

**REGIONAL DISTRICT OF NANAIMO**

**COMMITTEE OF THE WHOLE  
TUESDAY, NOVEMBER 13, 2012  
7:00 PM**

***(RDN Board Chambers)***

**A G E N D A**

**PAGES**

**CALL TO ORDER**

**PRESENTATION**

- 4                    **Jasper Lament, The Nature Trust of British Columbia**, re Fundraising for Moorecroft Regional Park.

**DELEGATION**

- 5                    **Lynn Wood, Oceanside Hospice Society**, re Hospice Society Grant Applications.

**MINUTES**

- 6                    Minutes of the regular Committee of the Whole meeting held Tuesday, October 9, 2012.

**BUSINESS ARISING FROM THE MINUTES**

**COMMUNICATIONS/CORRESPONDENCE**

- 9 - 10                **Donna Smith, District of Lantzville**, re Request to Renew Service Agreements.
- 11 - 13               **Dr. Judith Sayers and Mary Ashley, Island Corridor Foundation**, re ICF Request for Funding.
- 14 - 71               **Correspondence September – November, 2012**, re ICF Request for Funding.

**UNFINISHED BUSINESS**

***CORPORATE SERVICES***

**ADMINISTRATION**

- 72 - 260             Island Corridor Foundation – Request for Funding.

261 - 280 Letter of Understanding between the Gabriola Island Local Trust Committee and the Regional District of Nanaimo.

**FINANCIAL SERVICES**

281 - 291 Request from the Nanaimo Community Hospice Society for Financial Support.

292 - 303 Bylaws No. 1664, 1665, 1666, 1667, 1668, 1669, 1670, and 1671 – Reserve Fund Establishment Bylaws.

304 -309 Dashwood Firehall Redevelopment Update and Approval to Continue.

**STRATEGIC AND COMMUNITY DEVELOPMENT**

**LONG RANGE PLANNING**

310 - 319 Nanaimo Airport Land Use Planning Process.

**CURRENT PLANNING**

320 - 325 Agricultural Area Plan Action Plan.

**BUILDING, BYLAW & EMERGENCY PLANNING**

326 - 357 District of Lantzville Service Agreements 2013/2014.

358 - 360 387 Dunsmuir Road, Electoral Area 'H' – Unsightly Premises (update).

**REGIONAL AND COMMUNITY UTILITIES**

**WASTEWATER**

361 - 390 Maintenance of Privately-Owned Onsite Wastewater Treatment Systems – Home Septic Assessment Program.

391 - 437 Biosolids Management Program Agreement.

**WATER AND UTILITY**

438 - 440 Westerne Heights Water Utility – Petition for Engineering Assessment.

**TRANSPORTATION AND SOLID WASTE**

**SOLID WASTE**

441 - 446 Solid Waste Management Regulation Bylaw No. 1531-04 – 2013 Tipping Fees.

**COMMISSION, ADVISORY & SELECT COMMITTEE**

**Grants-In-Aid Advisory Committee**

447 - 449

**Minutes of the Grants-In-Aid Advisory Committee meeting held on Monday, November 5, 2012** (for information).

**DISTRICT 68**

*That Grant-in-Aid funds for District 68 be awarded to the following applicants:*

<b>Name of Organization</b>	<b>Amount Recommended</b>
Gabriola Arts Council	\$ 2,000
Jonanco Hobby Workshop Association	270
People for a Healthy Community Gabriola Society	3,980

**DISTRICT 69**

*That Grant-in-Aid funds for District 69 be awarded to the following applicants:*

<b>Name of Organization</b>	<b>Amount Recommended</b>
Forward House Community Society	\$ 1,242
North Island Wildlife Recovery Association	2,727
Oceanside Hospice Society	2,000
Parksville & District Association for Community Living	1,200
Qualicum Bay Lions Club	5,000

**ADDENDUM**

**BUSINESS ARISING FROM DELEGATIONS OR COMMUNICATIONS**

**NEW BUSINESS**

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

**ADJOURNMENT**

**IN CAMERA**

*That pursuant to Section 90(1)(f),(i) and (j) of the Community Charter the Board proceed to an In Camera meeting for discussions related to law enforcement, legal advice, and third-party business interests.*

## O'Halloran, Matt

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**From:** O'Halloran, Matt  
**Sent:** Friday, November 02, 2012 2:14 PM  
**To:** 'jlament@naturetrust.bc.ca'  
**Cc:** 'madair@naturetrust.bc.ca'; Osborne, Tom  
**Subject:** RDN presentation Nov 13

Hello Jasper,

Thanks for confirming your presentation to the RDN Regional Board on Tuesday, November 13 at 7 pm, in regards to fundraising for Moorecroft Regional park.

I've added your delegation to the agenda right at the start of the meeting for 7pm – if you have any need for a laptop/projector for the presentation just let me know.

