore does not affect our audit report. The following table summarizes all non-trivial items, which we define as being over \$10,000, whether adjusted by Management, or not:

| Error Condition   | Possible Error affecting 2003 End-of-Year Balance (page 4) | Financial Statement Item Affected   | Cumulative Net Effect on Error   | Adjusted/Unadjusted |
|---|--|---|--|---------------------|
| Accrual of management severance and sick time recorded but doesn't meet the definition of a liability | \$124,982  | Liabilities and expenses overstated and equity understated                        | 2003 expenditures overstated by \$124,982, 2003 liabilities overstated by \$154,577, 2002 equity understated by \$29,595 | Unadjusted          |
| Employer portion of statutory employee payroll benefits for the last pay period not accrued           | \$850  | Liabilities and expenses understated  | 2003 expenditures understated by \$850, 2003 liabilities understated by \$58,445, 2002 equity overstated by \$57,595     | Unadjusted          |
| Lease payments capitalized without retroactive effect   | \$30,905   | 2003 financing activity overstated and 2002 Capital lease obligations understated | 2003 financing activities overstated by \$30,905 and 2002 equity overstated by \$30,905                                  | Unadjusted          |
| Total net effect on fund balance  | 2003 change in fund balance understated \$93,227           |   | 2003 ending equity understated by \$96,132   |                     |



### 3. Auditor Independence

We confirm to the Board of Directors that we are independent of the Regional District of Nanaimo. Our letter to the Board of Directors discussing our independence is included as Appendix A to this report.

### 4. New Accounting and Auditing Guidance

For your information, we have included at Appendix B a summary of recent financial reporting and auditing developments which may impact your Organization's future financial statements.

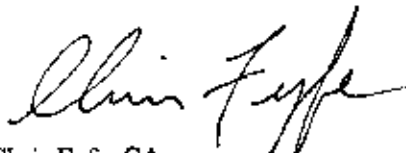
We would like to take this opportunity to formally acknowledge the excellent cooperation and assistance we received from the management and staff of the Regional District of Nanaimo.

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 internal 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 are available to meet with you and respond to any questions you may have about our audit, and to discuss any other matters that may be of interest to you.

Yours truly,

MEYERS NORRIS PENNY LLP



Chris Fyfe, CA  
CF:knt

cc Nancy Avery



**REGIONAL  
DISTRICT  
OF NANAIMO**

|                                 |        |               |
|---------------------------------|--------|---------------|
| REGIONAL DISTRICT<br>OF NANAIMO |        |               |
| MAR 16 2004                     |        |               |
| CHAIR                           | GM CrS |               |
| CAO                             | GM DS  |               |
| GM CrS                          | GMES   |               |
|                                 |        | <i>Call</i> ✓ |
|                                 |        |               |
|                                 |        |               |

**MEMORANDUM**

**TO:** C. Mason  
General Manager, Corporate Services

**DATE:** March 8, 2004

**FROM:** N. Avery  
Manager, Financial Services

**FILE:**

**SUBJECT:** Reserve Fund Bylaw Approvals

**PURPOSE:**

To introduce for three readings and adoption the following reserve fund appropriation bylaws:

- Administration Computer Equipment Reserve Fund Expenditure Bylaw No. 1376, 2004
- Fairwinds Water Local Service Area Reserve Fund Expenditure (Well #3) Bylaw No. 1378, 2004

**BACKGROUND:**

Expenditures from reserve funds must be authorized by bylaw. Bylaws No. 1376 and 1378 are being brought forward to authorize amounts expended for Administration building computer equipment and a well connection project in the Fairwinds Water Local Service Area. Both of these projects required a lower expenditure than estimated in the budget.

**ALTERNATIVES:**

There are no alternatives.

**FINANCIAL IMPLICATIONS:**

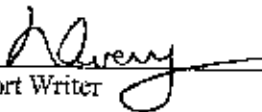
These projects were identified in the 2003 capital plan as being funded through reserve funds. Both projects were completed under budget. Detailed amounts are shown in the attached bylaws.


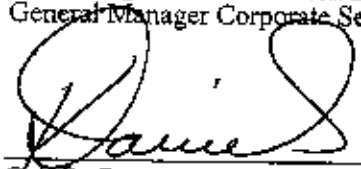
**SUMMARY/CONCLUSIONS:**

Bylaws 1376 and 1378 are being brought forward to authorize contributions from the Computer Equipment and Fairwinds Water Reserve Funds to offset expenditures in accordance with the Board's Financial Plan.

**RECOMMENDATION:**

1. That "Administration Computer Equipment (2003) Reserve Fund Expenditure Bylaw No. 1376, 2004" be introduced for first three readings.
2. That "Administration Computer Equipment (2003) Reserve Fund Expenditure Bylaw No. 1376, 2004" having received three readings be adopted.
3. That "Fairwinds Water Local Service Area Reserve Fund Expenditure (Well #3) Bylaw No. 1378, 2004" be introduced for first three readings.
4. That "Fairwinds Water Local Service Area Reserve Fund Expenditure (Well #3) Bylaw No. 1378, 2004" having received three readings be adopted.

  
Report Writer

  
General Manager Corporate Services  
  
C.A.O. Concurrence

**REGIONAL DISTRICT OF NANAIMO**

**BYLAW NO. 1376**

**A BYLAW TO AUTHORIZE AN EXPENDITURE  
OF FUNDS FROM THE ADMINISTRATION  
COMPUTER EQUIPMENT RESERVE FUND**

WHEREAS the Administration Computer Equipment Reserve Fund was established under Bylaw No. 924, 1994;

AND WHEREAS the 2003 capital plan identified an expenditure of \$15,000 for the purpose of installing a firewall server in the Administration office;

AND WHEREAS the final cost of the server has been established at \$7,157.09;

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

1. That the amount of Seven Thousand One Hundred and Fifty Seven Dollars and Nine Cents (\$7,157.09) is hereby appropriated from the Administration Computer Equipment Reserve Fund to be expended for a firewall server.
2. This bylaw may be cited as the "Administration Computer Equipment (2003) Reserve Fund Expenditure Bylaw No. 1376, 2004".

Introduced and read three times this 13th day of April, 2004.

Adopted this 13th day of April, 2004.

---

CHAIRPERSON

---

GENERAL MANAGER CORPORATE SERVICES

**REGIONAL DISTRICT OF NANAIMO**

**BYLAW NO. 1378**

**A BYLAW TO AUTHORIZE AN EXPENDITURE  
OF FUNDS FROM THE FAIRWINDS WATER  
LOCAL SERVICE AREA RESERVE FUND**

WHEREAS the Fairwinds Water Local Service Area Reserve Fund was established under Bylaw No. 1176, 2000;

AND WHEREAS the 2003 capital plan identified an appropriation of \$90,000 for the purposes of connecting Well #3;

AND WHEREAS the actual amount required was \$25,561;

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

1. That the amount of Twenty Five Thousand, Five Hundred and Sixty One Dollars (\$25,561) is hereby appropriated from the Fairwinds Water Local Service Area Reserve Fund for the purpose of connecting Well #3.
2. This bylaw may be cited as the "Fairwinds Water Local Service Area Reserve Fund Expenditure (Well #3) Bylaw No. 1378, 2004".

Introduced and read three times this 13th day of April, 2004.

Adopted this 13th day of April, 2004.

---

CHAIRPERSON

---

GENERAL MANAGER CORPORATE SERVICES



|                                 |       |
|---------------------------------|-------|
| REGIONAL DISTRICT<br>OF NANAIMO |       |
| MAR 16 2004                     |       |
| CHAIR                           | CMCrs |
| CAO                             | GMDS  |
| CMCms                           | GMES  |
| DRHD Budge                      |       |
| DATE:                           |       |
| FILE:                           |       |

Nanaimo Regional  
Hospital District  
**MEMORANDUM**

**TO:** C. Mason  
General Manager, Corporate Services

**FROM:** N. Avery  
Manager, Financial Services

**SUBJECT:** 2003 Audited Financial Statements

March 12, 2004

**PURPOSE**

To provide comments on the 2003 audited financial results for the Nanaimo Regional Hospital District.

**BACKGROUND**

The Hospital District Act requires the Regional Hospital District to prepare annual audited financial statements. This report will comment briefly on highlights of the 2003 financial report.

**Appendix A – Consolidated Statement of Financial Position**

This statement identifies the asset and liability balances as at December 31<sup>st</sup>, 2003.

Cash balances and long term debt outstanding are self explanatory.

Hospital construction advances and the offsetting Short term debt liability are amounts paid for capital projects in progress and the interim financing secured from the Municipal Finance Authority. Short term debt is converted to long term debenture debt periodically as the project reaches a conclusion. The primary project underway at this time is the construction of the surgical/obstetrical expansion at the Nanaimo Regional General Hospital, known as Phase II.

The Revenue Fund balance is the accumulated amount by which current year revenues exceeded expenditures. This balance has been allowed to accumulate over 2002 and 2003 in anticipation of new debt related to the Phase II project.

The Reserve Fund balance is the unexpended amount remaining from capital equipment grants approved through the annual budget process. All of the funds are committed based on plans submitted by the Health Region.

**Appendix B – Consolidated Statement of Financial Activities**

This statement combines the transactions from all of the funds within the Regional Hospital District accounting entity. It includes transactions of the approved annual budget (Revenue Fund), capital financing (Capital Fund) and the equipment grant Reserve Fund. Equipment grant reimbursements were higher in 2003 than 2002 – this is simply a matter of timing on the part of claims submitted by the Health Authority. The funds for equipment grants have been set aside as reserves and are drawn down as purchases are completed. Some short term financing was converted to long term debt in 2003 (\$980,615).

Project advances which were converted to long term included the MRI building project (over \$700,000) and some capital equipment costing more than \$100,000.

#### Schedule A - Schedule of Revenue Fund Activities

Financial transactions for the Hospital District are funded almost exclusively by property taxes raised within the Revenue Fund. Property taxes raised in 2003 were 4% higher than in 2002. Property tax revenues which were not required for current year expenditures have been accumulating as surplus and will be drawn down by long term debt costs to come, related to the Phase II project. Long term debt costs for Phase II will eventually add about \$1,000,000 to annual expenditures - at the end of 2003 the accumulated surplus stood at \$1,084,067.

#### Schedule B - Schedule of Reserve Fund Balances

This schedule provides a summary of the amounts raised for capital purchases costing less than \$100,000 and the actual expenditure of those funds during the year. At present, approximately \$1.94 million (2002-\$2.1 million) remains committed but not fully expended.

#### Schedule D - Schedule of Long Term Debt

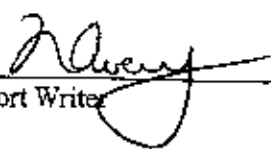
Long term debt outstanding at December 31<sup>st</sup>, 2003 totalled \$12,362,256 (2002 - \$12,673,193). Debt issues totalling \$160,000 will be retired in 2004 and by 2006, \$2.6 million will be retired. These debt retirements are well timed to offset the \$1,000,000 increase in debt payments to come, associated with Phase II.


#### **SUMMARY**

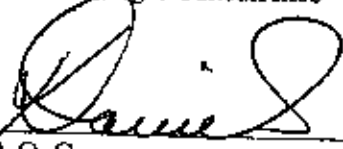
The Regional Hospital District is required to produce annual audited financial statements. This report summarizes the results of the audited statements for the year ended December 31<sup>st</sup>, 2003.

#### **RECOMMENDATION**

That the report on the 2003 audited financial statements of the Nanaimo Regional Hospital District be received.

  
\_\_\_\_\_  
Report Writer

  
\_\_\_\_\_  
General Manager Concurrence

  
\_\_\_\_\_  
C.A.O. Concurrence

#### **COMMENTS:**





MEYERS NORRIS PENNY LLP

## AUDITORS' REPORT

To the Members of the Board  
Nanaimo Regional Hospital District

We have audited the consolidated statement of financial position of the Nanaimo Regional Hospital District as at December 31, 2003 and the consolidated statements of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the Hospital District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Hospital District as at December 31, 2003 and the results of its operations and the changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles disclosed in Note 1(a) to the financial statements. As required by the Hospital District Act (British Columbia), we report that in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information, including schedules presented on pages 7 through 10, is presented for purposes of additional analysis. Such supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

Nanaimo, B.C.

March 10, 2004

*Marys Norris Penny*  
CHARTERED ACCOUNTANTS

 an independent member of  
**BAKER TILLY**  
INTERNATIONAL

CHARTERED ACCOUNTANTS & BUSINESS ADVISORS  
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1-877-340-3330 PH. (250) 753-8251 FAX (250) 754-3999 [www.mnp.ca](http://www.mnp.ca)

**NANAIMO REGIONAL HOSPITAL DISTRICT  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2003**

|  | <u>2003</u>           | <u>2002</u>            |
|--|-----------------------|------------------------|
| <b>Financial Assets</b>                            |                       |                        |
| Cash   | \$ 3,023,720          | \$ 2,710,471           |
| Accounts receivable                                | 7,398                 | 6,673                  |
| Hospital construction advances                     | <u>1,391,860</u>      | <u>1,441,184</u>       |
|  | <u>4,422,978</u>      | <u>4,158,328</u>       |
| <b>Financial Liabilities</b>                       |                       |                        |
| Short term debt (Note 2)                           | 1,311,708             | 1,436,705              |
| Accounts payable                                   | 86,863                | 9,943                  |
| Accrued liabilities                                | 235,723               | 231,265                |
| Long term debt (Schedule D, Note 3)                | <u>12,362,256</u>     | <u>12,673,193</u>      |
|  | <u>13,996,550</u>     | <u>14,351,106</u>      |
| <b>Net Financial Liabilities</b>                   | <u>\$ (9,573,572)</u> | <u>\$ (10,192,778)</u> |
| <b>Regional Hospital District Equity Position</b>  |                       |                        |
| Revenue fund (Schedule A)                          | \$ 1,084,067          | \$ 579,927             |
| Reserve fund (Schedule B)                          | <u>1,940,341</u>      | <u>2,131,753</u>       |
| <b>Fund balances</b>                               | <u>3,024,408</u>      | <u>2,711,680</u>       |
| Capital fund (Schedule C)                          | (12,362,256)          | (12,673,193)           |
| Unfunded liabilities (Note 4)                      | <u>(235,724)</u>      | <u>(231,265)</u>       |
| <b>Regional Hospital District Deficit Position</b> | <u>\$ (9,573,572)</u> | <u>\$ (10,192,778)</u> |

Approved:

\_\_\_\_\_ Manager Financial Services

See notes to consolidated financial statements

**NANAIMO REGIONAL HOSPITAL DISTRICT  
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

|   | <u>Budget</u>     | <u>2003</u>         | <u>2002</u>         |
|---|-------------------|---------------------|---------------------|
| <b>Revenues</b>                                   |                   |                     |                     |
| Property tax revenues                             | \$ 4,789,200      | \$ 4,789,270        | \$ 4,605,000        |
| Grants-in-lieu of taxes                           | 26,000            | 60,377              | 26,004              |
| Interest on investments                           | 37,600            | 60,493              | 59,639              |
| Other revenue                                     | -                 | 27,993              | 111,587             |
|   | <u>4,852,800</u>  | <u>4,938,133</u>    | <u>4,802,230</u>    |
| <b>Expenditures</b>                               |                   |                     |                     |
| Administration                                    | 8,000             | 8,000               | 9,440               |
| Debt issue costs                                  | -                 | 17,466              | -                   |
| Grants to health care facilities                  | 1,477,980         | 1,669,392           | 1,271,617           |
| Short term loan interest and bank charges         | 349,784           | 57,968              | 26,229              |
| Interest on long-term debt                        | 2,114,035         | 1,585,485           | 1,547,492           |
| Construction advances                             | -                 | -                   | -                   |
| converted to long term debt                       | -                 | 980,615             | -                   |
|   | <u>3,949,799</u>  | <u>4,318,926</u>    | <u>2,854,778</u>    |
| <b>Net Revenues</b>                               | <u>903,001</u>    | <u>619,207</u>      | <u>1,947,452</u>    |
| <b>Add(Deduct)</b>                                |                   |                     |                     |
| <b>Financing activities:</b>                      |                   |                     |                     |
| Long term debt issued                             | -                 | 998,081             | -                   |
| Debt principal repayments                         | (776,010)         | (776,010)           | (840,303)           |
| Debt actuarial adjustments                        | -                 | (533,008)           | (529,804)           |
| <b>Increase (decrease) in long term financing</b> | <u>(776,010)</u>  | <u>(310,937)</u>    | <u>(1,370,107)</u>  |
| <b>Unfunded expenditures:</b>                     |                   |                     |                     |
| Long-term debt interest (Note 4)                  | -                 | 4,458               | (135,752)           |
| <b>Change in Fund Balances</b>                    | <u>\$ 126,991</u> | <u>312,728</u>      | <u>441,593</u>      |
| <b>Fund Balances, beginning(Page 2)</b>           |                   | <u>2,711,680</u>    | <u>2,270,087</u>    |
| <b>Fund Balances, ending (Page 2)</b>             |                   | <u>\$ 3,024,408</u> | <u>\$ 2,711,680</u> |

Approved:

\_\_\_\_\_ Manager Financial Services

See notes to consolidated financial statements

**NANAIMO REGIONAL HOSPITAL DISTRICT  
SCHEDULE OF REVENUE FUND ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

**SCHEDULE A**

|   | <u>Budget</u>     | <u>2003</u>         | <u>2002</u>       |
|---|-------------------|---------------------|-------------------|
| <b>Revenues</b>                           |                   |                     |                   |
| Property tax revenues                     | \$ 4,789,200      | \$ 4,789,270        | \$ 4,605,000      |
| Grants-in-lieu of taxes                   | 26,000            | 60,377              | 26,004            |
| Interest on investments                   | 37,600            | 60,493              | 59,639            |
| Other revenue                             | -                 | 27,993              | 111,587           |
|   | <u>4,852,800</u>  | <u>4,938,133</u>    | <u>4,802,230</u>  |
| <b>Expenditures</b>                       |                   |                     |                   |
| Administration                            | 8,000             | 8,000               | 9,440             |
| Short term loan interest and bank charges | 349,784           | 57,968              | 26,229            |
| Long term debt interest                   | 2,114,035         | 2,114,035           | 2,213,047         |
|   | <u>2,471,819</u>  | <u>2,180,003</u>    | <u>2,248,716</u>  |
| <b>Operating Surplus</b>                  | <u>2,380,981</u>  | <u>2,758,130</u>    | <u>2,553,514</u>  |
| Transfer to Reserve Fund(Page 8)          | 1,477,980         | 1,477,980           | 1,449,000         |
| Debt principal repayment                  | 776,010           | 776,010             | 840,303           |
|   | <u>2,253,990</u>  | <u>2,253,990</u>    | <u>2,289,303</u>  |
| <b>Current Year Surplus</b>               | 126,991           | 504,140             | 264,211           |
| Prior years' surplus                      | 315,716           | 579,927             | 315,716           |
| <b>Total Operating Surplus</b>            | <u>\$ 442,707</u> | <u>\$ 1,084,067</u> | <u>\$ 579,927</u> |

See notes to consolidated financial statements

**NANAIMO REGIONAL HOSPITAL DISTRICT  
SCHEDULE OF RESERVE FUND ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

**SCHEDULE B**

|   | <u>2003</u>         | <u>2002</u>         |
|---|---------------------|---------------------|
| <b>FUND BALANCE, BEGINNING</b>              | \$ 2,131,753        | \$ 1,954,372        |
| <b>Add:</b>                                 |                     |                     |
| Transfer from Revenue Fund(Page 7)          | 1,477,980           | 1,449,000           |
| <b>Less:</b>                                |                     |                     |
| Grants to Vancouver Island Health Authority | <u>1,669,392</u>    | <u>1,271,619</u>    |
| <b>FUND BALANCE, ENDING (Note 5)</b>        | <u>\$ 1,940,341</u> | <u>\$ 2,131,753</u> |

See notes to consolidated financial statements

NANAIMO REGIONAL HOSPITAL DISTRICT  
SCHEDULE OF DEBENTURE DEBT  
AS AT DECEMBER 31, 2003

SCHEDULE D

| ie | Series         | Bylaw Number      | Maturity     | Interest Rate | Original Value       | Balance Dec 31, 2003 | Balance Dec 31, 2002 |
|----|----------------|-------------------|--------------|---------------|----------------------|----------------------|----------------------|
| 17 | BCRHD-CDV(A)   | 110/111           | Jun 09, 2008 | 6.000         | 292,302              | 152,662              | 178,974              |
| 18 | BCRHD-CD-V3(A) | 110/111           | Jun 09, 2006 | 6.000         | 454,454              | 237,349              | 278,258              |
| 7  | BCRHD-EC-13(1) | 110               | Nov 30, 2023 | 7.875         | 312,520              | 229,329              | 244,484              |
| 9  | HPCD-D         | 82/94/96/97       | Feb 21, 2011 | 10.750        | 2,934,009            | 1,502,157            | 1,663,074            |
| 1  | HPCP30         | 82/93             | Jun 09, 2009 | 10.010        | 192,000              | 80,496               | 92,242               |
| 2  | HPCP31         | 88/95             | Jul 10, 2009 | 9.610         | 128,800              | 53,661               | 61,495               |
| 7  | HPCP38         | 79/82/88/94       | Apr 10, 2010 | 10.360        | 1,105,115            | 535,313              | 599,889              |
| 0  | HPCP41         | 82/88/94/96       | Jul 10, 2010 | 10.470        | 1,001,200            | 490,906              | 550,473              |
| 1  | HPCP43         | 94                | Nov 09, 2010 | 11.040        | 1,200,000            | 578,302              | 648,572              |
| 4  | HPCP46         | 79/82/94/96/97/98 | Oct 05, 2011 | 9.810         | 957,701              | 523,134              | 577,121              |
| 6  | HPCP48         | 94                | Oct 07, 2011 | 10.040        | 531,004              | 286,342              | 315,925              |
| 8  | HPCP50         | 94                | Jun 10, 2012 | 9.450         | 720,000              | 429,263              | 466,339              |
| 4  | K25            | 56                | Apr 05, 2003 | 11.590        | 80,000               | -                    | 4,254                |
| 8  | K29            | 47/56             | Aug 02, 2003 | 11.510        | 40,000               | -                    | 2,357                |
| 5  | K37            | 47/56             | Jul 03, 2004 | 13.800        | 160,000              | 10,345               | 20,198               |
| 2  | K45            | 67                | Oct 04, 2005 | 11.120        | 180,000              | 25,202               | 36,910               |
| 3  | K46            | 67                | May 09, 2006 | 9.590         | 108,000              | 21,669               | 28,215               |
| 4  | K47            | 67/73             | Aug 08, 2006 | 9.500         | 110,000              | 22,524               | 29,329               |
| 5  | K49            | 79                | Oct 10, 2006 | 9.360         | 800,000              | 178,198              | 232,032              |
| 7  | K50            | 79                | Nov 10, 2006 | 9.640         | 480,000              | 100,763              | 131,204              |
| 9  | K51            | 79                | Dec 10, 2006 | 9.550         | 520,000              | 107,218              | 139,609              |
| 3  | K53            | 84                | Mar 10, 2007 | 9.040         | 1,140,000            | 309,269              | 384,799              |
| 5  | K58            | 79/86             | Apr 10, 2007 | 9.120         | 360,000              | 100,141              | 123,395              |
| 7  | K60            | 79                | Nov 10, 2007 | 11.070        | 760,000              | 219,371              | 267,845              |
| 3  | K69            | 79/82/90          | Apr 08, 2008 | 9.620         | 457,200              | 159,236              | 187,653              |
| 2  | RHD-MTN-53(2)  | 79/82/92          | Apr 10, 2009 | 10.310        | 397,997              | 160,395              | 183,873              |
| 5  | RHD-CD-K       | 104               | Aug 23, 2013 | 8.500         | 10,378               | 7,155                | 7,697                |
| 0  | RHD-CDN-1      | 79/94/96          | Jan 09, 2012 | 9.500         | 636,000              | 486,748              | 531,467              |
| 1  | RHD-CDN-2      | 79/94/96/100      | Aug 23, 2013 | 8.500         | 401,852              | 256,663              | 276,097              |
| 2  | RHD-CD-Q       | 79/105/100/104    | Aug 23, 2013 | 8.500         | 458,920              | 292,647              | 315,392              |
| 1  | RHD-EC-13      | 105               | Aug 15, 2014 | 7.500         | 826,194              | 543,377              | 580,971              |
| 5  | BCRHD-EUS-4(1) | 105/6/10/11       | Aug 23, 2023 | 7.875         | 1,260,569            | 925,017              | 986,143              |
| 3  | RHD-MTN-34     | 110/111           | Jun 11, 2007 | 6.680         | 377,993              | 175,664              | 214,479              |
| 1  | RHD-MTN-44     | 104/105/106       | Jun 09, 2014 | 9.525         | 1,789,496            | 1,228,864            | 1,313,510            |
|    | MFA            | 104/105/106       | Aug 23, 2013 | 9.600         | 145,386              | 96,842               | 104,173              |
|    | MFA            | 110               | Jun 01, 2020 | 6.450         | 125,258              | 113,317              | 117,492              |
|    | MFA            | 116/117/121       | Jun 01, 2011 | 5.960         | 509,277              | 426,274              | 468,787              |
|    | MFA            | 111               | Dec 01, 2021 | 5.690         | 318,086              | 298,362              | 308,486              |
|    | MFA            | 122,124,128,129   | Oct 03, 2018 | 4.900         | 998,081              | 998,081              | -                    |
|    |                |                   |              |               | <b>\$ 23,479,782</b> | <b>\$ 12,362,256</b> | <b>\$ 12,673,193</b> |

|   |  |       |  |
|---|--|-------|--|
| <b>REGIONAL DISTRICT<br/>OF NANAIMO</b> |  |       |  |
| MAR 15 2004                             |  |       |  |
| CHAIR                                   |  | GMCrs |  |
| CAG                                     |  | GMDS  |  |
| GmCmS                                   |  | GMES  |  |
| <i>Call</i>                             |  |       |  |

**MEMORANDUM**

**TO:** Stan Schopp  
Manager, Building Inspection Services

**FROM:** Allan Dick  
Senior Building Inspector

**DATE:** March 10, 2004

**FILE:** 3810-20

**SUBJECT:** Section 57 of the Community Charter - Contravention of Bylaw Meeting Date - March 23, 2004

**PURPOSE**

To provide for the Committee's review, proposed Section 57 Filings on properties which have outstanding occupancy or safety issues that contravene Building Bylaw No. 1250.

**BACKGROUND**

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

**SUMMARY OF INDIVIDUAL INFRACTIONS**

*Electoral Area 'D'*

1. Owners Name: Cheryl and Donald Saywell  
 Legal Description: Lot 2, Section 16, Range 3, Mountain District, Plan VIS5292 together with an interest in the common property in proportion to the unit entitlement of the Strata Lot as shown on Form V  
 Street Address: 3103 West Road  
**Summary of Infraction:**  
 February 5, 2004 - phone and left message to call inspector  
 February 6, 2004 - letter sent; occupancy permit required  
 February 6, 2004 - spoke to Mrs. Saywell who said it was up to her husband to call the inspector  
 February 17, 2004 - no response from owner; file given to Senior Inspector for filing  
 March 9, 2004 - certified mail returned unclaimed  
 March 11, 2004 - Senior Inspector contacted owner. Final inspection called for Monday, March 15, 2004
  
2. Owners Name: Rodney and Tannis Milner  
 Legal Description: Lot 2, Section 15, Range 3, Plan VIP73721, Mountain Land District  
 Street Address: 3311 Westview Acres Road  
**Summary of Infraction:**  
 January 27, 2004 - letter sent; occupancy required  
 February 3, 2004 - attempted to contact owner; owner away on holidays  
 February 9, 2004 - owner called - will try to get the deficiencies complete and call for inspection  
 February 20, 2004 - phoned and left message for the owner to contact the office.  
 February 26, 2004 - 2nd letter sent; occupancy required  
 March 10, 2004 - Senior Inspector contacted owner; explained filing process. Owner will attempt to complete outstanding items asap  
 March 10, 2004 - File forwarded to Manager for Section 57 filing (occupying without an occupancy permit)

**Electoral Area 'E'**

3. Owners Name: Susan Rowe  
Legal Description: Lot 13, District Lot 6, Plan 23588, Nanoose Land District  
Street Address: 2360 McDivitt Drive

**Summary of Infraction:**

December 15, 2004 - Manager made aware previous foundation repairs failing. Discussed further repairs with project engineer.

February 18, 2004 - Stop Work Order posted; remove fill from beneath foundation - requires new foundation and building permit revisions

February 19, 2004 - Manager cautioned owners that a notice would be placed on property title to advise future purchasers if foundation repaired as opposed to replaced.

4. Owners Name: Lynn and Robert Yip  
Legal Description: Lot 21, District Lot 78, Plan VIP68559, Nanoose Land District  
Street Address: 2480 Andover Road

**Summary of Infraction:**

January 27, 2004 - letter sent; occupancy required

February 11, 2004 - 2nd letter sent via courier; occupied without an occupancy permit

February 18, 2004 - Inspector attempted to do final inspection; no one home

February 19, 2004 - final inspection performed - 11 outstanding items

March 10, 2004 - Senior Inspector contacted owner; bylaw contravention notice process explained; will contact owner in two weeks to check on progress

**Electoral Area 'G'**

5. Owners Name: Emilie Williamson and Bryan Olson  
Legal Description: Lot 33, District Lot 116, Plan 27229, Nanoose Land District  
Street Address: 1060 Symons Crescent

**Summary of Infraction:**

January 27, 2004 - letter sent; occupancy required

February 11, 2004 - 2nd letter sent certified mail; occupied without an occupancy permit

February 16, 2004 - verification - certified mail received


February 18, 2004 - Inspector spoke with owner regarding Bylaw Contravention process; owner stated unable to complete project in time

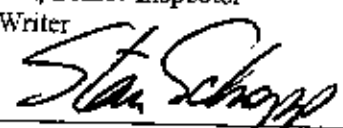
March 10, 2004 - Senior Inspector attempted to contact owner - unable to find correct phone number


March 10, 2004 - file forwarded to Manager for filing contravention notice (occupying SFD without an occupancy permit); safety items on last inspection and possible suite above garage

**RECOMMENDATION**

That a notice be filed against the titles of the properties listed, pursuant to Section 57 of the *Community Charter* and that if the infractions are not rectified within ninety (90) days, legal action will be pursued.

  
Allan Dick, Senior Inspector  
Report Writer

  
Stan Schopp, Manager Concurrence

  
Robert Lapham,  
General Manager Concurrence

  
CAO Concurrence



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**TO:** Stan Schopp  
Manager, Building Inspection and Enforcement

**DATE:** March 3, 2004

**FROM:** Tom Armet  
Bylaw Enforcement Officer

**FILE:** 128E99

**SUBJECT:** *Illegal Construction – Section 698 Local Government Act*  
*2406 Nanoose Beach Road – Electoral Area E*

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**PURPOSE**

To obtain Board direction regarding repealing "Regional District of Nanaimo Structure Removal Bylaw No. 1293, 2002".

**BACKGROUND**

**Property:** 2406 Nanoose Beach Road, Nanoose Bay, BC

**Legal:** Parcel 1 of Lot A, Plan 1460, District Lot 79 Nanoose Land District

**Owner:** Scott Kilner Littlewood  
2406 Nanoose Beach Road  
Nanoose Bay, BC V9P 9E5

**Zoning:** Residential 1 (RS1)

On March 12, 2002, the Board of the Regional District of Nanaimo considered the illegal construction of a 700 square foot accessory building on the above property and directed "*Regional District of Nanaimo Structure Removal Bylaw No. 1362, 2003*" be adopted. Staff was authorized to enter the property at the expiration of 30 days from the date of adoption of the bylaw to remove the illegal structure. The owner of the property subsequently applied for a Development Variance Permit and received Board approval to vary the setbacks requirements to allow the building to remain on the property, subject to several conditions including issuance of a Building Permit to bring the building up to standard. The owner neglected to take any further action to bring the building into compliance resulting in further direction from the Board in February 2004 to remove the building.

Regional District staff arranged to demolish the building on March 1<sup>st</sup> 2004 however the owner dismantled and removed the building the day before. The building no longer exists and all contents and associated material have now been completely removed.

**ALTERNATIVES**

1. To repeal *Regional District of Nanaimo Structure Removal Bylaw No. 1293, 2002*.
2. To not repeal *Regional District of Nanaimo Structure Removal Bylaw No. 1293, 2002*.

## FINANCIAL IMPLICATIONS

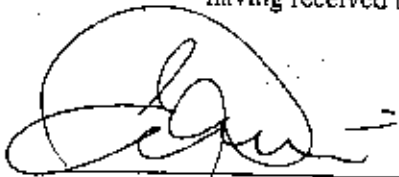
There are no financial implications with repealing the bylaw.

## SUMMARY/CONCLUSIONS

In 1998, Regional District staff posted a Stop Work Order on the building prior to the owner completing construction. The building has been in use for personal storage, however there were several building deficiencies and it encroached on two adjacent properties. The owner failed to take the necessary steps to bring the building into compliance resulting in the adoption of a Structure Removal Bylaw in 2002. Further attempts to legalize the building by way of an approved Development Variance Permit also failed due to the owner's inattention to the issue. On February 10 2004 the Board directed staff to remove the building and the owner was advised accordingly. On February 29, 2004 the owner voluntarily dismantled the building and all material was removed from the property by March 2, 2004.

## RECOMMENDATION

1. That "Regional District of Nanaimo Structure Removal Repeal Bylaw No. 1382, 2004" be introduced for first three readings.
2. That "Regional District of Nanaimo Structure Removal Repeal Bylaw No. 1382, 2004", having received three readings, be adopted.



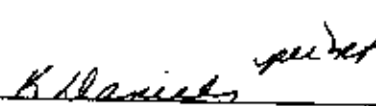
Report Writer



General Manager Concurrence



Manager Concurrence



CAO Concurrence

COMMENTS:

**REGIONAL DISTRICT OF NANAIMO**

**BYLAW NO. 1382**

**A BYLAW TO REPEAL STRUCTURE  
REMOVAL BYLAW NO. 1293**

WHEREAS the Board has enacted "Regional District of Nanaimo Structure Removal Bylaw No. 1293, 2002";

AND WHEREAS the Board wishes to repeal "Regional District of Nanaimo Structure Removal Bylaw No. 1293, 2002";

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

1. That "Regional District of Nanaimo Structure Removal Bylaw No. 1293, 2002" be repealed.
2. This bylaw may be cited as "Regional District of Nanaimo Structure Removal Repeal Bylaw No. 1382, 2004".

Introduced and read three times this 13th day of April, 2004.

Adopted this 13th day of April, 2004.

\_\_\_\_\_  
CHAIRPERSON

\_\_\_\_\_  
GENERAL MANAGER, CORPORATE SERVICES



|                              |       |
|------------------------------|-------|
| REGIONAL DISTRICT OF NANAIMO |       |
| MAR - 3 2004                 |       |
| CHAIR                        | GMCrS |
| CAO                          | GMDS  |
| GMCmS                        | GMES  |

MEMORANDUM

TO: Stan Schopp  
 Manager, Building Inspection and Enforcement

DATE: March 3, 2004

FROM: Maude Mackey  
 Bylaw Enforcement Officer

FILE: 066A04

SUBJECT: Designation of Animal Control Officer - District 68

PURPOSE

To designate a replacement officer for the Nanaimo Animal Shelter for the purpose of enforcement of Regional District of Nanaimo Animal Control and Licensing Bylaws.

BACKGROUND

The Nanaimo Animal Shelter carries out the enforcement of Animal Control and Licensing Bylaws under contract for the Regional District of Nanaimo in District 68. Employees of the Shelter have similar specific duties and right of entry requirements as Bylaw Enforcement Officers to enable them to carry out their duties as Animal Control Officers for the Regional District. Furthermore, Animal Control Officers must be designated pursuant to Section 264 of the Community Charter for the purpose of issuing violation tickets.

The Shelter currently has 5 permanent Animal Control Officers. The most recent full time employee, Dale Rusch has not yet been designated as a Bylaw Enforcement Officer.

The request for the designation of a new Animal Control Bylaw Enforcement Officer is due to the previously appointed officer, Sue Hughes, no longer being employed at the Nanaimo Animal Shelter.

ALTERNATIVES

1. To designate Dale Rusch as a Bylaw Enforcement Officer for the specific purpose of enforcing Animal Control Bylaws pursuant to "Regional District of Nanaimo Bylaw Enforcement Officers Bylaw No. 857, 1992" and to rescind the appointment of Sue Hughes.
2. To not designate Dale Rusch as an Animal Control Officer.

FINANCIAL IMPLICATIONS

There are no financial implications.

LEGAL IMPLICATIONS

All Animal Control Officers employed by our contractors actively investigate and enforce the provisions of our Animal Control and Licensing Bylaws. Failure to designate an officer may result in a court ruling against the Regional District on the grounds that the Animal Control Officers had no authority to enforce Regional District of Nanaimo bylaws. The employees of the Regional District's contractors have been

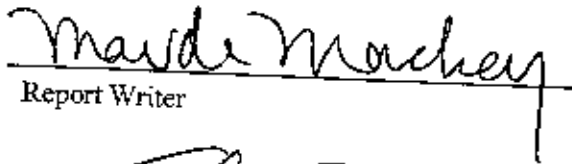
appointed as Bylaw Enforcement Officers since the beginning of the terms of the contracts, without incident. The RDN requires the contractors to maintain general public liability insurance to indemnify the RDN from any claims of negligence that might arise from the performance of the contractors.

**SUMMARY/CONCLUSIONS**

It is necessary to designate Animal Control Officers employed by our contractors as Bylaw Enforcement Officers to ensure they have the ability to enforce animal control regulations, defend any legal challenge to their authority and maintain the integrity of the RDN animal control and licensing function.

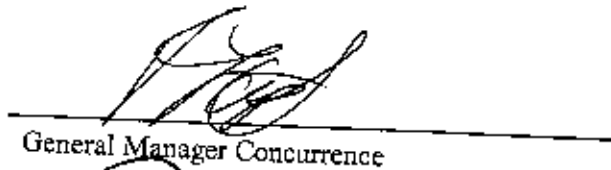
**RECOMMENDATION**

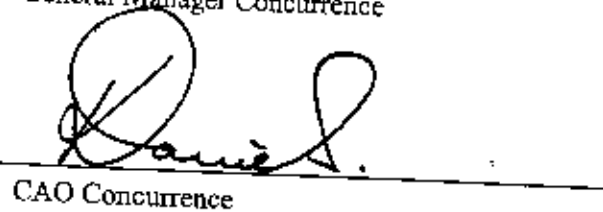
That the Board designate, by resolution, Dale Rusch, Nanaimo Animal Shelter, as a Bylaw Enforcement Officer for the specific purpose of enforcing Regional District of Nanaimo Animal Control and Licensing Bylaws.

  
Report Writer

  
Manager Concurrence

COMMENTS:

  
General Manager Concurrence

  
CAO Concurrence



|                              |        |
|------------------------------|--------|
| REGIONAL DISTRICT OF NANAIMO |        |
| MAR 15 2004                  |        |
| CHAIR                        | GMC/RS |
| CAO                          | GMDS   |
| CMG/MS                       | GMES   |
|                              |        |
|                              |        |
|                              |        |

MEMORANDUM

TO: Robert Lapham  
General Manager, Development Services

FROM: Stan Schopp  
Manager of Inspection and Enforcement

SUBJECT: Animal Control Contracts - District 68 & 69

DATE: March 12, 2004

FILE: 2320 20 2004

PURPOSE

To consider renewal of the terms of agreement with Nanaimo Animal Shelter and District 69 SPCA to provide animal control services for the RDN.

BACKGROUND

The Regional District has been regulating control of dogs in Electoral Areas A, B, C, D, E, F, G and H since 1995. Electoral Area F has participated in a 'vicious dog only' portion of the service while the balance of Electoral Areas have a more full service arrangement that includes picking up confined or stray dogs. Electoral Areas E, G, and H have established a dog licensing function that provides the added ability to impound unlicensed dogs and raise revenue to offset the cost of the service. The Regional District also provides contract service to the District of Lantzville as part of the master contract for Electoral Areas A, B, C and D, with service levels apportioned according to each areas contribution rate.

As this is a rather complex function involving specialized equipment, personnel training and an impound facility, the RDN has contracted work to two independent contractors. There are very few contractors in the area with the expertise, correct zoning, and facilities to bid on the work. These particular contractors have performed the work over eight years with a high degree of efficiency. Parksville/Qualicum SPCA also sold the majority of dog licenses in 2002 in the amount of \$6993 and in 2003 for \$7059. The revenue from these licenses is used to reduce requisition costs for the service in Electoral Areas E, G and H.

ALTERNATIVES

1. To authorize new three-year animal control services contracts with an increase of 2% a year engaging the services of the Parksville-Qualicum SPCA and Nanaimo Animal Shelter Ltd for the term from March 1, 2004 to February 28, 2007.
2. To authorize new three-year animal control services contracts with an increase of 5% in the first year with no increase in subsequent years engaging the services of the Parksville-Qualicum SPCA and Nanaimo Animal Shelter Ltd for the term from March 1, 2004 to February 28, 200.
3. To direct staff to prepare a Request for Proposal and place the animal control contracts out to public tender.

FINANCIAL IMPLICATIONS

Both contractors have provided animal control services from 1997 to 2004 with no increase in cost to the RDN for 2002 and a marginal increase of 2% for 2003. As a result of preliminary discussions with staff, both contractors are prepared to offer to extend the current agreements for a further three years with a one time increase of 5% for the term of the 3 year contract, or 2% per year over each of the three years. A rental agreement for the City of Nanaimo Animal Shelter is an associated contract with the service

obtained from Nanaimo Animal Shelter Ltd. for Electoral Areas A, B, C, D and Lantzville and is able to be renewed at the same rental charge of \$250 per month for the term of the agreement.

The year 2003 amounts for these contract services were \$45,821 for Electoral Areas A, B, C, and D and \$71,604 for Electoral Areas E, F, G, and H. Costs would be increased accordingly depending on which method of increase is chosen by the Board.

The cost of the contract service for Electoral Area F is apportioned based on the hours of service and as part of the total amount for E, F, G, and H and was \$6,564 in 2003.

Staff will be recommending that the contract for Animal Control Services for the District of Lantzville be renewed for 2004 with the option to sever this part of the service for the District should they choose to perform their own bylaw enforcement services in the future. The District of Lantzville has already approved a new contract for services with the Regional District.

### SERVICE LEVEL IMPLICATIONS


Staff has reviewed the service statistics for each contractor and note that there is an increasing demand for service in relation to some aspects of the animal control bylaw. The District 69 SPCA had suggested that the level of service provided for in the 2002 contract, indicated as hours of service, may be insufficient to respond to a growing number of call and investigations. However RDN staff have been able to reach agreement to reorganize some of aspects of the investigation process, particularly in relation to the RDN response to complaints regarding barking dogs, and therefore the staff and the contractor feel that the increase in the volume of new calls resulting growth in the area can be still be accommodated over the 3 year term of the contract.


### SUMMARY/CONCLUSIONS

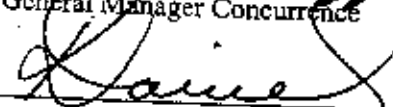
The level of animal control services provided and delivery of that service by the contractors has been an excellent value to the RDN. Very few complaints have been received regarding the contractor's performance and staff recommends that the Board endorse the renewal of the contracts under the current conditions.

### RECOMMENDATION

That the contracts for animal control services with Parksville-Qualicum SPCA and Nanaimo Animal Shelter Ltd. be renewed for the term of March 1, 2004 to February 28, 2007 with an increase in contract service fees of 2% per annum.

  
\_\_\_\_\_  
Report Writer

  
\_\_\_\_\_  
General Manager Concurrence

  
\_\_\_\_\_  
C.A.O. Concurrence

COMMENTS:



REGIONAL DISTRICT OF NANAIMO

MAR 16 2004

|        |        |
|--------|--------|
| CHAIR  | GM CrS |
| CAO    | GMOS   |
| GM CrS | GMES   |
|        |        |
|        |        |

MEMORANDUM

TO: Robert Lapham  
General Manager, Development Services

DATE: March 11, 2004

FROM: Stan Schnopp  
Manager of Inspection and Enforcement

FILE: 3900 20 1374 & 1375

SUBJECT: Noise Control Establishing Bylaw No. 1374, 2004 and Regulatory Bylaw No. 1375, 2004 - A Portion of Electoral Area 'H'

PURPOSE

To consider introducing Noise Control for a specified area of Electoral Area "H" through the adoption of Establishing and Regulatory Bylaws.

BACKGROUND

Section 796(1) of the Local Government Act provides Regional Districts the authority to establish noise control regulations for land located within Electoral Areas. The establishment of noise control regulations requires the consideration and adoption of two Bylaws: an Establishing Bylaw that creates a service area for which the regulations would be applicable and a Regulatory Bylaw that sets out the noises to be regulated.

Over the past five years, RDN Bylaw Enforcement and the Area Director have seen an increase in nuisance complaints concerning noise in Electoral Areas 'H'. The majority of these calls have been concerned with barking dogs and loud music. In addition to complaints, the Electoral Area Director has also received inquiries with respect to implementing noise control regulations.

The Board may recall that this issue has previously been before the Board. In 2000 and 2001, through the public consultation on the RDN's Home Based Business Bylaw (HBB), RDN Staff and the Area Directors received feedback from residents that indicated with expanded HBB provisions, the noise impacts on adjacent properties should also be considered. At that time, the Directors for Electoral Areas 'D' and 'H' indicated support for the implementation of noise bylaws in their respective areas, subject to public consultation on this issue.

Based on consultation with the Area Directors, RDN Staff drafted Noise Control Bylaws for both these Electoral Areas and took these proposed bylaws out to the community at Public Information Meetings in January and early February 2002. Subsequent to those meetings in Area 'D', a Noise Bylaw was adopted for that area.

In Electoral Area 'H', the Public Information Meeting was held February 13<sup>th</sup>, 2002 at the Lighthouse Community Centre in Qualicum Bay, with approximately 65 people in attendance. The public raised a number of issues with respect to implementing noise control in the area. Several residents voiced concerns that the bylaw was not required, while others indicated that a bylaw would be appropriate and should be implemented. Those residents for noise control commented that the proposed bylaws should be reasonable, enforced where required, and not overly intrusive. Those residents against noise control commented that the bylaw would not be enforceable and such a bylaw was not required for a rural area.



Given the mixed response at the Public Meeting, the adoption of a Noise Bylaw for Area 'H' was delayed until further consultation could be undertaken with the community.

Through the recent public consultation process on the Electoral Area 'H' Official Community Plan, members of the community resurrected the noise bylaw issue and requested that the RDN Board again consider this issue. After consultation with the public, the Area Director has indicated that there is general public support for the application of a Noise Bylaw in specified areas (generally, the more 'urban' areas of the electoral area). These lands are identified on Attachment No. 1.

It should also be noted that the previous proposed Noise Bylaw for Electoral Area 'H' was approved by the Inspector of Municipalities, but was never adopted by the RDN Board.