Regards

Matthew O'Halloran  
Legislative Coordinator  
Regional District of Nanaimo  
250-390-6569  
[www.rdn.bc.ca](http://www.rdn.bc.ca)

## O'Halloran, Matt

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**From:** Lynn Wood <lynn@oceansidehospice.com>  
**Sent:** Tuesday, November 06, 2012 1:15 PM  
**To:** O'Halloran, Matt  
**Subject:** Oceanside Hospice Society Presentation to RDN Directors November 13 2012.ppt  
**Attachments:** Oceanside Hospice Society Presentation to RDN Directors November 13 2012.ppt

Hi Matt

I am hoping that the RDN Directors will find they have enough information to write a letter of support to Oceanside Hospice as a Regional service provider. This will assist us in applying for grants for the work ahead – specifically with WDC and Gaming.

With thanks, Lynn



REGIONAL DISTRICT OF NANAIMO

MINUTES OF THE REGULAR COMMITTEE MEETING OF THE WHOLE  
OF THE REGIONAL DISTRICT OF NANAIMO HELD ON  
TUESDAY, OCTOBER 9, 2012 AT 7:00 PM IN THE  
RDN BOARD CHAMBERS

In Attendance:

Director J. Stanhope	Chairperson
Director D. Brennan	Deputy Chairperson
Director A. McPherson	Electoral Area A
Director H. Houle	Electoral Area B
Director M. Young	Electoral Area C
Director G. Holme	Electoral Area E
Director J. Fell	Electoral Area F
Director W. Veenhof	Electoral Area H
Director B. Dempsey	District of Lantzville
Director J. Ruttan	City of Nanaimo
Alternate	
Director F. Pattje	City of Nanaimo
Director B. Bestwick	City of Nanaimo
Director T. Greves	City of Nanaimo
Director D. Johnstone	City of Nanaimo
Alternate	
Director C. Burger	City of Parksville
Director D. Willie	Town of Qualicum Beach

Regrets:

Director M. Lefebvre	City of Parksville
Director G. Anderson	City of Nanaimo
Director J. Kipp	City of Nanaimo

Also in Attendance:

P. Thorkelsson	A/ Chief Administrative Officer
J. Harrison	Director of Corporate Services
W. Idema	Director of Finance
T. Osborne	Gen. Mgr., Recreation & Parks
D. Trudeau	Gen. Mgr., Transportation and Solid Waste
M. Donnelly	A/ Gen. Mgr., Regional & Community Utilities
C. Midgley	Mgr., Energy & Sustainability
J. Hill	Mgr. Administrative Services
T. Nohr	Recording Secretary

## **CALL TO ORDER**

The Chairperson welcomed Alternate Directors Pattje and Burger to the meeting.

## **COMMITTEE OF THE WHOLE MINUTES**

**Minutes of the Regular Committee of the Whole meeting held September 11, 2012.**

MOVED Director Holme, SECONDED Director Fell, that the minutes of the regular Committee of the Whole meeting held September 11, 2012, be adopted.

CARRIED

## ***STRATEGIC AND COMMUNITY DEVELOPMENT***

### **ENERGY AND SUSTAINABILITY**

#### **Board Strategic Plan.**

MOVED Director Brennan, SECONDED Director Johnstone, that the Board Strategic Plan be approved as presented.

CARRIED

### **CURRENT PLANNING**

#### **Agricultural Area Plan.**

MOVED Director Johnstone, SECONDED Director Holme, that the "Growing Our Future Together – Regional District of Nanaimo Agricultural Area Plan" (AAP) dated August, 2012 be adopted.

CARRIED

MOVED Director Johnstone, SECONDED Director Holme, that staff be directed to develop an AAP Action Plan for the Board's consideration within the 2013 budget process.

CARRIED

## ***REGIONAL AND COMMUNITY UTILITIES***

#### **Nash Creek Fishery Enhancement.**

MOVED Director Veenhof, SECONDED Director Young, that the Board direct staff to initiate joint discussions with the Department of Fisheries and Oceans, Ministry of Environment and the Nile Creek Enhancement Society (NCES) with a goal of advancing a cooperative approach to fishery enhancements on Nash Creek that would serve the interests of NCES, address the current water licensing issues and not require the RDN to establish a new service for this activity.

CARRIED

**RECREATION AND PARKS**

**PARK SERVICES**

**Community Parks and Trails Strategy – Northern Electoral Areas.**

MOVED Director Holme, SECONDED Director Brennan, that the Terms of Reference for the Community Parks and Trails Strategy for Electoral Areas E, F, G and H be approved.

CARRIED

**COMMISSION, ADVISORY & SELECT COMMITTEE**

**Minutes of the District 69 Recreation Commission meeting held Thursday, September 20, 2012.**

MOVED Director Holme, SECONDED Director Brennan, that minutes of the District 69 Recreation Commission meeting held Thursday, September 20, 2012 be received for information.