## ALTERNATIVES

1. Introduce, take to alternative approval process, and give 3 readings to Noise Control Establishing Bylaw No. 1374, 2004 and Noise Control Regulatory Bylaw No. 1375, 2004 for a portion of Electoral Area 'H'.
2. Do not introduce Noise Control Establishing and Regulatory Bylaws for a portion of Electoral Area 'H' at this time.

## LAND USE IMPLICATIONS

In Electoral Area 'H', there is a broad mix of rural, residential, home based businesses, and commercial developments that have been developed over the years. With this mix of uses, there can be issues related to impacts on other properties. With the creation of noise control regulations, the community would have a dispute resolution mechanism. The bylaw would establish specific types of noises that are a nuisance, establishes time periods when these nuisance noises are prohibited, and provides a level of certainty for property owners knowing that between specified times noises will be controlled. The noise control regulations represent an opportunity to protect private property from nuisance noises while, at the same time, allowing people or businesses to conduct themselves within established regulations.

## PUBLIC CONSULTATION IMPLICATIONS

The intent of the proposed Noise Control Bylaws for a portion of Electoral Area 'H' is to provide a level of certainty for electoral area residents with respect to 'acceptable' noise. RDN Staff and the Area Director have received input on issue areas for noise control and these comments have been used in the drafting of the proposed Bylaws.

The proposed Electoral Area 'H' Noise Control Service Establishment Bylaw No. 1374, 2004 is attached as *Schedule No. 2*. The proposed Electoral Area 'H' Noise Control Regulatory Bylaw No. 1375, 2004 is attached as *Schedule No. 3*.

### *Procedural Implications*

It should be noted that an establishing bylaw has no effect unless, before being considered for adoption, it has received the approval of the Inspector of Municipalities and participating area approval in accordance with the *Local Government Act*. The participating area approval would require either the assent of the electors (referendum) or approval of the electors by an alternative elector approval process (*section 86 of the Community Charter - formerly called a counter petition process*). Procedural requirements for an alternative approval process involve a petition being advertised in two consecutive editions of a local

newspaper and qualified electors must be given an opportunity to a response if they are opposed to the bylaw. With respect to the alternative approval process, the local government must establish a deadline by which the elector responses must be submitted to the local government. This deadline must be at least 30 days following the second newspaper notification of the alternative approval process. The alternative approval process advertising must contain a statement that the local government may proceed with the matter unless at least 10% of the electors of the area to which the alternative approval process forward electoral responses to the local government by the deadline. For this proposed noise bylaw, given that the service area is a portion of Electoral Area 'H', 10% of electors would equal 142 (that is, 10% of the 1420 voters pursuant to the 2002 Voters List (most recent Voters List).

Therefore, if the proposed Noise Bylaw is given third reading, staff recommends that the alternative elector approval process be advertised in 'The News' on April 20, 2004 and April 23, 2004 with the elector response deadline established as May 31, 2004. If the elector response is certified as having been signed by at least 10% of the electors of established service area of Electoral Area 'H', the local government must not proceed with the proposed bylaw unless it otherwise receives the assent of the electors. If the elector response is certified as not having been signed by 10% of the electors, the electors are deemed to have approved the proposed bylaw and the local government may proceed with the proposed matter.

A report detailing the results of the alternative elector approval process will be forwarded to the June 8, 2004 RDN Regular Board Meeting.

#### **FINANCIAL IMPLICATIONS**

Noise Control is a regulatory service that is established and funded by direct taxation from Electoral Area residents. The Regional District, as required by the *Local Government Act*, has established a tax rate to fund the administration of this service. The Regional District has established that approximately \$4,500.00 must be raised within Electoral Area 'H' to fund this service.

For Electoral Area 'H', the property tax rate has been established at 0.0217 cents per 1,000 of assessed value when applied to the net taxable value of land and improvements.

#### **VOTING**


All Directors – one vote.

#### **SUMMARY**

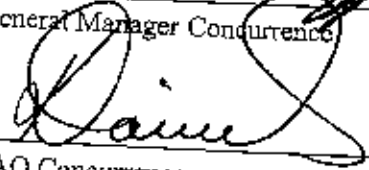
The *Local Government Act* gives Regional Districts the authority to establish noise control regulations within electoral areas. This issue has been discussed at a Public Information Meetings and through the open house process for the Electoral Area 'H' Official Community Plan. Based on input received, the proposed bylaws have been amended to reflect the community's priorities concerning noise control issues. Therefore, staff recommends that these bylaws have merit to proceed to the Board for consideration.

RECOMMENDATIONS

1. That "Regional District of Nanaimo Electoral Area 'H' Noise Control Service Establishment Bylaw No. 1266, 2002" and "Regional District of Nanaimo Noise Control Regulatory Bylaw No. 1267, 2002" be abandoned.
2. That the number of electors for the purposes of the alternative approval process be established at 1420 and that the electoral response form attached be approved.
3. That "Regional District of Nanaimo Portion of Electoral Area 'H' Noise Control Service Establishment Bylaw No. 1374, 2004" be introduced, read 3 times and forwarded to the Inspector of Municipalities for approval.
4. That "Regional District of Nanaimo Portion of Electoral Area 'H' Noise Control Regulatory Bylaw No. 1375, 2004" be introduced and read 3 times and advertised to provide notice of the Board's intent to adopt this bylaw.

  
\_\_\_\_\_  
Report Writer

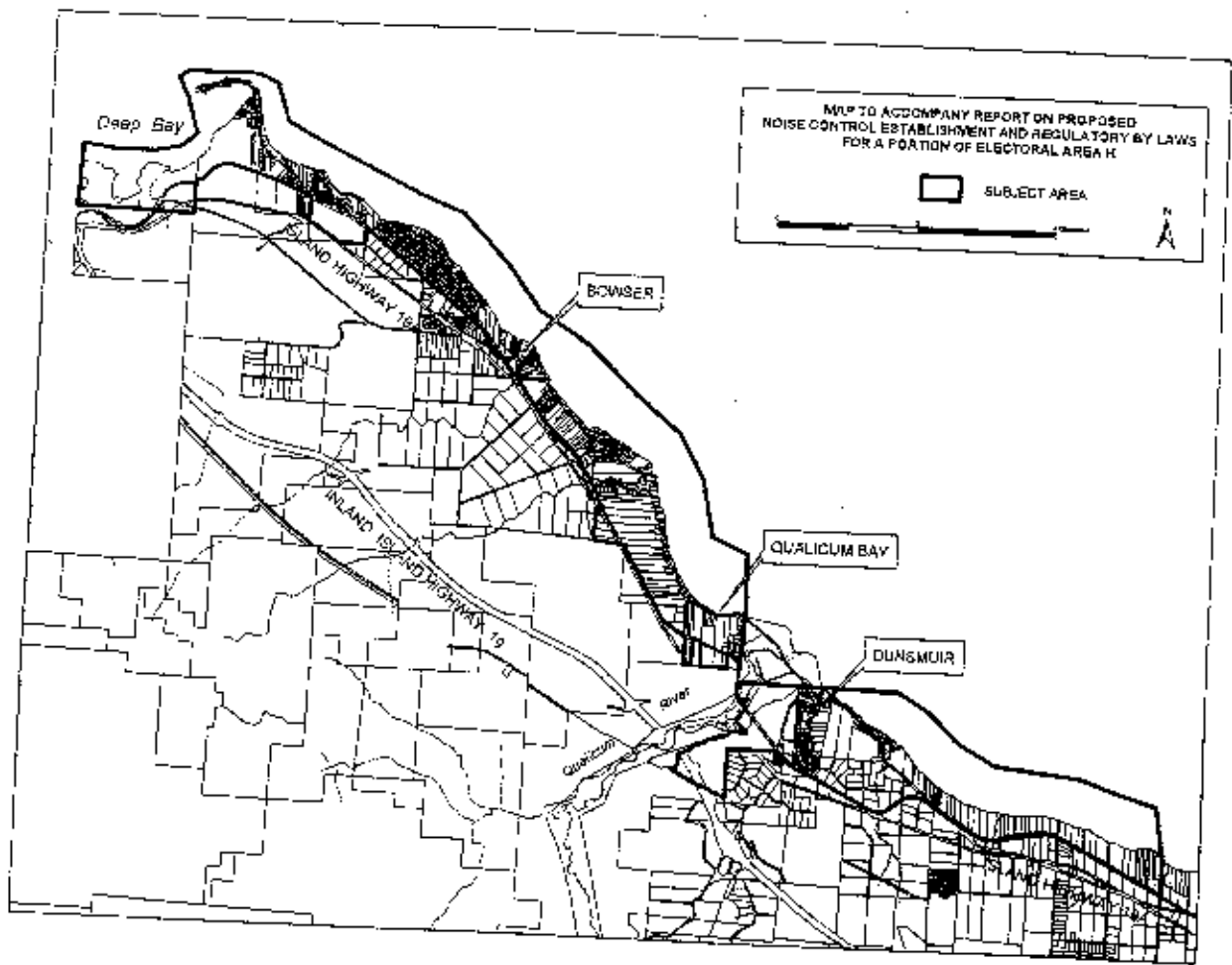
  
\_\_\_\_\_  
General Manager Concurrence

  
\_\_\_\_\_  
CAO Concurrence

COMMENTS:

*devs\reports\2004\3900 39 ea h mr noise bylaw.doc*

Attachment No. 1  
Noise Control Bylaw  
Portion of Electoral Area 'H'



Schedule No. 1

REGIONAL DISTRICT OF NANAIMO  
BYLAW NO. 1374, 2004

A BYLAW TO ESTABLISH CONTROL  
OF NOISE AS A SERVICE  
IN A PORTION OF ELECTORAL AREA 'H'

WHEREAS under Section 796(1) of the *Local Government Act* a Regional District may, by bylaw under Section 800, establish and operate control of noise as a service;

AND WHEREAS the Board of the Regional District of Nanaimo wishes to establish and operate control of noise as a service in Electoral Area 'H';

AND WHEREAS a bylaw establishing a service must meet the requirements of Section 800.1 of the *Local Government Act*;

AND WHEREAS the consent of the Director for Electoral Area 'H' has been received;

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

1. Control of noise is hereby established as a service.
2. The service area is as outlined on Schedule No. '1' attached to and forming part of this bylaw.
3. The portion of Electoral Area 'H', as shown on Schedule No. '1' is the only participating area for this service.
4. The annual costs for of the service shall be recovered by property taxes imposed in accordance with Section 803(1)(a) and collected under Section 806.1(1)(a) of the *Local Government Act*.
5. The maximum amount that may be requisitioned under Section 800.1(e) for the service shall be the greater of:
  - (a) four thousand, five hundred dollars (\$4,500.00); or
  - (b) the property tax rate of one point six cents (\$0.0217) per \$1,000 of assessed value when applied to the net taxable value of land and improvements, within the service area.
6. This bylaw may be cited as "Regional District of Nanaimo Portion of Electoral Area 'H' Noise Control Service Establishment Bylaw No. 1374, 2004".

Introduced and read three times this \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

Received the approval of the Inspector of Municipalities this \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

Adopted this \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
General Manager, Corporate Services

Schedule No. '1' to accompany "Regional District of Nanaimo Portion of Electoral Area 'H' Noise Control Service Establishment Bylaw No. 1374, 2004"

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Secretary

(full-scale map available for viewing)

REGIONAL DISTRICT OF NANAIMO  
BYLAW NO. 1375, 2004

A BYLAW TO REGULATE OR PROHIBIT  
OBJECTIONABLE NOISE WITHIN  
A PORTION OF ELECTORAL AREA 'H'

WHEREAS the Regional District of Nanaimo has established a general service for noise control under Section 796(1) of the *Local Government Act*;

AND WHEREAS the Board believes that:

- (a) certain sounds are objectionable or liable to disturb the quiet, peace, rest, enjoyment, comfort or convenience of individuals or the public; and
- (b) it is desirable to regulate or prohibit them;

AND WHEREAS it is not the intent of the Board to prevent or prohibit those sounds customarily emitted or usually associated with the normal conduct of reasonable daily activity at reasonable times;

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

1. **INTERPRETATION**

In this bylaw:

"Board" means the Board of Directors of the Regional District of Nanaimo.

"Bylaw Enforcement Officer" includes a Peace Officer and a person appointed by the Board as a Bylaw Enforcement Officer.

"District" means the Regional District of Nanaimo.

"Highway" means as defined within the *Local Government Act* to include a street, road, lane, bridge, viaduct and any other way open to public use, but does not include a private right of way on private property.

"Motor Vehicle" includes an automobile, motorcycle and any other vehicle propelled or driven otherwise than by muscular power, but does not include the cars of electric or steam railways or other motor vehicles running only upon rails, or traction engine, farm tractor or self-propelled implement of husbandry.

**“Real Property”** means land other than a highway, together with all improvements which have been so affixed to the land as to make them in law a part of the land and includes land without improvements.

**“Residential Premises”** means land upon which is located a building or structure, including a mobile home used seasonally or permanently for human occupancy.

2. **TITLE**

This bylaw may be cited as the “Regional District of Nanaimo Portion of Electoral Area ‘H’ Noise Control Regulatory Bylaw No. 1375, 2004”.

3. **JURISDICTION**

This bylaw is applicable to and enforceable within that portion of Electoral Area ‘H’ as shown on Schedule No. ‘1’ attached to and forming part of this Bylaw.

4. **OBJECTIONABLE AND DISTURBING NOISES**

The acts listed in Schedule No. ‘2’ to this bylaw are considered by the Board to cause noises or sounds which are objectionable or liable to disturb the quiet, peace, rest, enjoyment, comfort or convenience of individuals or the public in the neighbourhood or vicinity of those acts.

5. **GENERAL PROHIBITION**

No person, being the owner, tenant or occupier of real property, shall allow or permit the real property to be used so that noise which occurs on or is emitted from that real property disturbs or tends to disturb the quiet, peace, rest, enjoyment, comfort or convenience of any person or persons in the neighbourhood or vicinity.

6. **PROHIBITION BY TIME OR PLACE**

Without limiting Section 5 of this bylaw, no person shall commit, cause or permit the commission of an act listed in Schedule No. ‘2’ to this bylaw which results in the emission of a noise which is audible at a residential premises in the vicinity or in a public place during the period of time specified in respect of that act in Schedule No. ‘2’.

7. **EXCEPTIONS**

The prohibitions contained in Sections 5 and 6 of this bylaw do not apply to the emission of sound in connection with an act listed in Schedule No. ‘3’.

8. **INSPECTION AND ENTRY**

A Bylaw Enforcement Officer is hereby authorized to enter, at all reasonable times, on any property subject to the regulations or direction of the Board, to ascertain whether the regulations or directions of this bylaw are being observed.



9. **SCHEDULES**

- (a) Schedule Nos. '1', '2' and '3' are attached to and form a part of this Bylaw.
- (b) Schedule Nos. '2' and '3' are enforceable in the same manner as this Bylaw.

10. **PENALTY**

- (a) A person who violates any of the provisions of this bylaw or who suffers or permits any act or thing to be done in contravention of this bylaw, or who refuses, or omits or neglects to fulfill, observe, carry out or perform any duty or obligation imposed by this bylaw, shall be liable on summary conviction for the first offence, to a penalty of not less than \$100 and not more than \$2,000, and for a second or subsequent offence, to a penalty of not less than \$250 and not more than \$2,000.
- (b) In the case of a continuing violation, each day that a violation continues to occur shall constitute a separate offence.

11. **SEVERABILITY**

If any provision of this bylaw is held to be beyond the power of the Regional District by any Court of competent jurisdiction, then the provision may be severed from the remainder of the bylaw without affecting the validity of any other provision.

Introduced and read three times this \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

Adopted this \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

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Chairperson

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General Manager, Corporate Services

Schedule No. '1' to accompany "Regional  
District of Nanaimo Electoral Area 'E'  
Noise Control Regulatory Bylaw No. 1375,  
2004"

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Secretary

(full-scale map available for viewing)

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Secretary

**SCHEDULE No. '2'**  
**PROHIBITIONS OF TIME**

| Act  | Prohibited Period of Time |
|--|---------------------------|
| 1. The operation of an electronic device or group of connected electronic devices incorporating one or more loudspeakers or other electro-mechanical transducers, and designed for the production, reproduction or amplification of sound, including but not limited to radios, record players, compact disc players, televisions, receivers and audio and video tape players. | 11:00 p.m. to 7:00 a.m.   |
| 2. Persistent barking, calling, whining or other similar persistent sound made by a domestic pet, other animal or bird, kept or used for a purpose other than agriculture.   | At all times              |
| 3. The running of the engine of a stationary motor vehicle other than during a period of time required by an enactment for a particular type of motor vehicle.   | 12:00 p.m. to 6:00 a.m.   |
| 4. The operation of a mechanical device, including but not limited to power saws and compressors.  | 11:00 p.m. to 6:00 a.m.   |

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Secretary

**SCHEDULE No. '3'**  
**EXCEPTIONS**

Sounds emitted in connection with the following are exempt from the provisions of this bylaw:

1. Emergency Measures Undertaken:
  - (a) for the immediate health, safety or welfare of any person or persons, or
  - (b) for the preservation or restoration of propertyunless the sound is of a longer duration or of a nature more disturbing than is reasonably necessary for the accomplishment of such emergency purpose.
2. Works or activity associated with and necessarily incidental to:
  - (a) construction, erecting, reconstructing, altering, repairing or demolishing of buildings, structures or things;
  - (b) excavating, grading or filling land;
  - (c) installing, altering, repairing or removing public facilities or utilities;
  - (d) repairing or raising a highway; or
  - (e) well drillingbetween 6:00 a.m. and 11:00 p.m. on any day.
3. Traditional, religious or other activities listed below:
  - (a) fireworks;
  - (b) special events held under Regional District of Nanaimo Special Events Bylaw No. 1010, 1996; and
  - (c) church bells.
4. Shouting in relation to games played in a community park.
5. The operation of a generator, at any time, for the purpose of generating electricity used in connection with the occupancy of a dwelling unit not served by BC Hydro.
6. Industrial, commercial or resource management operations at any time, where the use is permitted by the applicable zoning regulations.
7. The operation of electric transformer stations at any time.
8. The operation of marine engines on water at any time.
9. All operations conducted within the Agricultural Land Reserve, the Forest Land Reserve, and on lands of four (4) hectares or larger at any time.
10. The operation of a motor or pump system used in connection with the occupancy of a dwelling unit.



## BYLAW NO. 1374

A Bylaw that proposes to establish a Noise Control Service Establishing Bylaw within a Portion of Electoral Area H.

### ELECTOR RESPONSE FORM

I hereby declare the following:

- ◆ I am a Canadian citizen;
- ◆ I am an individual who is, or will be on general voting day, age 18 or older;
- ◆ I have been a resident of British Columbia for at least the past six months;
- ◆ I have been a property owner/resident of property within that portion of Electoral Area H being considered as part of the Noise Control Service Area for at least the past 30 days;
- ◆ I am not disqualified by the *Local Government Act*, or any other enactment from voting in an election or am not otherwise disqualified by law.

I, being a person entitled to be registered as an elector within a portion of "Electoral Area H Noise Control Service Establishment Bylaw No. 1374, 2004".

NAME OF ELECTOR:

\_\_\_\_\_  
(Please Print Full Name)

ELECTOR'S STREET ADDRESS:

ELECTORAL AREA:

SIGNATURE OF ELECTOR:

**NOTE:** This elector response form must be returned to the Regional District of Nanaimo, 6300 Hammond Bay Road, Nanaimo, BC, V9T 6N2 on or before **May 31, 2004**.

Office hours are 8:30 am to 4:30 pm, Monday through Friday, excluding statutory holidays.



|                              |  |       |  |
|------------------------------|--|-------|--|
| REGIONAL DISTRICT OF NANAIMO |  |       |  |
| MAR 15 2004                  |  |       |  |
| CHAIR                        |  | GMCrs |  |
| CAO                          |  | GMDS  |  |
| GMCms                        |  | GMES  |  |
| <i>Call</i>                  |  |       |  |

MEMORANDUM

TO: Kelly Daniels, CAO

DATE: March 14, 2004

FROM: Robert Lapham  
General Manager, Development Services

FILE: 0470-20

SUBJECT: Regional District of Nanaimo Contract Services Agreement  
Animal Control, Planning and Land Use Management

PURPOSE

To approve the contract services agreement for development services between the District of Lantzville and the Regional District of Nanaimo.

BACKGROUND

Following the completion of a contract service agreement for Development Services in 2003, the District of Lantzville and RDN have discussed the mutual benefit of continuing a contract for RDN Development Services for 2004. The Contract Service Agreement is a continuation of contract services that were established as part of the Letters Patent for that part of 2003 following the incorporation of the District of Lantzville. At the time of the initial contract it was agreed that the parties would review extending a contract service relationship for 2004 for animal control and planning. Contract service agreements for other developments noted below currently extend to the end of 2004. A new agreement for animal control service and planning and land use management services was prepared as a proposal for contract services for 2004 and has now been approved by the District of Lantzville. (Copies of the agreements are attached) The services provided to the District of Lantzville would then include the following functions.

- Planning and Land Use Management
- Animal Control Services
- Building Inspection
- Bylaw Enforcement
- House Numbering
- Noise Regulations
- Nuisance Control
- Unsightly Premises

ALTERNATIVES

1. To ratify the service agreements between the Regional District of Nanaimo and the District of Lantzville.
2. To recommend amendments to the agreements and direct staff to negotiate the amendments with the District of Lantzville.
3. To not enter into service agreements with the District of Lantzville.

### SERVICE IMPLICATIONS

As per the agreements, the RDN shall provide services at a level equivalent to current service provision in the Electoral Areas. Each agreement sets out terms and conditions as agreed to by the parties with respect to expectations regarding the service level, procedure, contact and reporting. While the RDN Development Services Department is very busy with a strong construction market and increased development activity, there are still economies of scale that can be achieved for both parties by utilizing the existing professional staff and facilities that the RDN has in place for the subject services.

### FINANCIAL IMPLICATIONS

The contract revenue for these services will be paid to each of the RDN service budgets and is included as revenue in the proposed 2004 budget.

### LEGAL IMPLICATIONS

Section 176(1)(b) and 837 of the *Local Government Act* allows a Regional District to enter into an agreement with a municipality to provide a work or service that is within its powers. There are certain limitations on legal liability included in the agreements that protect the interests of both the RDN and the District of Lantzville.

### VOTING

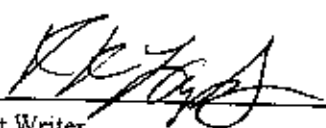
All Directors - weighted vote.

### SUMMARY/CONCLUSIONS

As permitted by the *Local Government Act*, the Regional District of Nanaimo is proposing to enter into service agreements with the District of Lantzville for eight (2) service areas. The contract for 5 other services including building inspection and bylaw enforcement is already in place for 2004. The agreements are proposed to terminate on December 31, 2004 and can be considered for renewal subject to notice in October 2004. The agreements have been considered and approved by the District of Lantzville and staff recommends that the agreements now be approved by the RDN Board as submitted.

### RECOMMENDATION

That the proposed Service Agreements between the Regional District of Nanaimo and the District of Lantzville for Animal Control Services and Planning and Land Use Management Services be approved.

  
Report Writer

  
CAO Concurrence

COMMENTS:

ANIMAL CONTROL SERVICES

THIS AGREEMENT made as at the 1st day of January, 2004

BETWEEN:

REGIONAL DISTRICT OF NANAIMO  
of 6300 Hammond Bay Road  
in the City of Nanaimo  
Province of British Columbia V9T 6N2

(hereinafter called "RDN")

OF THE FIRST PART

AND:

DISTRICT OF LANTZVILLE  
of 7192 Lantzville Road  
in the District of Lantzville  
Province of British Columbia V0R 2H0

(hereinafter called "Lantzville")

OF THE SECOND PART

WHEREAS:

- A. RDN, under section 176(1)(b) and 837 of the *Local Government Act*, may enter into an Agreement with a Municipality to provide to the Municipality a service that is a work or service within the powers of the Municipality;
- B. Letters Patent incorporating Lantzville and Supplementary Letters patent issued to RDN, both under Order in Council No. 0369, 3<sup>rd</sup> of April, 2003, establish a contract between Lantzville and RDN whereby RDN will administer Regulatory Bylaws listed in Schedule 'A' to this Agreement (the "Bylaws") in force and effect at the time of incorporation of Lantzville, within and on behalf of Lantzville, as described in Section 14.2 of the Lantzville Letters Patent and the parties wish to continue this contract; and
- C. The Bylaws are within the powers of Lantzville;

NOW THEREFORE the parties hereto in consideration of the performance of the covenants hereinafter contained and for other valuable consideration, the sufficiency and receipt of which is hereby acknowledged, covenant and agree with the other as follows:

**Term**

1. This Agreement is for a term commencing on the 1<sup>st</sup> day of January 2004 and terminating the 31<sup>st</sup> day of December, 2004.

**Renewal**

2. Lantzville shall notify RDN in writing on or before the 31<sup>st</sup> day of October, 2004 if it wishes to renew this Agreement for a further year and shall propose terms to be included in the renewal. The renewal shall be conditional upon agreement by RDN to all of the terms and conditions of the renewal.



Fee

3. The fee for administering and providing the services as set out in Section 4 of this agreement shall be \$9,886.00 which is the prorata share of the cost of the service based on the converted assessments as shared among Regional District of Nanaimo Electoral Areas 'A', 'B', 'C', 'D', and the District of Lantzville.

**Termination**

4. If Lantzville does not give notice to the RDN of renewal pursuant to Section 2, of this Agreement the services provided under it shall terminate on December 31, 2004.

RDN Covenants

4. (1) For the purposes of this Agreement "Services" means the administration of the Bylaws, including the followings services, provided to the equivalent level of services as RDN provides to the Electoral Areas:
  - (2) RDN shall:
    - (a) provide all Services from its offices at 6300 Hammond Bay Road, Nanaimo;
    - (b) administer and enforce the Bylaws, and shall exercise the powers contained within the Bylaws for and on behalf of Lantzville;
    - (c) administer any animal control agreement or service contract related to animal control services;
    - (d) provide all Services to Lantzville in a competent, careful and professional manner equivalent to the standard of services provided by the RDN within Electoral Areas;

Lantzville Covenants

5. Lantzville shall:
  - (a) where Lantzville Council passes a resolution authorizing that legal action be commenced, or legal action results from the administration of the service, Lantzville shall retain legal counsel to enforce the bylaw or defend against the legal action and the RDN will give support to the legal action by conducting investigations, providing evidence and reviewing documents as required by legal counsel for Lantzville;
  - (b) pay to the RDN any costs incurred by the RDN as result of direction given by legal counsel for Lantzville, including costs for appearances and expenses, or incidental costs related to the gathering of evidence or to defend the actions of the RDN;
  - (c) designate the Chief Administrative Officer, subject to direction by the Lantzville Council by Resolution, as the primary contact with RDN staff with respect to the Services. It is understood and agreed by Lantzville that individual Councilors may contact RDN General Manager of Development Services directly but only for enquiry purposes and not to give direction;

- (d) appoint those persons designated by RDN to enforce the Bylaws as authorized officers and shall appoint a person designated by the RDN as an animal control officer.

Indemnity

- 6. Lantzville shall release, discharge, indemnify and save harmless RDN from and against any claims, cause of action, suits, demands, expenses, costs and legal fees whatsoever which may arise out of:
  - (a) the provision of the Services by RDN; and
  - (b) failure by Lantzville to enforce the provisions of the Bylaws or any one of them;

except those which arise out of negligent acts or omissions of the RDN, its officers, employees or contractors.

Insurance

- 7. Lantzville shall:
  - (a) take out and maintain, during the term of this Agreement, liability insurance to cover the indemnity given to RDN in Section 6 of this Agreement, in the amount of not less than 5 million dollars per single occurrence, naming RDN as an insured party thereto, and shall provide RDN with a certified copy of the policy;
  - (b) the policy of insurance under sub-clause (a) shall contain a waiver of subrogation clause in favour of RDN and shall also contain a clause requiring the insurer not to cancel or change the insurance without first giving RDN thirty (30) days prior written notice; and
  - (c) if both Lantzville and RDN have claims to be indemnified under any insurance required by this Agreement, shall apply the indemnity first to the settlement of the claim of RDN and the balance, if any, to the settlement of the claim of Lantzville.

Limits on Liability

- 8. Lantzville and RDN acknowledge and agree that:
  - 1. RDN is liable only for Services rendered by the RDN in a negligent manner, for advice negligently given or given in error, or failing to give advice that should have been given; and
  - 2. Lantzville is liable only for failure to enforce any of the Bylaws or for matters arising out of the amendment of any of the Bylaws or the enactment of any replacement Bylaw for which Services are provided by RDN.

Binding Effect

9. This agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the parties hereto have hereunto affixed their seals on the day and year first above written.

The Corporate Seal of  
REGIONAL DISTRICT OF NANAIMO  
was affixed hereto in the  
presence of:

\_\_\_\_\_  
Chair

\_\_\_\_\_  
General Manager, Corporate Services

The Corporate Seal of  
THE DISTRICT OF LANTZVILLE  
was hereunto affixed in the  
presence of:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Chief Administrative Officer

Schedule "A"

| <b>Bylaw No.</b>              | <b>Date of Adoption</b> | <b>Citation</b>  |
|-------------------------------|-------------------------|--|
| 1066 (and amendments thereto) | March 11, 1997          | A Bylaw to regulate the control of dogs in Electoral Areas A, B, C, D of the RDN |

PLANNING AND LAND USE MANAGEMENT

THIS AGREEMENT made as at the 1<sup>st</sup> day of January, 2004

BETWEEN:

REGIONAL DISTRICT OF NANAIMO  
of 6300 Hammond Bay Road  
in the City of Nanaimo  
Province of British Columbia V9T 6N2

(hereinafter called "RDN")

OF THE FIRST PART

AND:

DISTRICT OF LANTZVILLE  
of 7192 Lantzville Road  
in the District of Lantzville  
Province of British Columbia V0R 2H0

(hereinafter called "Lantzville")

OF THE SECOND PART

WHEREAS:

A. The Lantzville Letters Patent and the RDN Supplementary Letters Patent, referred to the transferred jurisdiction for management of development within Lantzville from the RDN to Lantzville;

D. RDN, under section 176(1)(b) and 837 of the *Local Government Act*, may enter into an Agreement with a Municipality to provide to the Municipality a service that is a work or service within the powers of the Municipality; and

E. Letters Patent incorporating Lantzville and Supplementary Letters patent issued to RDN, both under Order in Council No. 0369, 3<sup>rd</sup> of April, 2003, established a contract between Lantzville and RDN whereby RDN administered the Bylaws listed in Schedule 'A' to this Agreement (the "Bylaws") in force and effect at the time of incorporation of Lantzville, within and on behalf of Lantzville, as described in Section 14.2 of the Lantzville Letters Patent and the parties wish to continue this contract.

NOW THEREFORE the parties hereto in consideration of the performance of the covenants hereinafter contained and for other valuable consideration, the sufficiency and receipt of which is hereby acknowledged, covenant and agree with the other as follows:

**Term**

5. This Agreement is for a term commencing on the 1st day of January 2004 and terminating the 31<sup>st</sup> day of December, 2004.

**Fee**

6. The fee for administering and providing the planning services as set out in Section 5 of this agreement shall be \$35,000.00

### Renewal

7. Lantzville shall notify RDN in writing on or before the 31<sup>st</sup> day of October, 2004 if it wishes to renew this Agreement for a further year and shall propose terms to be included in the renewal. The renewal shall be conditional upon agreement by RDN to all of the terms and conditions of the renewal.

### Termination

8. If Lantzville does not give notice to the RDN of renewal pursuant to Section 3, of this Agreement the services provided under it shall terminate on the 31<sup>st</sup> day of December, 2004.

### RDN Covenants

5. (1) For the purposes of this Agreement, "Services" means the administration of the Bylaws, including the services listed in Section 5, to be provided at the equivalent level of service that the RDN provides to the Electoral Areas.

RDN shall:

- (e) provide all Services from its offices at 6300 Hammond Bay Road, Nanaimo;
- (f) provide for the management of development pursuant to Part 26 of the **Local Government Act**;
- (b) interpret and administer the Bylaws, and exercise the powers contained within the Bylaws for and on behalf of Lantzville;
- (c) continue to recognize and apply any RDN policies that are in place at the time of this agreement in addition to any policies that are adopted by Lantzville for the management development;
- (d) receive and retain all revenue for permit application fees pursuant to Part 26 of the **Local Government Act** for applications made during the time frame of this agreement;
- (e) pay for on behalf of Lantzville all charges associated with applications made under Part 26 of the **Local Government Act** not directly covered by the application fee;
- (f) receive and retain all monies from sales of maps, photocopies and documents;
- (g) receive and retain all revenue for permit applications pursuant to the **Agricultural Land Commission Act** for applications made during the time frame of this agreement;
- (h) consult with provincial and federal government and other agencies with respect to development applications or issues to be considered by Lantzville in relation to the management of development;

- (i) provide information, advice to applicants and/or potential applicants with respect to development and development applications for Lantzville;
  - (j) ensure that any staff reports for development applications within Lantzville are discussed with the Chief Administrative Officer of Lantzville, and that said reports are not released for agenda purposes without the consent of the Chief Administrative Officer;
  - (l) provide periodic updates on development activity within Lantzville, in a manner agreed to by Lantzville and the RDN; and
  - (m) provide all services to Lantzville in a competent, careful and professional manner equivalent to the standard of services provided by the RDN within the Electoral Areas.
- (2) Planning services will be provided to Lantzville as follows:
- a) General Planning Services
    - i) Review of planning issues
    - ii) Provision of advice/information
    - iii) Development of education and/or statistical documents
  - b) Development Services
    - i) Development Permits
    - ii) Development Variance Permits
    - iii) ALR applications
    - iv) Rezoning applications
    - v) OCP amendment applications
    - vi) Subdivision referral services
    - vii) Provincial referral services
    - viii) Public consultation services
  - c) Administrative Services
    - i) Drafting and administering bylaws
    - ii) Administration of documents, bylaw, planning information

#### Lantzville Covenants

5. Lantzville shall:
- (e) appoint the Approving Officer pursuant to the *Land Title Act* and *Condominium Act*;
  - (f) designate the Chief Administrative Officer, subject to direction by the Lantzville Council by Resolution, as the primary contact with RDN staff with respect to the Services. It is understood and agreed by Lantzville that individual Councilors may contact RDN General Manager of Development Services directly but only for enquiry purposes and not to give direction;
  - (g) develop, in conjunction with the RDN, an agreed to manner by which the Chief Administrative Officer shall be updated on development activity within Lantzville;
  - (h) Appoint those persons designated by RDN to enforce the Bylaws as authorized officers;

- (i) where Lantzville Council passes a resolution authorizing that legal action be commenced, Lantzville shall retain legal counsel to undertake the work to a standard set out in the resolution and the RDN will give support to the action by conducting investigations, providing evidence and reviewing documents as required by legal counsel for Lantzville;
- (j) pay to the RDN any costs incurred by the RDN as result of direction given by legal counsel for Lantzville, including costs for appearances and expenses, or incidental costs related to the gathering of evidence or to defend the actions of the RDN.

#### Other Services

6. Despite the level of service agreed to in Section 5, Lantzville may request that the RDN provide additional services subject to terms, and consideration agreed to by Lantzville and the RDN.

#### Indemnity

7. Lantzville shall release, discharge, indemnify and save harmless RDN from and against any claims, cause of action, suits, demands, expenses, costs and legal fees whatsoever which may arise out of:
- (c) the provision of the Services by RDN; and
  - (d) failure by Lantzville to enforce the provisions of the Bylaws or any one of them.

#### Insurance

8. Lantzville shall:
- (c) take out and maintain, during the term of this Agreement, liability insurance to cover the indemnity given to RDN in Section 8 of this Agreement, in the amount of not less than 5 million dollars per single occurrence, naming RDN as an insured party thereto, and shall provide RDN with a certified copy of the policy;
  - (d) the policy of insurance under subclause (a) shall contain a waiver of subrogation clause in favour of RDN and shall also contain a clause requiring the insurer not to cancel or change the insurance without first giving RDN thirty (30) days prior written notice; and
  - (c) if both Lantzville and RDN have claims to be indemnified under any insurance required by this Agreement, shall apply the indemnity first to the settlement of the claim of RDN and the balance, if any, to the settlement of the claim of Lantzville.



Limits on Liability

9. Lantzville and RDN acknowledge and agree that:
- (a) RDN is liable only for Services rendered by the RDN in a negligent manner, for advice negligently given or given in error, or failing to give advice that should have been given; and
  - (b) Lantzville is liable only for failure to enforce any of the Bylaws or for matters arising out of the amendment of any of the Bylaws or the enactment of any replacement Bylaw for which Services are provided by RDN.

Binding Effect

10. This agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the parties hereto have hereunto affixed their seals on the day and year first above written.

The Corporate Seal of  
REGIONAL DISTRICT OF NANAIMO  
was affixed hereto in the  
presence of:  
  
"original signed by J. Stanhope"  
Chair  
  
"original signed by C. Mason"  
General Manager, Corporate Services

The Corporate Seal of  
THE DISTRICT OF LANTZVILLE  
was hereunto affixed in the  
presence of:  
  
"original signed by C. Haime"  
Mayor  
  
"original signed by I. Howatt"  
Chief Administrative Officer

Schedule "A"

| Bylaw No.               | Date of Adoption | Citation  |
|-------------------------|------------------|---|
| Bylaw No. 974, 1995     | October 10, 1995 | Lantzville Official Community Plan  |
| Bylaw No. 500, 1987     | April 21, 1987   | RDN Land Use and Subdivision Bylaw No. 500, 1987                          |
| Bylaw No. 1259, 2002    | June 25, 2002    | RDN Planning Services Fees and Charges Bylaw No. 1259, 2002               |
| Bylaw No. 1260, 2002    | June 25, 2002    | RDN Board of Variance Bylaw No. 1260, 2002                                |
| Bylaw No. 1261, 2002    | June 25, 2002    | RDN Development Approval Procedures and Notification Bylaw No. 1261, 2002 |
| Bylaw No. 1166, 1999    | August 10, 1999  | RDN Delegation of Authority Bylaw No. 1166, 1999                          |
| Bylaw No. 1166.01       | May 14, 2002     | RDN Delegation of Authority Bylaw No. 1166, 1999                          |
| Bylaw No. 1165, 1999    | August 10, 1999  | RDN Impact Assessment Bylaw No. 1165, 1999                                |
| Bylaw No. 1165.01, 1999 | February 8, 2000 | RDN Impact Assessment Bylaw No. 1165.01, 2000                             |
| Bylaw No. 1165.02, 1999 | June 25, 2002    | RDN Impact Assessment Bylaw No. 1165.02, 2000                             |



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| REGIONAL DISTRICT<br>OF NANAIMO |       |       |
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| CHAIR                           | GMCrS |       |
| CAO                             | GMDS  |       |
| G. CrS                          | GMES  |       |
| <i>Call</i>                     |       |       |
|                                 |       | DATE: |

**MEMORANDUM**

**TO:** Dennis Trudeau  
Manager of Liquid Waste

**FROM:** Sean De Pol  
Engineering Technologist

**SUBJECT:** French Creek Pollution Control Centre Biosolids Contract Extension

**DATE:** March 12, 2004

**FILE:** 5340-05

**PURPOSE**

To consider extending the contract for composting and hauling biosolids from the French Creek Pollution Control Centre (FCPCC) for an additional year.

**BACKGROUND**

In January 2003, Regional District of Nanaimo (RDN) staff issued a Request for Quotations (RFQ) for the composting and hauling of biosolids from the French Creek Pollution Control Centre (FCPCC). The RFQ stipulated that the qualified proponent haul and compost biosolids from the FCPCC for twelve (12) months with an option for the RDN to extend the contract for an additional twelve months.

The RFQ closed January 30, 2003. Two quotes were received for composting and hauling biosolids from FCPCC; Evansdale Farms Ltd. (previously Qualicum Farms) at \$55.94 per tonne and Meadowlark Construction (dba West Coast Landfill Diversion) at \$48.00 per tonne. A twelve month contract was signed with Meadowlark Construction with the option of extending for an additional twelve months.

The initial twelve month contract between the RDN and Meadowlark Construction is expiring. Satisfied with the service and value received from Meadowlark Construction, RDN staff are preparing to extend the contract for an additional twelve months.

**ALTERNATIVES**

1. Extend the existing contract to haul and compost biosolids from the FCPCC to Meadowlark Construction.
2. Do not extend the existing contract to haul and compost biosolids from the FCPCC to Meadowlark Construction.

**FINANCIAL IMPLICATIONS**

Extending the Meadowlark Construction contract for a twelve month period at a rate of \$48.00 per tonne is expected to cost a total of \$96,000 based on 2,000 tonnes of biosolids. Benchmarking has shown that RDN has one of the least expensive biosolids program in Canada.

**ENVIRONMENTAL IMPLICATIONS**

Composting biosolids at a private sector facility will save expensive landfill space for waste materials that do not have the potential to be beneficially re-used.

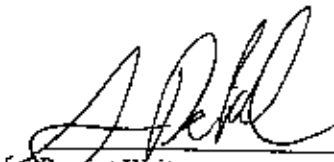
**SUMMARY/CONCLUSION**

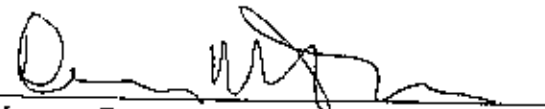
In January 2003, two quotes were received for composting and hauling biosolids from the French Creek Pollution Control Centre, with Meadowlark Construction submitting the lowest quote. A twelve month contract was sign with Meadowlark Construction with the option of extending for an additional twelve months.


The initial twelve month contract between the RDN and Meadowlark Construction is expiring. Satisfied with the service and value received from Meadowlark Construction, RDN staff are preparing to extend the contract for an additional twelve months.


**RECOMMENDATION**

1. That Meadowlark Construction contract for composting and hauling biosolids from the French Creek Pollution Control Centre for \$48.00 per tonne be extended for an additional year.

  
\_\_\_\_\_  
Report Writer

  
\_\_\_\_\_  
Manager Concurrence

A   
\_\_\_\_\_  
General Manager Concurrence

  
\_\_\_\_\_  
C.A.O. Concurrence

COMMENTS:



**REGIONAL  
DISTRICT  
OF NANAIMO**

OF NANAIMO

MAR 16 2004

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| CHAIR | GMCrS |
| CAO   | GMDS  |
| GMCrS | GMES  |
|       | COO ✓ |
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|       |       |
| DATE: |       |

**MEMORANDUM**

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

**DATE:** March 8, 2004

**FROM:** Carey McIver  
Manager Solid Waste

**FILE:** 5365-00

**SUBJECT:** Residual Solid Waste Disposal Options Status Report

**PURPOSE**

To report on the status of the August 2003 Board directives regarding residual solid waste disposal options.

**BACKGROUND**

In February 2004, the Board requested a status report on the directives passed by the Board on August 12, 2003 regarding residual solid waste disposal options. The Board passed the following motions in response to the significant increase in taxes and tipping fees that would be required under a full waste export residual disposal system:

1. *That as a short term measure the Board support the option to optimize the capacity of the existing landfill by constructing a geogrid toe berm on the south and southeast sides of the landfill and continuing the current arrangement for partial export;*
2. *That the Board direct staff to regularly review waste export options prior to future export contract renewals;*
3. *That the Board direct staff to include capacity optimization at the existing landfill in the public consultation for the Stage 3 SWMP amendment process;*
4. *That the Board direct staff to prepare a strategy to secure a suitable transfer station site;*
5. *That the Board direct staff to continue to review emerging residual waste management technologies and discuss potential cooperative strategies with adjacent regional districts, and that the Board reconsider regional solid waste disposal options no later than December 31, 2006.*

The status of each directive is as follows:

**1. Geogrid Toe Berm**

Construction of a geogrid toe berm on the south side of the existing landfill has been incorporated into the 5 Year Financial and Capital Plans at a pre-design cost estimate of \$3,542,000. A pre-tender cost estimate based on detailed design work will be complete by March 31, 2004. Staff will be requesting approval to proceed to tender at the April 2004 Board meeting with tender award scheduled for June. Construction is projected to be complete by the end of September 2004.

Our consultants forecast that this phase of the geogrid berm project should provide an additional seven to ten years of disposal capacity. If additional landfill capacity is desired beyond that period, subject to Board approval, the second phase of the berm around the southeast side of the landfill could be constructed in 2010 to provide at least another ten years of capacity. However, this phase will not be required if a more sustainable residual disposal option is identified by 2006.

## 2. Waste Export Options

In 1998 the Board entered into a four and one-half year contract with the Greater Vancouver Sewerage & Drainage District (GVS&DD) to collect, transship and dispose of 17,000 tonnes of RDN municipal solid waste annually. The term of the contract was from June 1, 1998 to December 31, 2002. In December 2001 the Board requested that the GVS&DD renew the contract for another five years. The GVS&DD approved this request and the current contract will terminate December 31, 2007.

Consequently, in conjunction with the review of new and emerging disposal technologies scheduled for completion in 2006, staff will also be reviewing out-of-region export options. In particular, staff will be attempting to identify out-of-region but on-island disposal options in order to minimize transportation costs. These export options would not necessarily be limited to landfill disposal but could also include advanced thermal treatment technologies such as gasification and pyrolysis.

## 3. SWMP Amendment Public Consultation

The current RDN SWMP was approved by the province in 1988 and was amended in 1996 to include the 3R's Plan for waste diversion activities. In 2003 staff completed a review and update of the 1996 3R's (now Zero Waste) Plan to identify programs and policies to go beyond the current diversion rate of 54%. Staff also drafted a Waste Stream Management Licensing (WSML) bylaw in partnership with the Cowichan Valley Regional District (CVRD) that intends to set a high standard of operation for waste management facilities in the RDN and CVRD.

The updated Zero Waste Plan, the WSML Bylaw and the August 2003 Board directives regarding residual solid waste disposal options are currently being incorporated into one revised SWMP that reflects the current needs of the regional district, as well as current market conditions, technologies and regulations. Staff will be presenting this plan to the Regional Waste Advisory Committee on April 15, 2004. Reports recommending approval to proceed to public consultation on the revised SWMP and the WSML bylaw will be presented to the Committee of the Whole in April. Pending Board approval in May, public meetings have been tentatively scheduled for May 26 (S.D. 68) and May 27 (S.D. 69) to obtain input. A landfill open house is also scheduled for May 30th. Based on the results of public input, the revised SWMP and WSML bylaw will be presented to the Board for final approval in June prior to submission to the Minister of Water, Land and Air Protection.

The geogrid toe berm project will be included in this public consultation process, but it should be noted that since August there have been several opportunities for public input. A media briefing on August 27, 2004 resulted in coverage in most local newspapers. Staff invited residents adjacent to the landfill to an open house on September 13, 2004 to provide a forum for questions or concerns. The local cable station produced a short news piece on the project that has received considerable airtime. The project was included in the fall 2003 issue of Regional Perspectives. The newly created Landfill Site Liaison Committee has been fully briefed on the project. To date we have not received any negative response from the project from the public.