CARRIED

**ADJOURNMENT**

MOVED Director Holme , SECONDED Director Young , that pursuant to Section 90 (1) (i) of the Community Charter, the Committee proceed to an In Camera meeting to consider advice that is subject to solicitor-client privilege.

CARRIED

TIME: 8:21 PM

The meeting was reconvened at 8:32 PM.

**ADJOURNMENT**

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

CARRIED

TIME: 8:32 PM

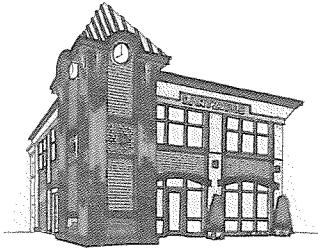
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CHAIRPERSON

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CORPORATE OFFICER



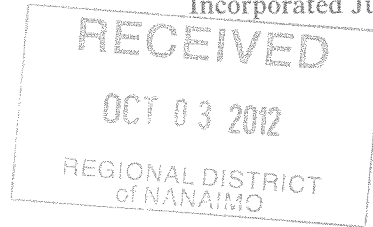


# District of Lantzville

Incorporated June 2003

October 1, 2012

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



**Attention: Joan Harrison, Director of Corporate Services**

Dear Joan

**Re: Request to Renew Service Agreements**

Pursuant to 'Part 2 – Renewal' of the service agreements identified below, please accept this correspondence as the District of Lantzville's formal request to renew the agreements between the Regional District of Nanaimo and the District of Lantzville for an additional two year term commencing January 1<sup>st</sup>, 2013 and terminating December 31<sup>st</sup>, 2014 as follows.

- Animal Control Services
- Building Inspection
- Bylaw Enforcement
- House Numbering
- GIS/Mapping
- Noise Regulation
- Nuisance Control; and
- Unsightly Premises
- Emergency Planning Services

The District also requests that the Regional District consider providing planning services for the same term as noted above.

While the District continues to investigate the ability to provide these services directly, we continue to face numerous challenges that prevent us from doing so. We are hopeful that the Regional District of Nanaimo will entertain our request and continue to provide these services on our behalf. Should you wish to meet regarding our request, please contact me to make the appropriate meeting arrangements.

Yours truly

**Donna Smith**  
**Deputy Director of Corporate Administration**  
**District of Lantzville**

File: 2240-20-01

G: Corr/12/rdn.agreementrenewals

C: T. L. Graff, CAO, District of Lantzville

P. Thorkelsson, Gen. Mgr., Strategic & Community Development, Regional District of Nanaimo

T. Armet, Manager, Building, Bylaw and Emergency Planning Services, Regional District of Nanaimo

Phone: (250) 390-4006 • Fax: (250) 390-5188

Email: [district@lantzville.ca](mailto:district@lantzville.ca) • Website: [www.lantzville.ca](http://www.lantzville.ca)

P.O. Box 100, 7192 Lantzville Road, Lantzville, B.C. V0R 2H0

## Hill, Jacquie

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**To:** Armet, Tom  
**Subject:** RE: Letter from the District of Lantzville

**From:** Armet, Tom  
**Sent:** Thursday, October 04, 2012 4:06 PM  
**To:** Harrison, Joan  
**Cc:** Thorkelsson, Paul; Hill, Jacquie  
**Subject:** RE: Letter from the District of Lantzville

Thanks Joan. This is on track for the November cycle.  
Tom

**From:** Harrison, Joan  
**Sent:** Thursday, October 04, 2012 4:04 PM  
**To:** Armet, Tom  
**Cc:** Thorkelsson, Paul; Hill, Jacquie  
**Subject:** Letter from the District of Lantzville

Tom,

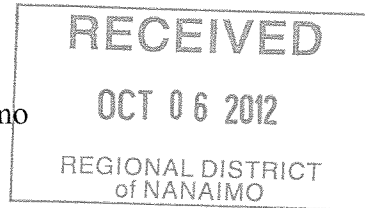
Please find attached the letter from the District of Lantzville regarding the request to renew Service Agreements with the RDN. I understand that you are currently working on a report to come forward to COW and then the Board in November.

As discussed with Paul, the letter also includes the request for the RDN to consider providing planning services.

Joan

October 4, 2012

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



Dear Board Directors

During this past month of August our Chief Operating Officer, Mr. Graham Bruce, made presentations to our five member regional districts. As a result of the direction given from those meetings, the Island Corridor Foundation has submitted a detailed presentation in support of a funding contribution by the five member regional districts for rail infrastructure improvements.

Meetings have been held with Regional Chairs and CAO's to prepare a report on the mechanism(s) and funding formula for your respective boards' consideration.

The request is for \$3.2 million. An administrative report prepared by regional district staff has proposed how best the amount should be applied.

On your behalf during the past several years, the ICF Board has put together an incremental reinvestment plan that will encourage improved passenger and freight rail service. From that plan federal and provincial funding of \$15 million has been approved.

Your one-time regional contribution of \$3.2 million is now critical to the release of the federal and provincial funding and the future of rail service for Vancouver Island.

On behalf of the ICF Board and the many rail supporters we thank you for your consideration of this very important transportation initiative.

Yours truly,

A handwritten signature in black ink, appearing to read "Judith Sayers".

Dr. Judith Sayers  
Co-chair

A handwritten signature in black ink, appearing to read "Mary Ashley".

Mary Ashley  
Co-chair



**Towards Restoration – your contribution will make rail service a reality.**

The re-establishment of a viable rail service on the Vancouver Island Railway has been a priority for Island communities since 2004 – when Regional Districts, municipalities and First Nations first rallied together to save the railway from closure. Forming the Island Corridor Foundation and acquiring ownership of the railway was the first step in the process. Partnering with a successful rail operator was the second (Southern Railway of British Columbia). The third step, which will make rail service a reality, is the incremental rebuilding of the railway to restore passenger service and expand freight service.

Detailed studies have identified the need for approximately \$20.9 million worth of incremental upgrades to restore service for a minimum of ten years. The ICF has worked tirelessly to build a strong business case and attract investment. These efforts have been tremendously successful - the provincial and federal governments have confirmed a combined total of \$15million in funding.

This has substantially reduced the amount of funding required from member Regional Districts to just 15% of the total project cost, or \$3.2 million. Shared by all five member Regional Districts, the cost to taxpayers (based on assessment) would be approximately \$0.43 per \$100,000 of assessed value. For example, the cost for a property worth \$400,000 would be around \$1.72 per year, for five years.



This investment is critical to the future of rail service on Vancouver Island. Without it, the provincial/federal funding will be lost, and the future of the Vancouver Island railway will be in jeopardy.

**Your Railway, Your Decision  
 It's Now Up to You**

**Vancouver Island Railroad Infrastructure Project (Phase 1)**

Funding Sources

Government of Canada	\$7.5 million
Province of BC	\$7.5 million
Southern Railway of Vancouver Island	\$500,000
ICF Loan / Fundraiser	\$2.2 million
<b>Member Community          (Regional Districts') Contribution</b>	<b>\$3.2 million (required)</b>
<b>TOTAL PROJECT COST</b>	<b>\$20.9 million</b>

Related benefits:

- ✓ 25-year operating agreement / \$70 million value.
- ✓ First Nation Railway Trackman training and employment program.
- ✓ First Nation Conductor/Engineer scholarship program.

Vancouver Island Railway

A \$366 million historic asset that **belongs to you** – the Island communities located within the following five Regional Districts that participate in shared ownership along with 13 First Nations communities:

- Alberni-Clayoquot
- Capital Region
- Comox-Strathcona
- Cowichan Valley
- Nanaimo

The provincial and federal governments have generously committed \$15million to repair your railway. This transportation corridor travels right through Vancouver Island's most populated areas – bustling regions that are currently lacking an efficient alternative for transporting both people and goods. This is a one-time funding request to rebuild the railway and make sure your community's efforts to acquire it ultimately pay off.

## How Will Island Communities Benefit?

The Island Corridor Foundation entered into a contract for operation of the rail system with Southern Railway of British Columbia (SRY). The ICF and SRY's Island subsidiary (Southern Railway of Vancouver Island, or SVI) have completed a draft 25-year operating agreement, which can be finalized in conjunction with the funding approval for the member communities' portion of the project. This long-term agreement will result in numerous benefits for Island communities, including:

### Job Creation & Spending

- The proposed project will generate almost \$20 million in construction spending, creating an estimated 164 jobs, along with \$7.7 million in wages and salaries;
- In the longer term, an estimated 15 to 30 full-time positions will be saved and/or created within SVI's operations/maintenance department.
- Upon project completion, SVI will inject approximately \$42 million over 10 years into the Island economy for wages, salaries, goods and services.

### Restored Passenger Rail Service

- A new agreement to be negotiated with VIA Rail will provide for restored passenger service between Victoria and Courtenay. Improvements including upgraded rail cars and scheduling changes to provide an additional early morning southbound commuter run from Nanaimo to Victoria, and an additional early evening run returning to Nanaimo from Victoria.

### Expanded Marketplaces for Island-Produced Goods

The delivery of locally-produced goods to market in a timely and cost-effective manner plays a critical role in the Island's economy. The project will set the stage for expanded freight service.

- Seamless transfers through the new SRY-owned Annacis Island Marine Terminal will connect Island industries to four "Class 1" railroads and North American markets.
- Upgraded infrastructure and efficient access to expanded marketplaces will support growth in several key sectors, including forestry, agriculture, animal feed, propane, fuel products and concrete. It will also enable SVI to aggressively attract new freight business – target markets include aggregate, coal, and manufactured forest products.