#### 4. Transfer Station Site Strategy

Three sites remain at the top of our list for acquisition as a transfer site. The preferred site continues to be under discussion between the City of Nanaimo and the landowner. We are meeting with the City on Monday, March 22 to review the status of these discussions. Further updates will be provided to the Board as the discussions develop.

#### 5. Emerging Technologies & Cooperative Strategies

Staff has engaged our consultants to undertake a preliminary review of new and emerging technologies for solid waste disposal that may be applicable to the RDN as well as adjacent regional districts. Their report, which will be presented to the April 2004 Committee of the Whole, will update the work completing in 1999 on alternative processing and disposal technologies and identify potential technologies for further evaluation. This project is being undertaken in partnership with the CVRD.

Prior to submitting this report to the April COW, RDN and CVRD staff will be inviting all Vancouver Island regional district solid waste managers to a meeting to review the report's results and discuss potential cooperative strategies. Staff from the RDN and CVRD propose to use this island-wide regional district committee to vet future solicited and unsolicited proposals from alternative technology vendors to ensure that regional solid waste disposal needs are being met with the most environmental, economically and socially sustainable technology.

#### SUMMARY

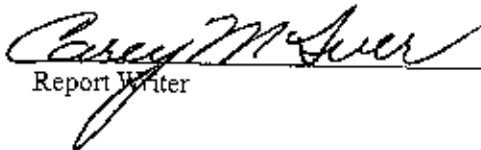
In February 2004, the Board requested a status report on the August 2003 Board directives regarding residual solid waste disposal options. A new geogrid toe berm will be constructed by September 2004. In addition to several opportunities for public input provided last fall, this project will be included in region-wide consultation activities associated with the new draft Solid Waste Management Plan planned for May 2004.

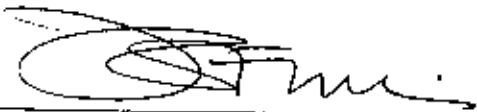
Staff has also engaged consultants to undertake a preliminary review of new and emerging technologies for solid waste disposal and identify technologies for further evaluation. Following a review of the report by Vancouver Island regional district solid waste managers, the report will be presented to the April 2004 Committee of the Whole.

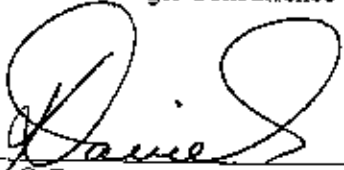
In conjunction with the review of new and emerging disposal technologies staff will also be reviewing out-of-region export options. Any potential alternative disposal option, located either in or outside of the RDN will have an impact on the location and design of any required transfer facilities. Consequently the final selection of a transfer or disposal site should be considered upon completion of the emerging technologies review in 2006. In the meantime staff are closely monitoring the status of the three properties selected as preferred sites for a transfer station to ensure that we do not miss the opportunity to secure a site prior to 2006 if necessary.

**RECOMMENDATION**

That the status report on residual solid waste disposal be received for information.

  
Report Writer

  
General Manager Concurrence

  
CAO Concurrence

COMMENTS:





|                              |  |       |  |
|------------------------------|--|-------|--|
| REGIONAL DISTRICT OF NANAIMO |  |       |  |
| MAR 17 2004                  |  |       |  |
| CHAIR                        |  | GMCrs |  |
| CAO                          |  | GMDS  |  |
| GMCms                        |  | GMES  |  |
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MEMORANDUM

TO: Kelly Daniels  
Chief Administrative Officer

DATE: March 17, 2004

FROM: John Finnie, P. Eng.  
General Manager  
Environmental Services

FILES: 2280-20-AWS  
5620-01-AWS

SUBJECT: Arrowsmith Water Service Joint Venture Agreement

PURPOSE

To renew the terms and conditions of the Arrowsmith Water Service (AWS) Joint Venture Agreement.

BACKGROUND

On July 10, 1996, RDN, the City of Parksville and the Town of Qualicum Beach entered into a joint venture agreement to declare and establish the terms of a joint venture in connection with the design, construction, installation, ownership, operation, maintenance and replacement of Bulk Water Supply Facilities to supply water within the boundaries of Parksville, Qualicum Beach and the existing Water Local Service Areas in the RDN.

This original Joint Venture Agreement (JVA) has been reviewed by staff of the three Joint Venturers, by legal counsel to AWS and by the AWS Management Committee. Some provisions of the Agreement require amending for housekeeping purposes, and to clarify the administrative protocols associated with the management and operation of the Joint Venture.

There is no specified expiry date in the existing (July, 1996) Agreement. Part 12 of the current Agreement provides that the Agreement and the Joint Venture will continue in force until the earlier of:

- (a) the date when all the Joint Venture Assets have been disposed of and all liabilities and obligations incurred from the business of the Joint Venture have been satisfied;
- (b) the date when one Joint Venturer acquires the interests of the other Joint Venturer in the Joint Venture Assets and the business of the Joint Venture; and
- (c) a date agreed to by the Joint Venturers.

None of these have occurred but legal counsel has suggested that, based on legislation that did not provide for local governments to enter into liability agreements for more than five years, the Joint Venturers reaffirm their commitment to the Joint Venture and the conditions of the Agreement.

An updated Agreement has been prepared with an expiry date of March 31, 2006. This interim extension (less than five years) will provide opportunity for the Joint Venture to complete a new AWS capital plan (currently in development) which, when complete, can be incorporated as a schedule to the Agreement.

The amended agreement provides for the responsibilities for management of the Joint Venture and the Chair of the Management Committee to be transferred to RDN for the next two years, and then rotated amongst the three Joint Venturers for two-year successive terms. The operational responsibilities for the existing dam works will remain with Parksville for the present time.

The amended agreement also incorporates a number of housekeeping changes.

The AWS Management Committee considered the amended agreement on March 16, 2004 and passed a motion that the amended agreement be supported and advanced to the respective Councils/Board for approval and execution.

#### ALTERNATIVES

1. Continue the AWS Joint Venture under the terms and conditions of the amended Joint Venture Agreement dated for reference April 1, 2004 (attached hereto).
2. Continue the AWS Joint Venture under different terms and conditions.

#### INTERGOVERNMENTAL IMPLICATIONS

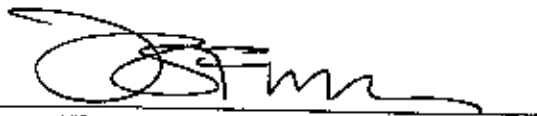
The City of Parksville and the Town of Qualicum Beach councils will be considering similar resolutions.

#### SUMMARY

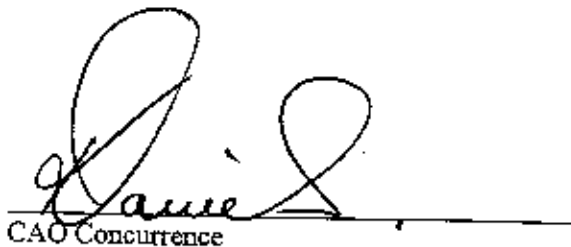
Legal counsel has recommended that the Joint Venturers to the AWS Joint Venture Agreement (RDN, Parksville & Qualicum Beach) reaffirm their commitment to the Joint Venture and to the terms and conditions of the Joint Venture Agreement. An amended Joint Venture Agreement (dated for reference April 1, 2004) has been prepared by staff and reviewed by legal counsel and the AWS Management Committee. The Management Committee passed a motion on March 16, 2004 that the amended agreement be supported and advanced to the respective councils/Board for approval and execution.

#### RECOMMENDATION

1. That the Regional District of Nanaimo enter into an amended Joint Venture Agreement to continue the Arrowsmith Water Service Joint Venture established on July 10, 1996 on the terms and conditions set out in the Agreement dated for reference April 1, 2004 (as attached to this report).



Report Writer



CAO Concurrence

COMMENTS:

ARROWSMITH WATER SERVICE

Joint Venture Agreement

THIS AGREEMENT dated for reference the 1st day of April, 2004.

AMONG:

REGIONAL DISTRICT OF NANAIMO, a corporation incorporated under the *Local Government Act*, 6300 Hammond Bay Road, Nanaimo BC V9T 6N2

("RDN")

AND:

CITY OF PARKSVILLE, a municipal corporation incorporated under the *Local Government Act*, P.O. Box 1390, 100 Jensen Avenue East, Parksville BC V9P 2H3

("Parksville")

AND:

TOWN OF QUALICUM BEACH, a municipal corporation incorporated under the *Local Government Act*, Box 130, 201 - 660 Primrose Street, Qualicum Beach BC V9K 1S7

("Qualicum Beach")

WHEREAS:

- A. RDN under the *Local Government Act*, and Parksville and Qualicum Beach under the *Community Charter*, each have the power to design, construct, install, own, operate, maintain, repair and replace Bulk Water Supply Facilities;
- B. On March 13, 1997, the Lieutenant Governor in Council issued an order under sections 290.1 and 790.01 of the then applicable *Municipal Act* to empower the Joint Venturers to enter into this Joint Venture Agreement respecting bulk water supply;
- C. The Regional Board of the RDN has enacted a service establishment and a regulatory bylaw for the service contemplated under this Agreement;
- D. On July 10, 1996, RDN, Parksville and Qualicum Beach entered into a joint venture agreement to declare and establish the terms of a joint venture in connection with the design, construction, installation, ownership, operation, maintenance, repair and replacement of Bulk Water Supply Facilities to supply water within the boundaries of Parksville, Qualicum Beach and the existing Water Local Service Areas in the RDN;
- E. In 2001, the parties continued the joint venture on the terms and conditions set out in the 1996 agreement;

F. RDN, Parksville and Qualicum now wish to continue the joint venture on the terms and conditions set out in this Agreement;

THIS AGREEMENT WITNESSES that in consideration of their mutual covenants and agreements, the parties covenant each with the other as follows:

## **PART I DEFINITIONS AND INTERPRETATION**

### **Definitions**

1.1 In this Agreement,

- (a) "Available Cash" means the amount by which cash on hand or on deposit with banks and other financial institutions, Available Credit, and the realizable value of short-term investments not otherwise pledged or required to be maintained as collateral or otherwise committed for the purpose of the Joint Venture, any of which is held by or on behalf of the Joint Venture, exceeds all unpaid cheques issued on and every overdraft in a Joint Venture Account;
- (b) "Budget" means the Operating Budget, Maintenance Budget and Capital Budget;
- (c) "Bulk Water Supply Facility" means the bulk water distribution system, reservoir, treatment system, appurtenances and related interests in land described in Schedule A and contemplated under this Agreement to supply water in bulk to the Community Water Systems and the Water Local Service Areas;
- (d) "Business Day" means any day except Saturdays, Sundays and statutory holidays in effect in British Columbia;
- (e) "Capital Budget" has the meaning given to it in Section 7.6;
- (f) "Capital Costs" means expenditures incurred or accrued by or on behalf of the Joint Venture for the account and benefit of the Joint Venturers for or in connection with the acquisition or construction of fixed or capital assets which are required to be recorded as increases in fixed or capital assets in accordance with GAAP and includes such costs incurred or accrued since January 1, 1987;
- (g) "Capital Loan" means the several and Limited Recourse borrowings to be entered into by and on behalf of the Joint Venturers, to be secured by, among other things, a first charge on the Bulk Water Supply Facility, and to be applied primarily toward the design, construction, installation and ownership by the Joint Venturers of the Purchased Assets;
- (h) "Community Water System" means the water distribution trunks, mains, pumps, valves, appurtenances and related interests in land, held or owned by a municipality or regional district that is a party to this Agreement;
- (i) "Event of Default" means one of the events described in Section 11.1;

- (j) "GAAP" means the generally accepted accounting principles (including the methods of application of the principles) established by the Canadian Institute of Chartered Accountants;
- (k) "Joint Venture" means the joint venture named Arrowsmith Water Service formed among RDN, Parksville and Qualicum Beach under this Agreement;
- (l) "Joint Venture Account" means the bank accounts established under Section 6.1 and any other bank account established by the Joint Venturers to be used in connection with the Joint Venture;
- (m) "Joint Venture Assets" means all property and assets, present and future, of every nature whatsoever whether real or personal, corporeal or incorporeal, owned or rented by the Joint Venturers or possessed or rented on behalf of the Joint Venturers, including the Purchased Assets, in each case for the purposes of the Joint Venture whether in the name of any of the Joint Venturers or the Joint Venture;
- (n) "Joint Venture Borrowing" means indebtedness, liabilities and obligations incurred on account of funds borrowed by or on behalf of the Joint Venturers;
- (o) "Joint Venture Costs" means the Operating Costs, Maintenance Costs and the Capital Costs;
- (p) "Joint Venturer" means RDN, Parksville and Qualicum Beach including their respective successors and permitted assigns, and "Joint Venturers" means all of them;
- (q) "Limited Recourse" with respect to a loan means that the right of any lender to recover any amounts, indebtedness or damages owing under or in connection with the loan (whether by reason of breach or default under any covenant, term, representation, warranty or other provisions relating to the loan or otherwise) or owing by the borrower at law or in equity or by statute or contract in connection with the loan, will be limited and restricted to the lender's rights to realize upon the property and assets of the borrower which have been mortgaged, pledged, charged or assigned as security for the loan; except each borrower and its successors and permitted assigns will be liable for and will pay to a lender the amount of any losses, liabilities, claims, damages and expenses caused by the fraud (i) committed by that borrower (and not by an agent of that borrower) or (ii) committed by or participated in by one or more persons as officers, council members or directors of that borrower;
- (r) "Maintenance Budget" has the meaning given to it in Section 7.5;
- (s) "Maintenance Costs" means all costs, expenses, liabilities and charges incurred or accrued by or on behalf of the Joint Venture for the account and benefit of the Joint Venture which are properly chargeable as maintenance expenses of the Joint

Venture and includes such costs incurred and accrued on and after the date the Bulk Water Supply Facility commences the supply of water in bulk under this Agreement;

- (t) "Management Board" means the board established under Part 4;
- (u) "Manager", means the manager of the Joint Venture appointed under Part 5;
- (v) "Operating Budget" has the meaning given to it in Section 7.4;
- (w) "Operating Costs" means all costs, expenses, liabilities and charges, including the costs of studies, incurred or accrued by or on behalf of the Joint Venture for the account and benefit of the Joint Venturers which are properly chargeable as operating expenses of the Joint Venture and includes such costs incurred or accrued on and after the date the Bulk Water Supply Facility commences the supply of water in bulk under this Agreement;
- (x) "Participating Interest" means the percentage interest of a Joint Venturer in the Joint Venture Assets and the profits of the Joint Venture, which will initially be as set out in Section 2.9;
- (y) "Province" means Her Majesty the Queen in Right of the Province of British Columbia;
- (z) "Water Local Service Area" means an area situated in the RDN that is serviced with water and is identified on Schedule B, subject to boundary alterations of the area
  - a) under the procedures prescribed by applicable enactments; or
  - b) by agreement of the Joint Venturers.

### Interpretation

1.2 For the purposes of this Agreement, except as otherwise expressly provided or as the context otherwise requires:

- (a) "Agreement" means this Agreement as from time to time supplemented or amended by one or more agreements entered into pursuant to the applicable provisions of this Agreement together with all other attachments to it and reference to a Part or a Section means the corresponding Part or Section of this Agreement;
- (b) the word "including", when following any general term or statement, is not to be construed as limiting the general term or statement to the specific terms or matters set forth or to similar items or matters, but rather as permitting the general term or statement to refer to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;

- (c) an accounting term not otherwise defined in this Agreement has the meaning assigned to it, and except as otherwise directed in this Agreement, every calculation to be made under this Agreement is to be made in accordance with GAAP;
- (d) except as otherwise expressly provided, all references to currency mean Canadian currency;
- (e) words in the singular include the plural and words importing a corporate entity include individuals and vice-versa;
- (f) reference in this Agreement to a particular numbered paragraph, article or section, or lettered schedule is a reference to the correspondingly numbered paragraph, article, or section, or lettered schedule of this Agreement;
- (g) reference in this Agreement to an enactment is a reference to an enactment as defined in the *Interpretation Act* (British Columbia), and includes a reference to an enactment of British Columbia, RDN, Parksville or Qualicum Beach, as applicable;
- (h) reference in this Agreement to an enactment is a reference to that enactment as amended, revised, consolidated or replaced; and
- (i) reference in this Agreement to a party is a reference to a party of this Agreement.

#### **Governing Law**

- 1.3 This Agreement will be governed by and interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada.

#### **Headings**

- 1.4 The headings given to paragraphs, articles and sections in this Agreement are for convenience of reference only and do not form part of this Agreement and must not be used in the interpretation of this Agreement.

#### **Severance**

- 1.5 If any clause or portion of this Agreement is declared or held invalid for any reason, the invalidity does not affect the validity of the remainder of that clause or this Agreement, and the terms and provisions of this Agreement continue to be in force and in effect and are to be construed as if the Agreement had been executed without the invalid portion.

#### **Water Licence**

- 1.6 This Agreement is subject to the terms and conditions contained in any Water Licence issued by the Comptroller of Water Rights of the Province of British Columbia to all three parties.

## PART 2 JOINT VENTURE

### Formation and Purpose

- 2.1 Subject to the terms and conditions of this Agreement, RDN, Parksville and Qualicum Beach continue the joint venture for the following purposes:
- (a) to design, construct, install, own, operate, maintain, repair and replace the Bulk Water Supply Facility; and
  - (b) to supply water in bulk to the Community Water Systems and the Water Local Service Areas.

### Bulk Water Supply

- 2.2 On and after the date of this Agreement coming into effect, the parties must with due diligence, and subject to the terms and conditions set out in this Agreement and the Water Licence issued to all three parties, design, construct, install, own, operate, maintain, repair and replace the Bulk Water Supply Facility as generally described in Schedule C.

### Name

- 2.3 The name of the Joint Venture will be "Arrowsmith Water Service" or such other name as from time to time the Management Board determines. The business and affairs of the Joint Venture will be concluded to the extent possible under such name or in the name of the Joint Venturers with the designation that they are doing business in joint venture under such name.

### Dedication of Assets

- 2.4 Each Joint Venturer as long as it is a Joint Venturer, dedicates for the purposes of the Joint Venture, all its interest in Joint Venture Assets and all its rights to use and enjoy Joint Venture Assets.

### Nature of Obligations

- 2.5 Unless the Joint Venturers otherwise agree, the liabilities and obligations of the Joint Venturers under this Agreement, and under any agreement contemplated by or related to this Agreement, will be several to the extent of their respective Participating Interests and not joint or joint and several and all agreements made on behalf of the Joint Venture will, to the extent practicable, state the liability of the Joint Venturers to be several.

### Partition

- 2.6 Except on termination of this Agreement or withdrawal under Part 12, no Joint Venturer will be entitled to demand partition of the Joint Venture or the Joint Venture Assets.



### **No Partnership**

- 2.7 The Joint Venturers expressly disclaim any intent to create a partnership with respect to the Joint Venture or the ownership or operation of the Joint Venture Assets, and disclaim any intent to create a partnership with respect to the exercise of their rights under this Agreement, the administration of the Joint Venture Assets or any other matter relating to this Agreement. None of the Joint Venturers will have any authority, actual or implied, to act for the other as agent or otherwise or to bind the others.

### **Representations and Warranties**

- 2.8 Each Joint Venturer represents and warrants to the others as follows:
- (a) it has the power and capacity to enter into this Agreement;
  - (b) this Agreement is valid and binding on it in accordance with its terms;
  - (c) the performance of its obligations under this Agreement does not breach the terms of any other agreement or obligation to which it is a party; and
  - (d) it now holds and will hold its Participating Interest beneficially and free and clear of all restrictions, liens, encumbrances, floating charges or agreements of any kind except:
    - (i) for the obligations created under this Agreement; or
    - (ii) as agreed among the Joint Venturers from time to time.

### **Participating Interest**

- 2.9 The Participating Interest of each of the Joint Venturers as at the date of this Agreement is the same as the apportionment of Capital Costs as set out in Schedule D.

## **PART 3 ACQUISITION**

### **Completion of Agreements**

- 3.1 Subject to the approval of the Board of RDN and Councils of Parksville and Qualicum Beach, each of the parties will cooperate fully and take all reasonable steps to negotiate, finalize and execute all agreements, instruments and other documents contemplated by or related to this Agreement.

## **PART 4 MANAGEMENT BOARD**

### **Formation and Membership**

- 4.1 There will be a Management Board composed of three members. Prior to April 1, 2004, and subsequently prior to April 1 every two years, each of the Joint Venturers must

appoint to the Management Board one of its elected officials.

- 4.2 Prior to April 1, 2004, and subsequently prior to April 1 every two years, each of the Joint Venturers must also appoint one of its elected officials to be an alternate member of the Management Board. An alternate member may attend, but can only vote in place of a member appointed by the same Joint Venturer at any meeting of the Management Board at which the member is unable to attend.

#### **Chair**

- 4.3 One member of the Management Board will be the Chair. The Chair of the Management Board will be the Board Appointee of RDN until March 31, 2006, the Board Appointee of Qualicum Beach from April 1, 2006 to March 31, 2008 and the Board Appointee of Parksville from April 1, 2008 to March 31, 2010. The Chair of the Management Board will be entitled to vote but will not be entitled to a second or casting vote. If the Chair resigns or the Chair's appointment is terminated before the end of its term, the Joint Venturer which appointed the Chair will appoint a successor for the unexpired portion of the term of such office.

#### **Meetings**

- 4.4 During each fiscal year of the Joint Venture, the Management Board will hold at least four meetings at such times and places as the Management Board may determine. The Chair will call additional meetings of the Management Board upon the request of any member of the Management Board.

#### **Notice of Meetings**

- 4.5 The Chair will give to each member and alternate member of the Management Board 24 hours' written notice of the place, date and time of any meeting and of the agenda for such meeting. The agenda will indicate the nature of the business to be transacted at the meeting. The requirement for 24 hours' notice may be waived by resolution passed at the commencement of the meeting by all three members or their alternate members.

#### **Telephone Meetings**

- 4.6 A member or alternate member may participate in a meeting of the Management Board by means of telephone or other communication facilities as permit all persons participating in the meeting to hear each other and will be deemed to be present at that meeting.

#### **Quorum**

- 4.7 A quorum for each meeting of the Management Board will be three members or alternate members.

### **Voting**

- 4.8 Every decision of the Management Board will require the affirmative votes of all three members or alternate members present at a duly called and constituted meeting of the Management Board.

### **Resolutions in Writing and Minutes**

- 4.9 The Chair will cause minutes of each meeting of the Management Board to be kept and a copy to be circulated to each member and alternate member. A resolution in writing signed in whole or in counterparts by all of the members of the Management Board in respect of any matter falling within the competence of the Management Board will be effective as if adopted at a meeting. The Chair of the Management Board will promptly send to the Joint Venturers and each member a copy of any such resolution.
- 4.10 If the Management Board is unable to agree on any matter within its power that has been referred to it after consideration of that matter at two meetings of the Management Board, any of the Joint Venturers may declare a deadlock by notice in writing to the other specifying the matter at issue and the position, with reasons, of the declaring Joint Venturer, all in reasonable detail. If the deadlock is not resolved within 15 Business Days after receipt of such notice, any Joint Venturer may refer the issue to arbitration pursuant to the provisions of this Agreement. If the arbitration is in respect to a deadlock over the choice of a replacement Manager, each party will submit to the arbitrator the name and qualifications of its nominee and the arbitrator will choose the best qualified of the three nominees. Each party to the arbitration shall pay costs on the basis determined by the single arbitrator.

### **Deadlock As to Budget**

- 4.11 If the Management Board or Joint Venturers fail to approve the Budget for the next ensuing fiscal year, the Manager will, until a new Budget is approved by the Joint Venturers or determined by arbitration, operate the business of the Joint Venture in the normal course on the basis as consistent as possible with the last Budget, if any, approved by the Management Board.

### **Decisions Binding**

- 4.12 Subject to Section 4.14, all decisions of the Management Board made within its power under this Agreement will be binding on the Joint Venturers.

### **Management Board's Power**

- 4.13 In addition to the powers conferred on it by any provision of this Agreement, the Management Board must:
- (a) review, and recommend for the approval of the Joint Venturers, the Budget;

- (b) review, and make recommendations to the Joint Venturers with respect to (but not to approve) any material agreements to be entered into by the Joint Venture;
- (c) conduct, direct and supervise the business, affairs and operations of the Joint Venture;
- (d) monitor the performance of, and give direction to, the Manager;
- (e) make recommendations to the Joint Venturers with respect to any amendments to this Agreement;
- (f) cause to be entered into and amended all agreements which are necessary or appropriate for the day-to-day operation of the Joint Venture, except those agreements which the Management Board would not have the power to approve under Section 4.14 and, if considered advisable by the Management Board in the interests of the Joint Venture, terminate such agreements;
- (g) initiate technical studies when deemed advisable;
- (h) prepare plans for capital expenditures;
- (i) review and approve the annual and periodic financial statements of the Joint Venture;
- (j) exercise, if applicable, the Joint Venturers' right to act under Section 5.3.

#### **Limits on Management Board's Power**

- 4.14 Despite Section 4.13, the Management Board will not have the power, without the approval of the Joint Venturers:
- (a) to do anything for which RDN, Parksville or Qualicum Beach requires authorization or approval under the *Local Government Act, Community Charter*, successor legislation or other applicable enactments without the prior confirmation from them that such authorization or approval has been obtained by RDN, Parksville or Qualicum Beach, as applicable;
  - (b) to authorize incurring Capital Costs or Joint Venture Borrowing or making an annual Budget;
  - (c) to authorize any distributions of available cash to the Joint Venturers; or
  - (d) to authorize adding a new party under Part 13.

#### **Powers of the Management Board Chair**

- 4.15 The function of the Management Board Chair will be to carry out the functions and duties prescribed by the Management Board and, if present, to preside at meetings of the

Management Board. If the Management Board Chair is absent from a meeting, then his or her alternate member must preside.

### **Technical Committees**

- 4.16 The Management Board may from time to time establish technical committees, such as a Capital Planning Committee or a Construction Committee, as it considers appropriate in the circumstances. The Management Board may appoint to the technical committees the Joint Venturers' engineering staff or other such persons as the Management Board considers appropriate.

### **Expenses**

- 4.17 The members and alternate members of the Management Board will not as such be entitled to be paid any compensation by the Joint Venture and any remuneration that may be paid to them in such capacity by the Joint Venturers by which they have been appointed will not form part of the Operating Costs. All reasonable expenses incurred, pursuant to the written expense policy established by the Management Board, by the members or alternate member of the Management Board will be reimbursed by the Joint Venture and will form part of the Operating Costs.

## **PART 5 MANAGEMENT**

### **Appointment of Manager**

- 5.1 The Manager, for each term of office of each Management Board Chair, will be the Chief Administrative Officer of the Joint Venturer which appointed the Chair as a member of the Board. The Manager must:
- (a) make recommendations to the Management Board on matters relating to the Joint Venture;
  - (b) prepare and distribute agendas for the Management Board meetings;
  - (c) keep minutes of meetings of the Management Board;
  - (d) administer this Agreement and any agreements made by or on behalf of the Joint Venture;
  - (e) make recommendations to the Management Board respecting the making, amending or implementation of agreements made by or on behalf of the Joint Venture;
  - (f) monitor the financial circumstances of the Joint Venture;
  - (g) generally do all things necessary or advisable in connection with the business of the Joint Venture in accordance with this Agreement; and

- (h) do such other acts and things on behalf of the Joint Venture as the Management Board Chair may direct from time to time.

None of the powers, authorities or discretions delegated to the Manager may encroach on powers, authorities or discretions properly exercisable by the Management Board. The powers, authorities and discretion exercised by the Manager are subject to the direction of and guidelines established by the Management Board and any other restrictions, limitations and approvals set out in this Agreement, including the limitations set out in Section 4.14, and within the constraints of the Budget from time to time.

### **Term**

5.2 The appointment under Section 5.1 shall be subject to:

- (a) the termination of the Manager's services under Section 5.3;
- (b) the effective date of the Manager's resignation under Section 5.4; and
- (c) the termination of this Agreement.

### **Unsatisfactory Performance**

- 5.3 (a) If the Management Board determines in its sole discretion that the Manager's performance has been unsatisfactory, it may give written notice of termination to the Manager. The termination takes effect immediately upon delivery of the notice.
- (b) In the event of a termination under paragraph (a), the Management Board must also appoint a new Manager. Failure to do so does not affect the validity of a termination under paragraph (a).

### **Resignation of the Manager**

- 5.4 The Manager may resign, and thereby terminate his or her obligations as Manager hereunder, by giving notice to the Joint Venturers for any reason, including if the Joint Venturers commit a breach of any of the terms and conditions of this Agreement and do not rectify or cure such breach within 30 days after delivery by the Manager of a notice in writing specifying the breach.

### **Liability**

- 5.5 The Joint Venturers release the Manager, Management Board members and the Joint Venturers' agents of and from any and all loss, costs, damages, expenses and liabilities suffered or incurred by the Joint Venturers or any of them in respect of the matters arising out of or attributable to any negligence of, or breach of the provisions of this Agreement by the Manager, Management Board members or Joint Venturers' agents, in connection with the observance and performance of any of the covenants, agreements or duties of the Manager, Management Board members or Joint Venturers' agents to be observed or

performed under this Agreement, except losses, costs, damages, expenses and liabilities caused by the willful wrongful act of any one or more of the Manager, Management Board members or Joint Venturers' agents.

### **Replacement Manager**

- 5.6 Promptly after the giving of notice of termination to the Manager under Section 5.3 or receiving notice of resignation from the Manager under Section 5.4, the Joint Venturers will identify and appoint a new Manager on terms substantially the same as the terms of this Agreement that apply to the Manager. The replacement Manager must be appropriately qualified to manage the design, construction, installation, operation and maintenance of bulk water supply facilities.

### **Operations**

- 5.7 Parksville will on behalf of the Joint Venturer operate, maintain and repair the common components of the Bulk Water Supply facility such as the dam, intake and related infrastructure, other than the components that are specific to a Joint Venturer, subject to this Agreement

## **PART 6 FINANCES**

### **Bank Accounts, Deposits, Disbursement and Investment of Funds**

- 6.1 The Management Board may appoint an accountant and/or one of the Joint Venturers to be responsible for recording and preparation of the accounts of the Joint Venture, including but not limited to preparation of accounts receivable and accounts payable, annual budgets, quarterly financial reports to the Manager, paying Parksville for work done under Section 5.7, ensuring that the accounts of the Joint Venture are audited annually in accordance with the Local Government Act, and investing any surplus funds in the Joint Venture Account in the manner approved by the Management Board from time to time.
- 6.2 The Joint Venturers may open and maintain, with a bank approved by the Management Board, a Joint Venture Account in the name of the Joint Venture. All funds receivable by the Joint Venture may upon receipt be deposited in the Joint Venture Account. Members of the Management Board will have signing authority on the Joint Venture account alone or together with such other persons or Joint Venturer staff the Management Board approves. Any payment to be made by the Manager on behalf of the Joint Venture will be made out of the Joint Venture account. Alternatively, the Joint Venturer appointed under Section 6.1 may receive funds or make payments on behalf of the Joint Venture through its bank account.

### **Cash Requirements**

- 6.3 The Joint Venturers will take all reasonable steps to ensure that sufficient funds are available to allow the Joint Venture to complete transactions called for by agreement of the parties under this Agreement.

### **Operating Loans**

- 6.4 For the purpose of financing operations and sustaining capital expenditures of the joint Venture, if the Joint Venturers establish and maintain a line of credit, it must be established and maintained on a Limited Recourse basis in such maximum amount and on such terms and conditions as the Joint Venturers from time to time are reasonably able to arrange.

### **Application of Available Cash**

- 6.5 Available Cash will be applied to pay Operating Costs and Maintenance Costs as they fall due or in the normal course of operations.

### **Additional Contributions**

- 6.6 If an approved Budget contemplates contributions from the Joint Venturers to finance Capital Costs, the Joint Venturers will advance the contemplated contribution to the Joint Venture promptly upon receipt from the Manager of a request to do so.

### **Place of Payments**

- 6.7 All payments to be made under this Agreement to the Joint Venture may be made into the Joint Venture Account or, alternatively, to the Joint Venturer appointed under Section 6.1.

### **Cash Contributions**

- 6.8 Subject to:
- (a) the terms of Joint Venture Borrowings, including the Operating Loan; and
  - (b) the establishment by the Joint Venturers, based on the recommendations of the Management Board taking into account anticipated Joint Venture Costs and revenue, of prudent reserves for Operating Costs, Maintenance Costs and Capital Costs,
- within 90 days after each fiscal year end of the Joint Venture, Available Cash will be used to:
- (c) pay down Joint Venture Borrowing; or
  - (d) pay Maintenance Costs or Operating Costs.
- 6.9 A party may make a cash advance in respect of the portion of Capital Costs allocated to that party under this Agreement, in which case that party is not liable for Joint Venture Borrowing related to that portion of Capital Costs in respect of which the party made the cash advance.



**Capital Cost Apportionment**

6.10 The Capital Costs will be apportioned among the parties as set out in Schedule D.

**Operating Costs Apportionment**

6.11 The Operating Costs will be apportioned among the parties on the basis of the metered flow to the party receiving the Bulk Water.

**Maintenance Costs Apportionment**

6.12 The Maintenance Costs will be apportioned among the parties on the basis of the percentage of the Capital Costs apportioned in respect of that party pursuant to the formulae in Schedule D.

**PART 7 BUDGETS****Fiscal Year**

7.1 The fiscal year end of the Joint Venture will be December 31.

**Provisional Budgets**

7.2 On or before October 31st of the year preceding each fiscal year of the Joint Venture, the Manager will submit to the Management Board for its review a provisional operating budget (the "provisional Operating Budget"), a provisional maintenance budget (the "provisional Maintenance Budget") and a provisional capital expenditure budget (the "provisional Capital Budget"). The Management Board must recommend these provisional Budgets for the consideration of the Joint Venturers.

**Budget Recommendations**

7.3 On or before November 30th in each fiscal year of the Joint Venture, the Management Board must recommend to the Joint Venturers an Operating Budget, Maintenance Budget and Capital Budget.

**Operating Budget**

7.4 The Operating Budget will set out in reasonable detail the proposed operations, works and undertakings to be carried out in the Joint Venture and will include for such fiscal year the amount, by category, of each component of Operating Costs and will indicate the amount of such Operating Costs estimated to be payable by each Joint Venturer in accordance with the provisions of this Agreement, after taking into consideration anticipated revenues.

**Maintenance Budget**

7.5 The Maintenance Budget will set out in reasonable detail the proposed maintenance

operations, works and undertakings to be carried out in the Joint Venture and will include for such fiscal year the amount, by category, of each component of Maintenance Costs and will indicate the amount of such Maintenance Costs estimated to be payable by each Joint Venturer in accordance with the provisions of this Agreement, after taking into consideration anticipated revenues.

### **Capital Budget**

- 7.6 The Capital Budget will set out in reasonable detail all Capital Costs for the next five fiscal years.

### **Operations in Conformity with Budgets**

- 7.7 Except as permitted by the Management Board (to the extent it has authority under this Agreement to so approve) or the unanimous direction of the Joint Venturers, all operations of the Joint Venture in each fiscal year will be conducted in conformity with the Budgets applicable to that fiscal year approved by the Joint Venturers.

### **Approval of Budgets**

- 7.8 Subject to Section 4.14, the Management Board will recommend to the Joint Venturers with or without amendment, the Budgets submitted to it by the Manager.

### **Effect of Approved Budgets**

- 7.9 The Manager, as applicable under Part 5, will implement the approved Budgets and carry out all activities and operations of the Joint Venture in accordance therewith. The Manager will not, without the approval of the Management Board (who may require the approval of the Joint Venturers under Section 4.14) incur or commit in any fiscal year on behalf of the Joint Venture any expenditure not provided for in the applicable Budgets. Despite the failure of the Management Board to give any approval required, the Manager may incur on behalf of the Joint Venture any Operating Costs or Capital Cost which needs to be incurred at that time in order to prevent loss, damage or injury, or comply with the requirements of any insurer or regulatory authority or law and any such expenditure will form part of Operating Costs.

## **PART 8 REPORTS AND RECORDS**

### **Accounting Books and Records**

- 8.1 The accountant or Joint Venturer appointed under Section 6.1 will be responsible for the preparation of financial reports (other than those to be prepared by the Joint Venture's accountants) to be furnished, to the Management Board and the Manager hereunder, the maintenance of adequate accounts, books and records and the allocation between the Joint Venturers of Maintenance, Operating, and Capital Costs and will use reasonable efforts to ensure that such accounts, books, records and financial reports meet reasonable accounting and tax reporting requirements of each Joint Venturer.

### **Quarterly Financial Reports**

- 8.2 The accountant or the Joint Venturer appointed under Section 6.1 will, as soon as reasonably possible but not later than 45 days from the end of each quarter, furnish the Management Board and the Manager unaudited financial statements in respect of the quarter, reflecting in reasonable detail, but in summary form, the results of operations and financial situation of the Joint Venture for the quarter and for the year to date.

### **Location and Access to Records**

- 8.3 The accountant or the Joint Venturer appointed under Section 6.1 will cause all books and records of the Joint Venture to be kept in its offices. The Manager will permit each Joint Venturer, its accountants and other representatives, at that Joint Venturer's own expense and at all reasonable times to examine and make copies of these documents and any documents under the control of the Manager and relating to the Joint Venture.

## **PART 9 RESTRICTIONS ON DISPOSITION**

### **No Disposition of Participating Interest**

- 9.1 A Joint Venturer will not sell, assign, pledge, mortgage or otherwise dispose of its interest in this Agreement and the Joint Venture Assets, except as set out in Section 9.2.

### **Right of First Refusal to Purchase Participating Interest**

- 9.2 If a Joint Venturer receives a legally binding offer to purchase all or a portion of the Joint Venturer's interest in this Agreement and the Joint Venture Assets, the Joint Venturer will not accept such offer (unless such acceptance is conditional on compliance with this Section 9.2) unless
- (a) it has delivered to the other Joint Venturers a copy of such offer, which delivery will be deemed to be an irrevocable offer by the first Joint Venturer, to sell its interest in this Agreement and the Joint Venture Assets on the same terms, and conditions as are set out in this offer, except that such offer shall be deemed to be an offer on the same terms and conditions but for each of the other Joint Venturers to purchase one-half of the offering Joint Venturers' interest;
  - (b) the other Joint Venturers have not accepted the offer within 90 days of receipt thereof; and
  - (c) if the other Joint Venturers consent, which consent is not to be unreasonably withheld or delayed, it completes the sale pursuant to the offer within 180 days after delivery of the offer to the other Joint Venturer and the purchaser enters into an agreement with the other Joint Venturers whereby the purchaser agreed to become a party to this Agreement and to assume and perform all of the obligations of the selling Joint Venturer hereunder.
- 9.3 If one of the other Joint Venturers to whom an offer is delivered under section 9.2 does

not accept the offer within the time required by section 9.2, the Joint Venturer who delivered the offer under section 9.2 is deemed to offer to sell to the other Joint Venturer all of the offering Joint Venturer's interest in this Agreement and the Joint Venture Assets and that other remaining Joint Venturer has a further 30 days in which to accept that offer.

- 9.4 Any agreement of purchase and sale formed as provided in sections 9.2 and 9.3 will be completed on a Land Title Office business day that is not later than 180 days after the date on which the offer was first delivered to the other Joint Venturers under section 9.2(a) and that agreement of purchase and sale is subject to all of the following:
- (a) the agreement of purchase and sale formed thereby is an agreement in respect of which time is of the essence;
  - (b) the selling Joint Venturer shall execute and deliver at completion of the agreement such transfers or other instruments of conveyance, in registrable form, as are necessary to transfer and convey to and in favour of the purchasing Joint Venturer all of the right, title and interest of the selling Joint Venturer in and to this Agreement and the Joint Venture Assets and will do all such things and take all such actions as may be necessary to comply with and fulfill the intent of this Agreement and the agreement of purchase and sale;
  - (c) the purchasing Joint Venturer will pay the purchase price for the interest in question and will execute and deliver all such documents and do all such things and take all such actions as may be necessary to fulfill the intent of this Agreement and the agreement of purchase and sale;
  - (d) the interest sold out by the selling Joint Venturer will be transferred free and clear of all financial liens, charges and encumbrances whatsoever.
- 9.5 Without limiting section 2.6, each of the Joint Venturers hereby irrevocably and conclusively waives the benefits of all provisions of law relating to actions for a petition or sale in lieu of petition or administration of real and personal property including, without limitation, the petition of *Property Act* (British Columbia) and each of the Joint Venturers agrees with the others that it will not result in any action at law or in equity for a petition or sale in lieu of petition of any real property that forms part of the Joint Venture Assets or seek administration in respect thereof.

## **PART 10 LIABILITY OF THE JOINT VENTURE**

### **Liability and Indemnification**

- 10.1 If a claim by any third party arising out of the operations of the Joint Venture is made against the Joint Venturers or any of them, each of the Joint Venturers will share the liability (including interest and legal fees on a solicitor and client basis) for the claim pro rata to its Participating Interest and will indemnify and save harmless the other Joint Venturer against liability for the claim to the extent of its Participating Interest.

Notwithstanding the foregoing, where a claim arose out of the negligence of one of the Joint Venturers, without any negligence of the other Joint Venturer, the Joint Venturer who was negligent will be fully liable for such claim and will indemnify and save harmless from liability the other Joint Venturer with respect to such claim.

#### **Notice of Claims**

- 10.2 Each Joint Venturer against whom a third party claim is advanced, will give prompt and timely notice of that claim to the other Joint Venturers and will allow the other Joint Venturers to participate in the defence, negotiation or settlement of such claim at the cost of the Joint Venturer.

### **PART 11 DEFAULT**

#### **Default**

- 11.1 The occurrence of any of the following events will be an Event of Default by a Joint Venturer under this Agreement:
- (a) the failure of a Joint Venturer to perform or observe any of its covenants or agreements in this Agreement, if such failure is not cured within 45 days of written notice from the other Joint Venturers specifying such failure;
  - (b) a Joint Venturer:
    - (i) becomes insolvent;
    - (ii) commits an act of bankruptcy;
    - (iii) makes a general assignment for the benefit of its creditors;
    - (iv) makes a proposal under the *Bankruptcy and Insolvency Act* (Canada); or
    - (v) acknowledges its insolvency;
  - (c) a bankruptcy petition is filed or presented against a Joint Venturer and is not discharged within 45 days; or
  - (d) a receiver or receiver-manager is appointed in respect of any property or asset of a Joint Venturer and is not discharged within 45 days.

#### **Remedies Upon an Event of Default**

- 11.2 Upon the occurrence of an Event of Default by or with respect to a Joint Venturer:
- (a) the defaulting Joint Venturer will forthwith upon the written request of the other Joint Venturer given within 60 days after the Event of Default, sell its Participating Interest to the other Joint Venturers free and clear of all liens, charges and encumbrances other than security for liabilities incurred in the

business of the Joint Venture, for a price equal to the defaulting Joint Venturer's Participating Interest in the net book value of the Joint Venture Assets as at the date of the written request, less 10% of such book value;

- (b) if the Joint Venturers do not agree as to the net book value of the Joint Venture Assets within 10 Business Days after the date of the written request, then at the direction of any of the Joint Venturers, the net book value will be determined by the accountants for the Joint Venture if accountants have been appointed for the Joint Venture and are willing to accept such engagement, and otherwise by a business valuator appropriately qualified by the Canadian Institute of Chartered Business Valuators selected by the non-defaulting Joint Venturer, whose opinion will be binding upon the Joint Venturers and whose fees and disbursements for these services will be borne by the defaulting Joint Venturer;
- (c) the closing date for the sale of the defaulting Joint Venturer's interest will be 45 calendar days after the determination of the purchase price and will be completed by the execution and delivery by the defaulting Joint Venturer (the "Seller") of such transfers, bills of sale, assignments and other conveyancing documents from the seller to the purchasing Joint Venturer (the "Buyer") in such form as reasonably required by the Buyer and by the delivery of possession of the Joint Venture Assets to the Buyer;
- (d) the purchase price will be paid by the Buyer on the Closing Date:
  - (i) by set-off to the extent determined by the Buyer against monies due and owing by the Seller to the Buyer, if any;
  - (ii) by the assumption, to the extent determined by the Buyer, of the Seller's share of the liabilities of the Joint Venture; and
  - (iii) as to any balance by certified cheque or bank draft payable to the Seller's order;
- (e) the obligation of the Buyer to complete the purchase is subject to the condition that all required consents and approvals to the sale have been obtained but this condition is for the sole benefit of the Buyer and may be waived in whole or in part by the Buyer at any time.

The rights and procedures set forth in this Section 11.2 will be concurrent with and in addition to and without prejudice to any other rights or remedies at law or in equity which any Joint Venturer may have in respect of an Event of Default.

## **PART 12 TERM, WITHDRAWAL AND TERMINATION**

### **Term**

12.1 This Agreement and the Joint Venture will continue in force until the earlier of:

- (a) the date when all the Joint Venture Assets have been disposed of and all liabilities and obligations incurred from the business of the Joint Venture have been satisfied;
- (b) the date when one of the Joint Venturers acquires the interest of the Joint Venturers in the Joint Venture Assets and the business of the Joint Venture; or
- (c) March 31, 2006.

#### **Withdrawal**

- 12.2 A party may withdraw from this Agreement on the approval of all parties to the Agreement and subject to the following conditions:
- (a) all capital funds provided to the date of the Notice of Withdrawal by the party proposing to withdraw from the Joint Venture are deemed to be Joint Venture Assets;
  - (b) the additional operating costs arising from the withdrawal of a party under this Agreement must then be assumed by the remaining party or divided between the remaining parties based on the metered flow to the party receiving the supply of water in bulk;
  - (c) the additional maintenance costs arising from the withdrawal of the party must be assumed by the remaining party or apportioned between the remaining parties as outlined in Part 9;
  - (d) the Joint Venture Assets are, on and after the date of the Notice of Withdrawal given by the party withdrawing, solely assets of the remaining Joint Venturer or Joint Venturers.

#### **Actions on Termination**

- 12.3 Upon the termination of this Agreement and the Joint Venture, other than pursuant to Section 12.1(b), unless the Joint Venturers otherwise agree, the Joint Venturers will appoint a liquidator to act on their behalf to realize the Joint Venture Assets, satisfy all Joint Venture Liabilities and pay the balance of the proceeds of realization to the Joint Venturers in proportion to their Participating Interests at the time. Each of the Joint Venturers will be entitled to bid for and purchase the whole or any part of the Joint Venture Assets on liquidation.

#### **Survival of Obligations**

- 12.4 The provisions of this Part 12 and all other provisions of this Agreement necessary to give full effect thereto will survive the termination of this Agreement and, despite termination of this Agreement or the Joint Venture; no party will by reason of such termination be relieved of any obligation or liability toward any other party accrued hereunder prior to termination, all of which will remain unenforceable until fully satisfied.

## PART 13 NEW PARTY

### Applicable Conditions

- 13.1 A new party may become a Joint Venturer under this Agreement:
- (a) by entering into an Agreement with the hitherto Joint Venturers that contains all of the terms and conditions set out in this Agreement;
  - (b) with the unanimous consent of the hitherto Joint Venturers.