### Environment

Rail is rapidly being accepted across North America as the green transportation alternative. Trains account for far fewer emissions than other forms of transport and are, on average, three times more fuel-efficient than truck transport. Improved passenger service for residents commuting to the Capital Regional District will remove even more vehicle traffic. This will reduce GHG emissions, alleviate congestion and improve road safety. It will also provide an important transportation alternative linking the central, south and north Island regions.

### First Nations Socio-Economic Benefits

The ICF, in partnership with SVI, has initiated two innovative project-related employment programs, both of which are specifically designed to facilitate permanent, full-time employment opportunities for members of Vancouver Island's First Nations communities. They include a Railway Trackman training & employment program, as well as a conductor/engineer scholarship program.

*"We have not come this far, worked this hard and achieved this much to walk away from the Railway at this critical time. As the owners of this multi-million dollar asset, we must recognize the enormous value of this one-time, \$15million gift from the federal and provincial governments, and take immediate action to ensure this opportunity is not lost."*

**From:** carol wallace [<mailto:cwallace072@gmail.com>]  
**Sent:** Tuesday, October 09, 2012 4:38 PM  
**To:** Nohr, Tamie; [kharrison@cvrd.bc.ca](mailto:kharrison@cvrd.bc.ca); [administration@comoxvalleyrd.ca](mailto:administration@comoxvalleyrd.ca)  
**Subject:** Island rail

**“The federal government \$7.5M investment in Vancouver Island rail will ensure 10 years of renewed passenger service and the opportunity to aggressively expand freight, commuter, and tourist rail operations for the future. I support the use of my tax dollars for this purpose”. We encourage the regional districts to follow suit with a \$3.2million investment.**

**Jim & Carol Wallace, Nanaimo**

**From:** Jim and Brooke Bergot [<mailto:bergotjb@shaw.ca>]  
**Sent:** Wednesday, October 10, 2012 1:24 PM  
**To:** Nohr, Tamie  
**Subject:** Fw: ICF / Request For Funding

I am **"Definitely Not"** in favour of using my tax dollars to support the \$3.2 million funding request by the Island Corridor Foundation. I will find it extremely disturbing if the RDN uses **any** of my tax dollars to fund the Island Corridor Foundation. This is an organization that operates in secrecy and refuses to publish meaningful financial reports and in spite of this has approached every level of government for funding.

Jim Bergot  
Qualicum Beach  
250 752-1912  
[bergotjb@shaw.ca](mailto:bergotjb@shaw.ca)

**From:** Corry [<mailto:coho99@shaw.ca>]  
**Sent:** Friday, October 12, 2012 9:03 AM  
**To:** Corp Srv  
**Cc:** [islandrail@shaw.ca](mailto:islandrail@shaw.ca)  
**Subject:** Funding request by the Island Corridor Foundation - Support

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

Dear Joe Stanhope;

We are in favour of using our tax dollars to support the \$3.2 million funding request by the Island Corridor Foundation to help upgrade the rail and get it this lower carbon and more efficient mode of transportation on Vancouver Island running again.

Sincerely,

Corry Hostetter & Gene Gervais  
1609 Haida Way,  
NanOOSE Bay, BC,  
V9P 9B5



**From:** Jim Wallace [<mailto:jimcarolwallace@shaw.ca>]  
**Sent:** Friday, October 12, 2012 11:43 AM  
**To:** Corp Srv  
**Subject:** Island Corridor Foundation

*'I am in favour of using my tax dollars to support the \$3.2 million funding request by the Island Corridor Foundation'.  
Jim & Carol Wallace, Nanaimo*

-----Original Message-----

From: Dieuwke Steenstra [<mailto:dieuwke26@gmail.com>]

Sent: Friday, October 12, 2012 11:33 AM

To: Nohr, Tamie

Cc: [islandrail@shaw.ca](mailto:islandrail@shaw.ca)

Subject: Island Corridor Foundation

>

>

> To: Chair - Joe Stanhope

>

> Re: Funding Request from Island Corridor Foundation

>

> I have lived in Nanaimo since 1979 and have enjoyed all the activities the central island has to offer. Nanaimo and the surrounding area has grown in the last 30 years . One area that has not followed suit, however, is transportation. We have lost passenger rail service on the island. I feel that this is an area that needs to be looked into. The Island Corridor Foundation is proposing a new rail service from Nanaimo to Victoria and Courtenay.

>

> I am in favour of using my tax dollars to support the \$3.2 million funding request by the Island Corridor Foundation.

>

> Thank you for your time.

>

>

> Sincerely,

> Dieuwke Steenstra

**From:** Jim and Eileen [<mailto:calderhenderson@shaw.ca>]  
**Sent:** Saturday, October 13, 2012 12:19 PM  
**To:** Nohr, Tamie  
**Subject:** E & N Railway

We are definitely against donating tax money to a losing cause. The latest request for tax money will just be the beginning of a request for further tax money.

After logging, mining and selling property on both sides of the rail corridor, the CPR who are in the railway business, couldn't make a go of it and persuaded the government of that time to take control of the business even though the CPR were granted all of this property to keep the railway going into perpetuity.

Besides the property that was inherited for the corridor, by the ICF, we wonder how much property the ICF actually owns? Think of what a municipality could do with this property, i.e. roads, trails etc.

One of our main concerns is safety. How many accidents have there been over a period of time in comparison to bus traffic from Victoria to Courtenay? How many passengers have there been over the same period of time for the same route?

Through no fault of the engineers, we can recall two fatalities occurring, one near Buckley Bay and another in Nanaimo. These were approximately in 2009 and 2010. Even though the main job of the engineers is to blow the whistle, unfortunately these accidents still occur.

Future growth along this corridor is inevitable and the safety will become even more of a problem. We are guessing that the ICF has more crossings per mile than anywhere else in the world.

We can recall when the French Creek and Little Qualicum trestles were declared unsafe and were out of service for a period of time. A bus was used during that period from Parksville to Courtenay. We do not remember any hardships either from passengers or freight trains during that period. Think of what it would cost to replace any of the many trestles on the ICF line? The Kinsol trestle cost a bundle and they had volunteer labour. The ICF is asking for \$3.2 million which would be peanuts if they find problems with any of the trestles.

How much of the \$15 million provided by both the Provincial and Federal Governments to replace railway ties has been used? How many miles of railway ties would \$15 million pay for? The money that has been gobbled up over the years for the E & N railway would be put to better use by upgrading our highway system.

Most of the freight on Vancouver Island has been moved either by road or water, i.e. log booms, and/or barges, logging trucks etc.

In summation we think it would be a waste of tax payer money to keep this corridor open either for freight or passengers. Even after spending several hundreds of millions of tax payers' money on replacing ties and repairing/replacing trestles, we would still require grant money to keep operating.

Jim and Eileen Henderson

-----Original Message-----

From: Kathy Robinson [<mailto:robinsonacres@gmail.com>]

Sent: Sunday, October 14, 2012 1:57 PM

To: Nohr, Tamie

Subject: Proposed rail line funding.

Dear Sirs,

I am not sure which department I should be writing to, but assume you will pass on my concerns to whomever is responsible.

I have heard (Yet again) about the proposed infrastructure funding for E.N. rail. I understand that the federal and provincial governments have already committed to giving \$15 million of our tax dollars to fund this ridiculous plan, and now I hear that our property tax dollars are also being requested.

I have no idea how this plan ever got off the ground, since it is quite obvious that it is, always has, and always will be a waste of time, effort and money. It has never run at a profit, since if it had, there would have been funds available to keep the lines and trestles in good condition. Even if the trains start running again, it is only a matter of a very short span of time before more money is requested. Even with the morning start in Nanaimo, people are not going to commute to Victoria on the train, since it will take considerably longer to get there than driving, and riders would still need public transport to get to and from the station. Also, a one-time-a-day train would only meet the needs of a very few people. Likewise, freight cannot reasonably be transported by rail because of our sparsely populated island, and the need for goods to be ferried here in the first place. Once transported by rail these goods would have to be transferred to truck to finish their journey - again, not very user-friendly!

The whole idea of the rail system being a viable proposition is a long gone dream, and to suggest that a huge diesel engine pulling a few tourists in summer, is "Green" is one of the most ill thought out parts of the plan. I happen to live near the line, and when the train used to run by here there were usually about the same number of passengers as could have been transported in a 7-seater van!

Lets, PLEASE, consider the big picture hear and let common sense prevail. The rail line supporters are mostly a group of boyhood train enthusiasts, who never moved on. Please do not make the rest of have to pay more in taxes, federally, provincially, and now also through our property taxes to support their ill thought-out plans.

Yours sincerely,

Kathy Robinson,

1020 Coldwater Rd., Parksville, B.C. V9P 2T2 (250) 240 7702

**From:** Maureen Sager [mailto:mosagr@shaw.ca]  
**Sent:** Monday, October 15, 2012 1:05 PM  
**To:** Corp Srv  
**Subject:** restoring Island Rail service

**Regional District of Nanaimo**  
**c/o Chair Joe Stanthorpe**  
**6300 Hammond Bay Road**  
**Nanaimo, BC V9T 6N2**

Dear Mr. Stanthorpe;

The governments of Nanaimo, Comox, Cowichan, Alberni and the Capitol Region are considering the possibility of restoring the Island Rail service. Given emerging concerns around energy costs, the transportation of people, services and goods rail is without doubt the most efficient means of meeting these needs. Because of years of neglect major upgrades will have to be made. Further, rail schedules will need to be re-examined according to population trends and growing traffic needs. Example: people requiring specialized cancer treatment need transportation from Nanaimo to Victoria early in the morning, receive treatment and return to Nanaimo in the evening - in effect more practical schedules. Obviously the one that existed before was designed to discourage rail traffic. It did just that.