### Repayment of Costs

- 13.2 The new Joint Venturer, shall, on the date of entering into the Agreement referred to in paragraph 13.1, pay to the Joint Venture a sum equal to that proportion of all Maintenance Costs and Capital Costs incurred by the hitherto Joint Venturers to that date, which proportion relates to the proportion of water to be supplied in bulk to the new Joint Venturer. The amount paid under this section shall be paid by the new Joint Venturer to the hitherto Joint Venturers on the basis of the Maintenance and Capital apportionment formulae set out in this Agreement on the condition that the hitherto Joint Venturers shall use the monies only for the purposes of:
- (a) first, paying off any Joint Venturer Borrowing that is under this Agreement apportioned in respect of that Joint Venturer,
  - (b) second, repaying any cash advances made by the Joint Venture to the Joint Venturer;
  - (c) third, paying any Operating Costs or Maintenance Costs for which the Joint Venturer is liable under this Agreement;
  - (d) fourth, depositing the sum to a reserve fund of the Joint Venturer for water service purposes.

For the purposes of this paragraph, the payment to the hitherto Joint Venturers for Capital Costs shall be calculated on the basis of actual Construction Costs plus interest accrued, using each year's Municipal Finance Authority Rate commencing in 1997 plus 1.5%. The payment to the hitherto Joint Venturers for maintenance costs incurred on the portion of capital works constructed deemed to benefit the new party shall be calculated by using each year's maintenance budget plus each year's Municipal Finance Authority Rate commencing in 1998 plus 1.5%. The new Joint Venturer shall also pay for future Operational and Maintenance Costs on the basis set out in section 6.10 and 6.11 of this Agreement.

### Other Terms and Conditions

- 13.3 Despite sections 13.1 and 13.2, the Joint Venturers may, at any time, make an agreement on behalf of the Joint Venture to supply water in bulk to a person not a party to the Joint



Venture on terms and conditions unanimously acceptable to the Joint Venturers.

#### **PART 14 BOUNDARY ADJUSTMENTS**

- 14.1 Despite the other provisions of this Agreement, if the area of a municipality is extended into a Water Local Service Area:
- (a) that portion of the Water Local Service Area that was situated in the rural area and that has become added to the municipality is hereby deemed to be added to the Community Water System of that municipality;
  - (b) Capital Costs, Operating Costs and Maintenance Costs shall be apportioned as between RDN and the extended municipality by taking into account the deletion of water supply volume from the responsibility of RDN and the adding of water supply volume to the responsibility of the municipality; and
  - (c) the cost of the supply of water in bulk to RDN and to the municipality shall be adjusted to reflect the reduction of the Water Local Service Area and extension of the Community Water System.

#### **PART 15 GENERAL**

##### **Amendments**

- 15.1 This Agreement may not be modified or amended except by written agreement of all the parties hereto.

##### **Notices**

- 15.2 Any notice or other communication hereunder will be in writing and will be given by the delivery or rendering thereof to its addressee by hand, by prepaid first class mail or by facsimile transmission, to the address below:
- (a) If to RDN:
 

6300 Hammond Bay Road  
Nanaimo, BC  
V9T 6N2

Attention: General Manager, Corporate Services
  - (b) If to Parksville:
 

P.O. Box 1390  
Parksville, BC  
V9P 2H3

Attention: Director of Administrative Services

- (c) If to Qualicum Beach:

Box 130  
Qualicum Beach, BC  
V9K 1S7

Attention: Clerk

Any notice or other communication so given will be deemed to have been received at the time of its delivery if delivered by hand, three Business Days after the date of mailing if mailed and at the time the sender receives a confirmation of dispatch if transmitted by facsimile transmission. Each party will notify the other parties of any change of address.

### **Entire Agreement**

- 15.3 This Agreement contains the entire agreement among the parties hereto with respect to the subject matter hereof and replaces and supersedes all previous agreements between the parties relating to the subject matter hereof.

### **Arbitration**

- 15.4 In the case of a disagreement or a dispute between the parties hereto with respect to this Agreement or the interpretation thereof which has not been resolved within 45 calendar days of either Joint Venturer giving notice to the other Joint Venturer thereof, or in the case of a deadlock as described in Section 4.10, the dispute, disagreement or deadlock will, upon notice from either Joint Venturer to the other Joint Venturer, be referred to a single arbitrator pursuant to the *Commercial Arbitration Act* (British Columbia) whose decision will be final and binding.

### **Enurement**

- 15.5 This Agreement will be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns hereunder.

### **Further Assurances**

- 15.6 Each party will perform any act and execute and deliver any document reasonably required by any other party to carry out the terms of this Agreement in accordance with the true intent and meaning hereof.

### **Schedules**

- 15.7 The following Schedules are attached to and form part of this Agreement:

- (a) Schedule A - Bulk Water Supply Facility;
- (b) Schedule B - Water Local Service Areas;

- (c) Schedule C - Bulk Water Supply Facility Joint Capital Works;
- (d) Schedule D - Capital Cost Apportionment.

**Local Government Act**

15.8 The obligations of the parties under this Agreement are subject to the requirements of the *Local Government Act* and the *Community Charter* respecting the provision of the bulk water supply services by the Joint Venturers.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

**REGIONAL DISTRICT OF NANAIMO**

Per: \_\_\_\_\_  
Chairperson

Per: \_\_\_\_\_  
General Manager,  
Corporate Services/Secretary

**CITY OF PARKSVILLE**

Per: \_\_\_\_\_  
Mayor

Per: \_\_\_\_\_  
Clerk

**TOWN OF QUALICUM BEACH**

Per: \_\_\_\_\_  
Mayor

Per: \_\_\_\_\_  
Clerk

**SCHEDULE "A"****BULK WATER SUPPLY FACILITY**

Dam  
Balancing Reservoirs  
Control Structure  
Supervisory Control and Data Acquisition (SCADA) System  
Intake Facilities  
Pump Stations  
Treatment Facilities  
Transmission Lines  
Valves, Meters  
and related appurtenances and facilities  
and interests in land held by or on behalf of the Joint Venture

**SCHEDULE "B"****WATER LOCAL SERVICE AREAS**

The areas delineated in the following bylaws or descriptions, as shown on the Water Local Service Area Maps appended to the bylaws are the Water Local Service Areas:

- Wall Beach, Water Supply Local Service Area Establishment Bylaw No. 867;
- French Creek Water Local Service Area Establishment Bylaw No. 874.;
- Nanoose Water System Specified Area Bylaw No. 482;
- West Bay Estates Water System Specified Area Bylaw No. 543;
- Fairwinds Water Supply Specified Area Establishment Bylaw No. 753;
- Madrona Point Water Local Service Establishment Bylaw No. 788;
- Arbutus Park Estates Water Local Service Area Bylaw No. 930;
- Driftwood Water Supply Service Area Establishment Bylaw No. 1255.

**SCHEDULE "C".****Bulk Water Supply Facility Joint Capital Works**

- a. Land for dam and reservoir site at Arrowsmith Lake
- b. Dam and reservoir at Arrowsmith Lake;
- c. SCADA system to monitor the dam and related facilities;
- d. Land for new river intake and water treatment facility site;
- e. Shared intake for water withdrawal from the Englishman River;
- f. SCADA system to monitor the new intake and related facilities;
- g. Utilities required to develop and support joint facilities;
- h. Common control valving, reservoirs and related appurtenances for water distribution;
- i. Treatment facilities for bulk water supply.

New works will be embodied in a new AWS capital plan that is currently being developed for incorporation into this agreement as an amended schedule "C".

**SCHEDULE "D"****Capital Cost Apportionment****The Bulk Water Supply Facility Capital Cost Apportionment**

(a) in respect of joint facilities will be as follows:

Parksville: 63.9%

Qualicum Beach: 13.7%

RDN: Nanoose: 14.4%

French Creek: 8.0%

(b) in respect of other capital works will be based on the benefit to the Joint Venturer.

# REGIONAL DISTRICT OF NANAIMO

## MINUTES OF THE REGIONAL GROWTH MONITORING ADVISORY COMMITTEE / STATE OF SUSTAINABILITY PROJECT MEETING HELD ON THURSDAY, FEBRUARY 19, 2004 IN THE RDN COMMITTEE ROOM

### Present:

|                       |                    |
|-----------------------|--------------------|
| Director Bill Holdom  | Chairperson        |
| Director Dave Bartram | Deputy Chairperson |
| Brian Anderson        |                    |
| Douglas Anderson      |                    |
| Betty Collins         |                    |
| Sylvia Neden          |                    |
| Adele McKillop        |                    |
| Ross Peterson         |                    |
| Sharon Thompson       |                    |

### Also in attendance:

|                  |   |
|------------------|---|
| Christina Thomas | Senior Planner, Community Services            |
| Neil Connelly    | General Manager, Community Services           |
| Anita Wolfe      | Consultant, <i>Environment for Change</i>     |
| Mark Holland     | Consultant, Holland Barrs Planning Group Inc. |

### Absent:

Gordon Buckingham  
Janet Farooq

### CALL TO ORDER

Director Holdom called the meeting to order at approximately 5:30 PM.

Copies of the newly redesigned RDN Regional Growth Strategy and a report titled, "Sustainability Within a Generation: A New Vision for Canada" were distributed. The report is available for free download on the David Suzuki Foundation web site at [www.davidsuzuki.org](http://www.davidsuzuki.org).

### MINUTES

Ross Peterson suggested that a sentence in the section of the minutes regarding Other Business be amended to read:

"The Committee briefly discussed benchmarks and generally agreed that benchmarks are useful to gauge indicator progress, that the Committee should discuss benchmarks further, that the RDN should consider setting benchmarks for its indicators, and that the possibly different perspectives of *the different parts of the RDN* would need to be considered in setting benchmarks for indicators."

instead of:

"The Committee briefly discussed benchmarks and generally agreed that benchmarks are useful to gauge indicator progress, that the Committee should discuss benchmarks further, that the RDN should consider setting benchmarks for its indicators, and that the possibly different perspectives of *rural and urban areas* would need to be considered in setting benchmarks for indicators."



The minutes from the previous meeting (January 21, 2004) were received with the amendment described above.

## **OLD BUSINESS**

Old business was deferred to the next meeting (February 26, 2004).

## **NEW BUSINESS**

Anita Wolfe and Mark Holland co-facilitated a Pre-Planning Session for the Sustainability Workshop scheduled to take place on Saturday, April 3, 2004. Committee members and staff were asked to answer a series of questions by individually writing answers on Post-It<sup>®</sup> papers and sticking them underneath the appropriate question on a series of flipcharts. The questions concerned the following matters:

- participants' expectations regarding the Pre-Planning Session,
- the type of people that are likely to attend the Workshop,
- the expectations of the people that will attend the Workshop,
- the possible 'hidden agendas' of Workshop participants,
- the overall purpose of the Workshop and the non-purpose of the Workshop,
- the desired task and process outcomes of the Workshop,
- the 'headers' for the various components of the Workshop and the topics to be addressed under each 'header' (taking into consideration participant expectations, the purposes of the Workshop and the desired Workshop outcomes),
- various tools to use to provide opportunities for Workshop participant feedback throughout the Workshop day (such as the 'Open Space' technique and a graffiti wall) as well as the key questions for participant feedback,
- Committee member roles at Workshop,
- Workshop ground rules, and
- next steps.

The facilitators reviewed with the participants the answers provided for each question as they were provided, sought participant clarification where necessary, grouped similar answers and flagged topics for further discussion. C. Thomas photographed the completed flipchart papers.

A. Wolfe and M. Holland committed to drafting a detailed Workshop agenda based on the Pre-Planning Session feedback, and providing it to C. Thomas for review and confirmation with the Committee prior to the Workshop.

M. Holland committed to consulting with Mike Harcourt to help ensure that:

- all of the topics discussed in the Pre-Planning Session are addressed in the Workshop keynote speeches to be delivered by Mr. Holland and Mr. Harcourt, and
- rural and urban perspectives are addressed in the keynote speeches.

B. Holdom was assigned responsibility for:

- delivering a presentation at the Workshop about the key components of the Regional Growth Strategy, past Regional Growth Strategy monitoring work, and the Sustainability Project, and
- consulting with the RDN Board Chair regarding the delivery of introductory and closing remarks at the Workshop.

C. Thomas was assigned responsibility for:

- providing information about Workshop attendees to A. Wolfe and M. Holland prior to the Workshop;
- soliciting additional small group facilitators for the Workshop; and
- preparing posters about the Regional Growth Strategy vision and goals for the Workshop (if deemed necessary).

The Committee was tasked with addressing the issue of age representation at the Workshop.

Committee members were requested to attend a session on the evening of Friday, April 2<sup>nd</sup> to review Committee members' responsibilities as small group facilitators at the Saturday, April 3<sup>rd</sup> workshop.

#### **OTHER BUSINESS**

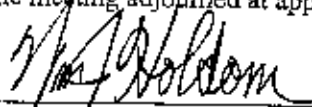
No other business was discussed.

#### **NEXT MEETING**

The next meeting is on Thursday, February 26, 2004 at 7:00 PM.

#### **ADJOURNMENT**

The meeting adjourned at approximately 10:00 PM.



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Chair, Director Bill Holdom

# REGIONAL DISTRICT OF NANAIMO

## MINUTES OF THE REGIONAL GROWTH MONITORING ADVISORY COMMITTEE / STATE OF SUSTAINABILITY PROJECT MEETING HELD ON THURSDAY, FEBRUARY 26, 2004 IN THE RDN COMMITTEE ROOM

### Present:

|                       |                    |
|-----------------------|--------------------|
| Director Bill Holdom  | Chairperson        |
| Director Dave Bartram | Deputy Chairperson |
| Brian Anderson        |                    |
| Betty Collins         |                    |
| Adele McKillop        |                    |
| Ross Peterson         |                    |

### Also in attendance:

|                  |                                     |
|------------------|-------------------------------------|
| Christina Thomas | Senior Planner, Community Services  |
| Neil Connelly    | General Manager, Community Services |
| Neil Dawe        | Guest Speaker, Qualicum Institute   |

### Absent:

Douglas Anderson  
Gordon Buckingham  
Janet Farooq  
Sylvia Neden  
Sharon Thomson

### CALL TO ORDER

Director Holdom called the meeting to order at approximately 7:00 PM.

### MINUTES

The minutes from the previous meeting (Feb.19/04) were received as presented.

C. Thomas distributed photocopies of photographs of the flipchart material from the February 19<sup>th</sup> Committee Pre-Planning Session for the Sustainability Workshop for reference.

### PRESENTATION

Neil Dawe, Director, Qualicum Institute, delivered a PowerPoint presentation about sustainability. The presentation included information about the Qualicum Institute and its perspectives about the principles of sustainability, the characteristics of sustainability, the conditions necessary for sustainability, and recommendations regarding indicators of sustainability.

An opportunity was provided for Committee members to ask Mr. Dawe questions about his presentation. Key Committee question/discussion topics included the concept of carrying capacity, the ability to make decisions regarding the accommodation of population growth (human decisions versus the decision of nature), the size of an area that needs to be considered when striving for sustainability, the concept of 'smart growth' in relation to sustainability, and the central role of the environment to sustainability.

Neil Dawe distributed to Committee members copies of a paper he co-authored with Kenneth Ryan titled, "The Faulty Three-Legged-Stool Model of Sustainable Development".

**OLD BUSINESS***a) Public Event #1 – Video Recording*

C. Thomas provided a verbal update about the possibility of obtaining a video recording of the Sustainability Workshop. C. Thomas indicated that she had discussed with Shaw Cable staff the possibility of Shaw Cable videotaping the Workshop, and that Shaw Cable staff recommended that the Regional District submit an additional written request to videotape a brief advertisement for the Workshop to be broadcast as a part of its regular news magazine program prior to the event, as well as a brief story including taped excerpts of the event for broadcast as a part of its regular news magazine after the event. Shaw Cable staff recommended that the RDN obtain the services of a private sector videotaping contractor if it wishes to have entire speeches at the Workshop recorded or have portions of the event packaged in a way that would appeal to school age children. The Committee asked staff to:

- request Shaw Cable to develop the above-described pieces for broadcast as a part of its news magazine program, request the NewVI to volunteer to videotape the Workshop keynote speeches; and
- request the Malaspina University College AV Department and or Media Studies Program to volunteer to videotape the Workshop keynote speeches.

*b) Public Event #1 – Involvement of School Districts #68 & #69 Children*

R. Peterson provided a verbal update about discussions with School Districts #68 and #69 administration staff regarding the involvement of children in the school districts in some aspect of the Sustainability Workshop. R. Peterson indicated that he had discussed the idea with the Superintendent of School District #68, that the Superintendent had communicated the request to the principals of schools in the District and requested them to indicate an interest in the idea, that he had not heard back from the Superintendent regarding the principals' interest, and that he would ask for a list of principals that might be interested if a response is not received soon. It was noted that the Superintendent of School District #68 had indicated that the matter might be more appropriately targeted towards high school student participation rather than elementary school student participation. R. Peterson indicated that S. Neden was similarly pursuing the involvement of School District #69 children.

**NEW BUSINESS***a) What is Sustainability?*

Committee members were provided a brief opportunity to share their ideas regarding sustainability. The Committee agreed that a short, punchy definition of 'sustainability' would be useful for advertising purposes as it might capture readers' attention. Several definitions of 'sustainability' provided in literature distributed to the Committee at previous meetings were briefly reviewed. It was noted that there are numerous (1000+) definitions of the word 'sustainability'. A. McKillop asked if the purpose of the discussion was to develop a single Committee definition for the word 'sustainability'. C. Thomas indicated that the purpose of the discussion was to respond to a Committee expressed interest in providing a forum for a discussion about the topic at a Committee meeting. The Committee requested that additional opportunity be provided for the Committee to discuss sustainability at the next meeting.

*b) State of Sustainability Project Page on RDN web site*

C. Thomas provided a verbal update about the status of information about the State of Sustainability Project on the RDN web site. It was noted that the page was recently updated to include information about the Board appointments to the Regional Growth Monitoring Advisory Committee and a recent report to the Board that provides an update and information about the Sustainability Workshop. C. Thomas distributed to Committee members hard copies of the material recently included on the web site.

**OTHER BUSINESS**

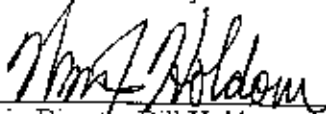
None.

**NEXT MEETING**

The next meeting was set for Wednesday, March 17, 2004 at 7:00 PM. The purpose of this meeting will be to provide the Committee with another opportunity to discuss sustainability and to address any outstanding Workshop logistical items. After that the next meeting will be on Friday, April 2, 2004, in the evening, to review and confirm the responsibilities of small group facilitators at the Saturday, April 3, 2004 Sustainability Workshop.

**ADJOURNMENT**

Director Holdom adjourned the meeting at approximately 9:00 PM.



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Chair, Director Bill Holdom



**Minutes for the Meeting held:  
Tuesday, February 17, 2004 @ 2:30 PM  
Regional District of Nanaimo – Committee Room  
6300 Hammond Bay Road, Nanaimo, BC**

**Present:**

Andrew Tucker, Nanaimo  
Bob Lapham, RDN  
Bob Weir, Qualicum Beach  
Cheryl Wirtz, Parksville  
Christina Thomas, RDN

Ian Howat, Lantzville  
John Finnie, RDN  
Neil Connelly, RDN  
Paul Butler, Qualicum Beach  
Wayne Moorman, RDN

**Absent:**

Gayle Jackson, Parksville  
Brian Mcshaffey, Nanaimo

**# Item**

**1. Call to order.**

N. Connelly called the meeting to order at approximately 2:40 PM.

**2. Minutes from the Last Meeting (Jan. 28/04)**

A. Tucker asked why the minutes did not provide specific information about the content of B. Lapham's presentation of layered digital maps regarding the relationship between key servicing concepts and key land use concepts, or provide a record of the discussion regarding the provision of services to RGS Resource Lands and Open Space designated land that indicates it is not the intention to service that land for environmental or public health reasons.

N. Connelly explained that the minutes are intended to provide a summary of key actions, discussion and decisions rather than a detailed record of the meeting.

The minutes were accepted as presented.

**3. Old Business**

*a) Provision of Community Water and Community Sewer Service to Land Designated by the Regional Growth Strategy as Rural Residential or Resource Lands and Open Space for Environmental or Public Health Reasons*

C. Thomas provided an overview of the February 10, 2004 report to the IAC, "Community Water and Community Sewer Service Provision: Environmental or Public Health Reasons". It was noted that the purpose of the report is to confirm the approach for servicing for environmental reasons proposed at the January 28, 2004 IAC meeting, prior to submitting it to the Board for consideration of endorsement. The IAC reviewed and discussed the approach.

There was discussion regarding the provision of services to RGS Resource Lands and Open Space designated land for environmental or public health reasons. RDN staff indicated that the approach does not prohibit the provision of services to land in this designation for environmental or public health reasons because there may be situations where a jurisdiction deems the service necessary, and where a service is provided the jurisdiction would be responsible for ensuring that the service provision does not result in a level of development greater than supported by the RGS. The differences between providing services for a "residential use" versus an "agriculture use" were discussed. Committee members expressed reservation regarding the provision of services for "agricultural uses" on land in this designation. It was noted that the proposed approach provides for each jurisdiction to decide which types of uses to provide service to for environmental or public

health reasons on RGS Resource Lands and Open Space designated land. B. Lapham indicated that it is anticipated that services would only be provided in the electoral areas for environmental or public health reasons for residential uses.

B. Weir suggested that different approaches for decision making about the provision of services for environmental or public health reasons be established for municipalities and for unincorporated areas, and that there are issues regarding trust between the parties to the RGS.

B. Lapham indicated that there are areas of historical development in the unincorporated areas where environmental or public health threats are anticipated based on a combination of factors (including the existing level of rural residential development, the terrain, the proximity to the ocean and the age of onsite septic systems), that a strategy needs to be in place to deal with the reality that services will be needed in these areas, and that the proposed approach allows for the development of such a strategy through the community planning process.

P. Butler stated that he is concerned that the provision of services for environmental or public health reasons will result in development that is inconsistent with the RGS.

C. Thomas noted that the approach would not result in more development than supported by the RGS because each jurisdiction, including the RDN for the electoral areas, is obliged to make decisions that are consistent with the RGS.

A. Tucker referred to B. Lapham's January 28, 2004 presentation to the IAC in which it was noted that the restricted servicing strategy presently utilized in the Nanoose Bay OCP does not advocate the provision of services to areas between designated "restricted service areas" and suggested that the policy approach reference that concept.

N. Connelly indicated that the proposed approach does not restrict the provision of services for environmental or public health reasons to areas between designated "restricted service areas" because it was viewed previously by the IAC that it would not be desirable to have an approach that sets defined limits that could restrict site specific servicing decisions by jurisdictions. C. Thomas noted that not all electoral area OCPs include a planning strategy for the provision of services for environmental or public health reasons like the Nanoose Bay OCP discussed at the last IAC meeting.

I. Howat requested clarification regarding the relationship between the letters patent as they relate to the southern community sewer system and the proposed approach. N. Connelly replied that the proposed approach does not speak to how a service is provided, and consequently does not have any implications for the southern community sewer system letters patent.

Differences of opinion were expressed regarding whether the provision of services for environmental or public health reasons was a concern where a service is provided to one property versus an area of properties.

C. Wirsz suggested that the approach include a provision that establishes a process for the parties to the RGS to monitor how the approach is working (such as an annual meeting of the parties to report on decisions made pursuant to the approach) to allow adjustments to be considered in the future if necessary.

A. Tucker suggested specific wording to clarify that services may be provided for environmental or public health reasons based on "historical development patterns and rural residential densities".