I ask that the **Regional District of Nanaimo** think long term, be visionary and support a new and expanded island rail service. Support the 3.2 million dollar funding request of the **Island Corridor Foundation**. I see it as excellent use of my tax dollars.

Could I ask for e-mail notification of when this item will come up for consideration and discussion on the Regional District's agenda. Thank you.

Sincerely,

Maureen Sager

306 - 5660 Edgewater Lane  
Nanaimo BC V9T 6K1

**From:** Lois Koel [mailto:hirisers@hotmail.com]  
**Sent:** Tuesday, October 16, 2012 9:25 AM  
**To:** Nohr, Tamie  
**Subject:** E&N for joe stanhope

great stuff joe i have been supporting upgrade for years and enclose a copy of the latest e mail i sent to nan newspaper. we CANT underestimate the value of this service as a very viable form of transport for residents as well as a fantastic tourist attraction especially when coupled with vict clipper from seattle, train to port, frances barclay to bamfield and ucluelet. and tofino bus back to victoria.(or repeat ship to train to vict).overnight stays would also be an attractive addition to itinerary either in port or on the west coast. all it takes is 2 dayliners. track and trestles to port must be good as there is a two engine, three car train of pulp liquor going to port every 10 days or so. suggest you might call the mayors of port alberni, tofino and ucluelet for a little financial support. another thing worth considering is a provision for rdn and other contributors to benefit from profit sharing once the operation is the financial success which it is bound to be . good work eric evans 250 248 3148.

**From:** Lois Koel [mailto:hirisers@hotmail.com]  
**Sent:** Tuesday, October 16, 2012 9:32 AM  
**To:** Nohr, Tamie  
**Subject:** Fw: e and n for joe stanhope

hi joe cant find the other e mail i wanted to send anyway this is the gist of my nagging

**On 9/24/12 9:46 AM, "Lois Koel" <[hirisers@hotmail.com](mailto:hirisers@hotmail.com)> wrote:**

hi have seen chev suburbans with auxiliary rail wheels driving on the e and n tracks and wondered if they are getting ready to start work on the nanaimo north upgrade. have not seen any activity up parksville way except repair on a level crossing on hiway 19a. i have a feeling things are being sidelined quietly and i think we need to keep this very important project in the limelight. an update article would help keep their feet to the fire. cheers eric evans

**O'Halloran, Matt**

---

**Subject:** FW: letter to the board

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**From:** Sheri Hall [<mailto:shandbh@telus.net>]  
**Sent:** Tuesday, October 16, 2012 5:23 PM  
**To:** Nohr, Tamie  
**Cc:** [islandrail@shaw.ca](mailto:islandrail@shaw.ca)  
**Subject:** letter to the board

*'I am in favour of using my tax dollars to support the \$3.2 million funding request by the Island Corridor Foundation'.*

*I feel that in future this railroad and the adjoining land that it controls will be a great asset to the people who live on the Island. As they appear to have the majority of funding in place I feel that the persons from these areas that will benefit should provide the remainder of the the money needed to finish the return of the active railroad.*

**Barry Hall**



## O'Halloran, Matt

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**Subject:** FW: rail infrastructure

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**From:** TL Hanika [<mailto:hanicat@shaw.ca>]

**Sent:** Tuesday, October 16, 2012 7:36 PM

**To:** Nohr, Tamie

**Cc:** [islandrail@shaw.ca](mailto:islandrail@shaw.ca)

**Subject:** rail infrastructure

Mr. Chairman, I am in favor of my tax money going to support the rail infrastructure of the Island Corridor rail line. I am a business owner in Nanaimo, and a graduate student at the University of Victoria. I have spent the past three years commuting to classes and meetings in Victoria by car. For me, a passenger rail service to Victoria would have meant I could have spent time studying or working on papers, or making business calls while travelling, instead of driving in the snow and rain to get home after 8 pm and then starting to study. I seriously considered relocating my business to Victoria, to avoid the lengthy commute. I was continually surprised at the number of familiar commuters I would see on the road each day, and was continually frustrated at the traffic volume caused by daily island commuters. I firmly believe a passenger rail would serve to significantly reduce these numbers.

My family has a long history with the rail line, as my great grandfather was a brakeman on the first E&N trains to run up and down the Island. My ancestors came Victoria to help settle Nanaimo. This is a heritage I am proud of.

Thank you for your anticipated support of this worthy cause.

Sincerely,

Leslie Hanika  
Owner/Operator Speak Easy Communication & Education  
5318 Catalina Dr.  
Nanaimo, BC V9V 1H1

**O'Halloran, Matt**

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**Subject:** FW: Request for Island Railroad Support

**From:** Hans van Kessel [<mailto:hvkgab@gmail.com>]

**Sent:** Tuesday, October 16, 2012 1:25 PM

**To:** Corp Srv

**Cc:** [islandrail@shaw.ca](mailto:islandrail@shaw.ca)

**Subject:** Request for Island Railroad Support

Dear Mr. Stanhope,

I am very much in favour of reviving rail service between Victoria and Courtenay. We travel often to Victoria and occasionally to Courtenay and would love to take the train instead of driving. Trains can move people efficiently and safely while also reducing greenhouse gases.