The IAC requested several wording changes be made to the proposal and brought forward for confirmation by the IAC at a brief meeting on March 9, 2004 between 11:30 AM and 12:00 PM, prior to the meeting of the entire IAC on that date from 12:00 PM to 4:30 PM. The changes

requested are the inclusion of the monitoring process (as discussed above), the inclusion of provisions related to "historical development patterns and rural residential densities", and the deletion of the first bullet regarding the development of criteria.

b) *Annual Meeting of Entire IAC (Core and Resource Groups)*

C. Thomas updated the Committee about the annual meeting of the entire IAC. It was noted that the meeting is scheduled for Tuesday, March 9, 2004, 12:00 PM to 4:30 PM, and that the purpose of the meeting is to provide an opportunity for each member of the IAC to share information regarding work their organization has done last year and plans to undertake this year that is complementary to or supportive of the RGS. It will also be an opportunity to ask questions and discuss with other members their RGS related work. Members were asked to confirm their attendance at the meeting so that appropriate catering arrangements can be made.

4. **New Business**

a) *Urban Containment and Fringe Area Management Implementation Agreement (UCFAMIA) Review*

C. Thomas delivered a PowerPoint presentation about the Urban Containment and Fringe Area Management Implementation Agreement (UCFAMIA) Review. The presentation included information about the UCFAMIA (what is it?, why was it developed?, what does it do?) and the UCFAMIA Review (rationale, deliverable, method, timeline). C. Thomas committed to organizing separate meetings during the next six weeks with representatives from each party to the RGS to provide an opportunity for each party to share its perspectives about issues related to the UCFAMIA. A meeting of the 'core group' of the IAC will be arranged for sometime in April to provide an opportunity for a group discussion of the identified issues, with the view to identifying, discussing and selecting appropriate solutions for the issues at subsequent meetings. The information gained from these discussions will be used to draft changes to the UCFAMIA if deemed necessary by the group for consideration by the Regional Board in the Fall of 2004.

5. **Other Business**

No other business was raised.

6. **Next Meeting**

The next meeting of the 'core group' of the IAC is March 9, 2004, 11:30 AM to 12:00 PM. The annual meeting of the 'core group' and the 'resource group' is March 9, 2004, 12:00 PM to 4:30 PM.

7. **Adjournment.**

N. Connelly adjourned the meeting at approximately 4:15 PM.

**Original Signed By**

\_\_\_\_\_  
Chair, N. Connelly





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Minutes for the Meeting held:  
Tuesday, March 9, 2004 @ 11:30 AM  
(Before the Annual Meeting of Entire IAC)  
Regional District of Nanaimo – Committee Room  
6300 Hammond Bay Road, Nanaimo, BC

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Present:

Cheryl Wirsz, Parksville  
Christina Thomas, RDN  
Ian Howatt, Lantzville  
Neil Connelly, RDN  
Paul Butler, Qualicum Beach  
Susan Cormie, RDN (for B.Lapham)  
Twyla Johnson, Lantzville  
Wayne Moorman, RDN ( for J. Finnie)

Absent:

Andrew Tucker, Nanaimo

# **Item**

1. **Call to order**

N. Connelly called the meeting to order at 11:45 AM.

2. **Minutes from the Last Meeting (Feb.17/04)**

C. Wirsz suggested that the sentence in the second paragraph of the Old Business related to the "Provision of Community Water and Community Sewer Service to Land Designated by the Regional Growth Strategy as Rural Residential or Resource Lands and Open Space for Environmental or Public Health Reasons" be amended to read:

*"The differences between providing services for a "residential use" versus, "agriculture use", "commercial use" and "industrial use" were discussed."*

instead of:

*"The differences between providing services for a "residential use" versus an "agriculture use" were discussed."*

The Committee concurred and the minutes were accepted as amended.

3. **Old Business**

- a) *Provision of Community Water and Community Sewer Service to Land Designated by the Regional Growth Strategy as Rural Residential or Resource Lands and Open Space for Environmental or Public Health Reasons*

C. Thomas updated the IAC about the proposed approach for decisions pursuant to RGS Policy 7B. It was noted that the approach proposed reflects discussion at five previous IAC meetings<sup>1</sup>, and that refinements had been made to the wording of the approach discussed at the February 17, 2004 meeting based on feedback from the IAC. Specifically, it was noted that wording of the proposed approach had been amended to:

- Include a provision that establishes a process for the parties to the RGS to monitor how the

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<sup>1</sup> October 29, 2003, December 2, 2003, January 14, 20004, January 28, 2004, and February 17, 2004.

- approach is working, to allow adjustments to be considered in the future if necessary;
- Clarify that services may be provided for environmental or public health reasons based on "historical development patterns and rural residential densities; and
- Delete references regarding the difficulty or impossibility of developing criteria.

P. Butler suggested that the approach be amended to require each party to the Regional Growth Strategy to refer proposals for servicing to the IAC prior to the party making a decision to provide services for environmental or public health reasons, citing concern about the accountability of the parties to the RGS.

N. Connelly indicated that the proposed approach provides for annual IAC discussion regarding decisions that the parties to the RGS have made based on the approach. It does not provide for IAC review of each decision before the parties to the RGS make decisions. The approach is in response to previous Committee concurrence that a more flexible, streamlined, independent approach for decision making about the matter is desired.

It was suggested that provision could be made for the parties to the RGS to more regularly update each other about their decision-making under the approach throughout the year at IAC meetings. The IAC concurred with this approach.

P. Butler asked if criteria would be developed regarding the provision of services under Policy 7B.

N. Connelly replied that the approach enables each party to the RGS to develop its own criteria regarding what constitutes an environmental or public health threat, as per the previously expressed wishes of the Committee.

The Committee concurred that the wording of the proposed approach for decision making under Policy 7B be amended to read:

*In support of Goal 7 and, particularly Policy 7B, the following approach will be undertaken by the parties to the Regional Growth Strategy:*

*Based on historic settlement patterns and the associated rural residential densities it is anticipated that certain areas in the RDN may require servicing due to environmental or health considerations. The RDN and member municipalities will be responsible for developing their own approach for decisions regarding the provision of services to these lands in accordance with Policy 7B in recognition that:*

- *the jurisdictions have supported, and may wish to provide, community water and community sewer services for reasons of individual preference or a very broad interpretation of environmental reasons;*
- *the jurisdictions are obliged to make decisions consistent with the Regional Growth Strategy and, as such, are responsible for ensuring that any decisions they make to provide services under Policy 7B do not result in a level of development greater than supported by the Regional Growth Strategy in Policy 3A.*

*The IAC will review decisions undertaken by the parties to the Regional Growth Strategy on an annual basis to assess how the approach is working and to allow for changes to be considered in the future, if necessary.*

C. Thomas described the process for finalizing the proposed approach for decisions pursuant to RGS Policy 7B. It was noted that a report would be provided for the Committee of the Whole to consider in March, 2004, and the Board to consider in April, 2004.

#### 4. New Business

C. Thomas indicated that individual meetings will be organized with representatives from each party to the Regional Growth Strategy to provide an opportunity for each party to share its perspectives about the Urban Containment and Fringe Area Management Implementation Agreement. A meeting

of the 'core' group of the IAC will be arranged in April to provide an opportunity for group discussion of the identified issues, with the view to identifying, discussing and selecting appropriate solutions for the issues at subsequent meetings. The information gained from these discussions will be used to draft changes to the UCFAMIA if deemed necessary by the group for consideration by the Regional Board in the Fall of 2004.

**5. Other Business**

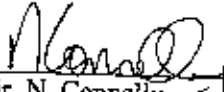
None.

**6. Next Meeting**

At the call of the IAC Chair.

**7. Adjournment**

N. Connelly adjourned the meeting at 12:00 PM.

  
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Chair, N. Connelly



**Minutes for the Meeting held:  
Tuesday, March 9, 2004 @ 12:45 PM  
(After the 11:30 AM to 12:00 PM meeting of the IAC core group)  
Regional District of Nanaimo – Committee Room  
6300 Hammond Bay Road, Nanaimo, BC**

**Present:**

Allan Le Fevre, MCAWS  
Andrew Tucker, Nanaimo  
Brent Mueller, MCAWS

Ian Howatt, Lantzville  
Luigi Sposato, MSRM  
Margaret Henigman, MWLAP

Twyla Johnson, Lantzville  
Wayne Haddow, MA  
Wayne Moorman (for J. Finnie,  
RDN)

Cheryl Wirsz, Parksville  
Christina Thomas, RDN  
David Coombe, VIHA  
Dave Edgar, MT

Neil Connelly, RDN  
Peter Murray, BC Transit  
Roger Cheetam, LRC  
Susan Cormie (for B. Lapham,  
RDN)

**Absent:**  
Gilbert Richir, MF  
Paul Butler, Qualicum Beach

**# Item**

**1. Call to order.**

N. Connelly called the meeting to order at 12:45 PM, and welcomed the members to the first annual meeting of the entire IAC pursuant to the Terms of Reference the Regional Board approved for the Committee in 2003.

**2. Minutes from the Last Meeting**

None.

**3. Old Business**

None

**4. New Business**

An opportunity was provided for each member to share and discuss information regarding the work his or her organization did last year and plans to undertake this year that is complementary to or supportive of the Regional Growth Strategy.

*Regional District of Nanaimo*

N. Connelly provided an overview of Regional Growth Strategy work undertaken last year and to be undertaken this year by the Community Services Division. It was noted that last year the Division had:

- facilitated IAC meetings (10 in 2003, 3 in 2004);
- finished the first Regional Growth Strategy Review;
- developed new Terms of Reference for the IAC;
- completed a new policy regarding Regional Context Statement content and development process;
- established a new Sustainability Project and an associated advisory committee;
- initiated a workshop to discuss drinking water;
- facilitated meetings to review the Vancouver Island Highway Implementation Agreement;
- updated the Transit Business Plan; and,
- acquired two new Regional Parks.

It was noted that this year the Division will:

- facilitate IAC meetings as necessary;
- finalize the approach for decision making about the provision of services for environmental or public health reasons;
- conduct a workshop to discuss the sustainability of the region;
- conduct a workshop to discuss drinking water quality issues;
- draft a report about the sustainability of the region;
- update the Urban Containment and Fringe Area Management Implementation Agreement;
- monitor implementation agreements; and,
- review the Regional Parks Plan.

Copies of a recent RDN press release about Land and Water BC's application to change the applicable official community plan and Regional Growth Strategy policies to permit the development of a four 18 hole golf courses and 2500 residential units in Electoral Area H were distributed. It was noted that there will be an opportunity for the IAC to discuss and provide its perspectives about the development application as a part of the Regional Growth Strategy amendment process.

C. Thomas distributed the advertisement for the Sustainability Workshop to be conducted on Saturday, April 3, 2004, and provided detailed information regarding the purpose of the event, previous related RDN work, and the event speakers. C. Thomas also provided more detailed information about the Drinking Water Workshop to be conducted on Saturday, May 8, 2004.

S. Cormie provided an overview of Regional Growth Strategy work undertaken last year and to be undertaken this year by the Development Services Division. It was noted that last year the Division had:

- provided recommendations regarding land use consistent with the RGS;
- implemented a Memorandum of Understanding to coordinate environmental decision making;
- developed a new OCP for Electoral Area H;
- completed Electoral Area H sewer servicing pre-design work; and
- initiated a review of aquaculture use policy.

It was noted that this year the Division will:

- continue to provide recommendations regarding land use consistent with the RGS;
- develop a new approach to coordinate environmental decision making in lieu of the above noted MOU;
- update the Electoral Area E OCP; and
- develop/update/complete approaches to respond to potential resource use conflicts including aquaculture, soil removal and forestry.

W. Moorman provided an overview of Regional Growth Strategy work undertaken last year and to be undertaken this year by the Environmental Services Division. It was noted that last year the Division:

- provided recommendations regarding servicing consistent with the RGS;
- completed the Electoral Area H sewer servicing pre-design;
- completed a draft stormwater management plan;
- established a zero waste program;
- promoted increased solid waste diversion; and
- joined the Partners for Climate Protection Greenhouse Gas Reduction Program.

It was noted that this year the Division will:

- continue to provide recommendations regarding servicing consistent with the RGS;
- continue the Electoral Area H servicing initiative;
- undertake a landfill gas project;
- continue to implement the zero waste program and encourage solid waste diversion;
- consider a commercial organic ban; and
- continue the Partners for Climate Protection Greenhouse Gas Reduction Program.

Ministry of Sustainable Resource Management

L. Sposato provided an overview about the Ministry. The Ministry includes a resource management – planning focus, a land information services division, an economic development division, and Land and Water BC ( a land tenuring and licensing Crown corporation). The resource management – planning component of the Ministry focuses on the production of higher level plans (such as the Vancouver Island Land Use Summary Plan) and sub-regional plans, particularly concerning the use of Crown Lands. The Ministry is in the process of developing another level of plan that provides more specific directions, such as sustainable resource management plans for particular resources, such as aggregates. The Ministry provides leadership to the Interagency Management Committee, a Committee that includes representatives from different provincial government ministries.

R. Cheetham asked about the membership of the Interagency Management Committee, and expressed concern about the representation of agricultural interests on the Committee. R. Cheetham stated that the Ministries need to work together, rather than solely advance the interests of a single ministry.

A. Le Fevre asked about local government involvement on the Interagency Management Committee. L. Sposato responded that it is uncertain how local government will be involved in the Committee, and that there is no intent to exclude local government.

A. Le Fevre asked about how more information could be obtained about the Committee and how the various members of the IAC could influence the work of the Committee. L. Sposato suggested that UBCM be consulted on the matter. B. Mueller suggested that a white paper about the matter might be available for public review and comment. L. Sposato committed to providing information to the Committee about how the white paper on the matter could be accessed.

W. Haddow asked about the relationship between the Ministry and Land and Water BC. L. Sposato responded that the Ministry and Land and Water BC are two different entities, and that LWBC is a Crown corporation with a sales and land development component whereas the Ministry is responsible for long range planning for Crown lands.

R. Cheetham asked if the Ministry would be involved in OCP reviews. L. Sposato replied that the Ministry would participate if the local government desired its participation, and that generally OCPs are more of a local than provincial concern.

There was discussion about the fit of the LWBC development proposal for Crown lands in Electoral Area H with the Ministry's activities and mandate. L. Sposato indicated that the subject land is designated as a 'general management' area in a plan developed by the Ministry of Forests in which a wide variety of uses are deemed appropriate according to the Province.

City of Nanaimo

A. Tucker provided an updated about key Nanaimo activities related to the RGS including:

- the recently completed Environmentally Sensitive Areas Inventory, which is to be updated;
- the Social Development Strategy currently underway;
- the review of Plan Nanaimo, with a focus on neighbourhood centres;
- the challenges of implementing developments that include a mix of uses and residential types as desired by Plan Nanaimo;
- the work of the Downtown Nanaimo Partnership to revitalize downtown Nanaimo;
- the revitalization of the neighbourhood planning program;
- the completion of Statements of Interest for properties in Nanaimo's heritage inventory and recognition from the federal government for this work; and,
- the establishment of a Neighbourhood Network, a virtual meeting place for neighbourhood associations.

There was discussion regarding potential methods of increasing the likelihood that developments which include a mix of uses and housing types are supported, so that the key long range planning concept of nodal development is realized. B. Mueller suggested that recent work conducted by the GVRD in this area might be helpful. The impact of the difference in land economics between the Lower Mainland and the Nanaimo area was identified as a possible limitation to the applicability of GVRD work in the Nanaimo area. A. Le Fevre suggested that the Maple Ridge Smart Growth on the Ground project might result in a Best Practices Guide that would be useful in the Nanaimo context, as its focus is to develop methods for moving from desired designs to regulatory bylaws.

#### City of Parksville

C. Wirsz provided an update about key Parksville activities as it relates to the RGS including:

- consideration of an incorporation request for land adjacent to the City that is in the ALR;
- processing an application for a mixed use waterfront development with increased density in the downtown node and beginning another similar application on an adjacent parcel;
- the creation of new zoning for the resort area node properties;
- downtown revitalization activities;
- developing solutions to facilitate economically viable uses of ALR land;
- investigating the purchase of the Surfside lands and enforcing land use violations on these lands to enhance environmental protection;
- participating in the joint purchase of new park land on Blocks 602;
- consideration of off leash dog parks;
- work to establish an interpretive centre in the Parksville Flats in conjunction with the Mount Arrowsmith Biosphere Reserve;
- initiation and continuation of the Waterfront Walkway Project;
- work with the Bicycle Advisory Committee;
- completion of an update to the Economic Development Strategy;
- completion of an update to the Transportation Plan and the initiation of OCP amendments regarding the Plan;
- review of the Arrowsmith Water Service capital plan;
- road way design and resort signage initiatives;
- the review and update of a 20 year capital plan and Development Cost Charges;
- the completion of a water model study;
- participation in the IAC;
- raising awareness about RGS; and,
- the drafting of a new zoning bylaw and the consideration of down zoning amendment proposals for several comprehensive development zones.

R. Choetham expressed concern about the possible loss of land in the Agriculture Land Reserve to urban development. It was noted that a common argument provided for the exclusion of land from the ALR is the need for more land for residential development, and that provision of more land for single family style development compromises the fulfillment of the nodal development strategy envisioned by the Regional Growth Strategy.

Town of Qualicum Beach

No report provided.

District of Lantzville

I. Howat provided an update about key Lantzville activities related to the RGS including:

- commencement of the review of the Lantzville OCP;
- a community education forum conducted at the end of February, in which five speakers provided information about best practices related to land development;
- the update of the sewer development area for Lantzville which is anticipated to begin soon; and,
- the possible incorporation of low impact development standards (primarily pertaining to stormwater management and road design) in the development servicing bylaw for the municipality.

There was discussion regarding potential locations for commercial development in the District.

Ministry of Community, Aboriginal and Women's Services

A. I. c. Fevre provided an update about key Ministry activities related to the RGS including:

- the possibility of future partnerships as a result of the RDN Drinking Water Workshop;
- participation in the Smart Growth on the Ground Project Maple Ridge pilot project, the results of which are intended to be transferable to other jurisdictions; and,
- discussions with federal government staff regarding the New Deal and how it can benefit BC local government.

A. Le Fevre described the planning grant replacement program, Smart Development Partnerships, and encouraged local governments to contact B. Mueller, MCAWs, to discuss potential opportunities under the new program. It was noted that funds are available for Smart Development Partnerships for initiatives that are innovative, meet specific Provincial government objectives, and involve a partnership between or more local governments and one or more parties, such as the private sector or a non-governmental organization. B. Mueller referred to the potential opportunities for federal government funding to support strategic infrastructure projects in BC.

Ministry of Transportation

D. Edgar provided an update regarding key Ministry activities related to the RGS including:

- recent participation in the review of the Vancouver Island Highway Implementation Agreement;
- participation in OCP reviews, such as the upcoming Nanoose Bay OCP Review;
- assessing interest in partnerships with commercial development to facilitate road construction; and,
- assessing access issues as it relates to such developments as the recently submitted LWBC development proposal and the Nanaimo airport.

D. Edgar noted that the Ministry's approach is to respond to issues rather than generate new projects.



M. Henigman asked about the Ministry's use of best practices guides prepared by the Ministry of Water, Land and Air Protection as a part of the consideration and approval of subdivision applications. There was uncertainty about the use of the Ministry's use of the best practices guides.

Ministry of Forests

No report provided.

Ministry of Water, Land and Air Protection

M. Henigman outlined the Ministry's four strategic goals for 2004, and described current Ministry initiatives which include:

- informal agreements to monitor surface water quality;
- operation of groundwater monitoring observation wells;
- beginning to discuss with Lantzville sewage disposal options;
- air quality monitoring;
- steelhead recovery program activities;
- the formation of an advisory group for Newcastle Provincial Park;
- park bundle management review;
- the development of provincial urban/rural best management practices;
- the development of raptor and herptile best management practices;
- reviewing the red and blue plant community;
- monitoring of herons;
- stewardship activities with WITS;
- participation in the Fire Management Team;
- participation in inter agency Memorandums of Understanding; and,
- training for best management practices use.

There was discussion about the possible acquisition of islands adjacent to Nanoose Bay for parks and environmental protection purposes.

Ministry of Agriculture

W. Haddow described the federal, provincial and industry 'environmental farm planning' initiative. It was noted that the objectives of the initiative are to enhance environmental farm stewardship, to recognize BC agriculture as leaders in environmental sustainability, to enhance consumer confidence in BC agriculture's sustainable practices, and to enhance the viability of farm operations. A new method of applying manure to fields that results in fewer odour impacts was illustrated. The impact of wildlife on agricultural practices was also highlighted.

Land Reserve Commission

- R. Cheetham provided an update regarding Commission activities that pertain to the RGS including:
- the establishment of a new panel system for decision making about applications concerning land in the Agriculture Land Reserve;
  - recent Commission decision making about several applications (i.e. Deep Bay area, Glengarry Golf Course) to exclude land from the ALR in the region, with the provision of a 'net benefit' for agriculture as one aspect of the decisions;
  - initiatives to encourage the delegation of particular types of decision making about ALR land use to local governments, and limited local response;
  - the development of guidelines to establish a two-tier approach in which particular local

- governments (those with minimal ALR land base) would be exempted from obtaining LRC approval as a part of the OCP creation and amendment process; and,
- an initiative to consider if there is land outside the ALR that has agricultural value and should be included in the ALR.

R. Cheetham expressed concern that that new RGS does not include policy direction that explicitly provides support for the retention of land in the ALR, citing that the new RGS policy in which the RDN does not take a position on whether land should be removed from the ALR means that there is greater pressure on the Commission to approval ALR removals.

I. Howat expressed concern about the provision of financial incentives for agricultural activities as a part of approving an exclusion of land from the ALR.

#### BC Transit

P. Murray provided an overview of the partnership that BC Transit has with the RDN to provide conventional and Handydart transit services in the region. Recent initiatives to reallocate transit service provision to maximize transit usage within the existing budgetary envelope were described, including the UPASS initiative to encourage student use of transit and the use of smaller buses in lower density residential areas. It was noted that there are no new provincial revenue resources to provide for increased transit service.

#### Vancouver Island Health Authority

D. Coombe described the pending sewage system regulatory changes. The new process will place the onus on a Qualified Professional, hired by a property developer, to ensure that the proposed method of septic disposal is adequate and is constructed properly. Local health authorities responsibilities will focus on administering the regulation, reviewing Qualified Professionals' submissions regarding proposed sewage systems to determine that "best management standards of practices" are met, enforcing legal remedies, maintaining records, and conducting inspections of properties where there is a belief that a health hazard exists. Local health authorities will no longer be conducting site inspections as a part of the approval process. D. Coombe indicated that some of the possible consequences of the new approval process include:

- more frequent use of package treatment plants and enhanced technology;
- a greater risk of system failure given residents are responsible for the ongoing maintenance and operation of increasingly complex systems;
- the potential for more development pressures; and,
- the potential that technological advances will result in onsite sewage disposal being possible on any type of property, regardless of soil conditions.

D. Coombe indicated that there is uncertainty regarding the future role of local health authorities in the subdivision approval process.

There was general discussion and concern expressed regarding the shift from a prescriptive type system to a more self-regulating approach.

#### 5. **Other Business**

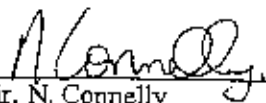
A. Le Fevre stated that Jerry Armstrong has been appointed the new Deputy Minister for the Ministry of Community, Aboriginal and Women's Services.

#### 6. **Next Meeting**

At the call of the IAC Chair.

7. **Adjournment.**

N. Connelly adjourned the meeting at 4:40 PM, and thanked the members for their participation.

  
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Chair, N. Connelly