As you know, the Island Corridor Foundation has secured significant funding from the federal and provincial governments to start the restoration. As a taxpayer I am completely in favour of using my tax dollars to support the \$3.2 million funding request by the Island Corridor Foundation. Please support this request.

Thank you.

Hans van Kessel  
1217 The Strand Rd  
Gabriola BC V0R 1X3  
250-247-0062

*Make a small loan, make a big difference - <http://www.kiva.org>*

**O'Halloran, Matt**

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**Subject:** FW: RDN should support Island rail

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**From:** greimer [<mailto:ggreimer@shaw.ca>]

**Sent:** Tuesday, October 16, 2012 1:24 PM

**To:** Nohr, Tamie

**Subject:** RDN should support Island rail

I am absolutely in favour of the RDN supporting the 3.2 million funding request for the ICF to put into Island rail bridges.

I feel the minimal investment from us as taxpayers will pay back exponentially as generations to come will have a railway to use + enjoy. If we don't support this now, we all lose!

Regards,  
Giselle Reimer

## O'Halloran, Matt

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**Subject:** FW: funding for the Island Railway

-----Original Message-----

From: [contact@gonanaimo.com](mailto:contact@gonanaimo.com) [mailto:[contact@gonanaimo.com](mailto:contact@gonanaimo.com)]

Sent: Tuesday, October 16, 2012 4:19 PM

To: Nohr, Tamie

Subject: funding for the Island Railway

Sir/Madam,

I just wanted to say that I strongly support our regional governments providing funding to repair the bridges along the island railway.

This important part of our history should not be allowed to die.

Also, if the project fails the \$15 million already pledged to Vancouver Island by the federal and provincial governments will be lost.

In future years we'll need this important transportation corridor.

I hope you'll be able to help fund the project.

Yours truly,

David Stanley  
803-225 Rosehill Street,  
Nanaimo, BC V9S1E1

**From:** canus [<mailto:canus@islandnet.com>]  
**Sent:** Tuesday, October 16, 2012 12:00 PM  
**To:** Corp Srv  
**Subject:** Support Island Rail

***'I am in favour of using my tax dollars to support the \$3.2 million funding request by the Island Corridor Foundation'.***

***Toni Blodgett***

[canus@islandnet.com](mailto:canus@islandnet.com)

Toni Blodgett  
555 View Royal Av.  
Victoria, B.C. V9B 1B9  
250-479-8861  
[www.canusjazz.com](http://www.canusjazz.com)

## O'Halloran, Matt

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**Subject:** FW: Island rail

**From:** Aaike Biglow [<mailto:aaikeb@gmail.com>]

**Sent:** Wednesday, October 17, 2012 7:02 AM

**To:** Nohr, Tamie

**Cc:** [islandrail@shaw.ca](mailto:islandrail@shaw.ca)

**Subject:** Island rail

Dear Joe Stanhope,

I fully support the funding of the Island Rail line as I live in Parksville and have often thought it such a waste of our resources to NOT use the railway system. We recently moved here from Kamloops and were thrilled to learn of the rail system that used to exist and was "to be repaired". Our family tries very hard to use public transportation systems or bicycles as much as possible in life. This has rubbed off on our children too. They use buses, sky trains, bicycles and very rarely, cars to get around for their daily errands. The island has a large population of seniors who can easily access this system as opposed to driving hours in each direction. Europe is so much further ahead than we are in this regard. My family is Dutch and trains, buses, and bicycles are the norm there. Our younger generation is already thinking about public transportation as a "good" thing. It would be prudent to encourage this for the long run.

I also work periodically in the Train Station Pottery shop in Parksville and constantly have customers come in and ask when the train will start up again as they used to use it or are interested in using it. This gets asked every time I'm there!! I must say it surprised me but it's a great thing to hear.

Please consider the progressive approach of funding public transportation for the future...there are many future customers even in this small city.

Thank you for your consideration.

Aaike Biglow

**O'Halloran, Matt**

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**Subject:** FW: CP Rail should help at least.

**From:** Al Nichol [<mailto:al30924@gmail.com>]

**Sent:** Wednesday, October 17, 2012 11:24 AM

**To:** [mailbox@acrd.bc.ca](mailto:mailbox@acrd.bc.ca); [ssantarossa@crd.bc.ca](mailto:ssantarossa@crd.bc.ca); [administration@comoxvalleyrd.ca](mailto:administration@comoxvalleyrd.ca); Nohr, Tamie; [cvrd@cvrd.bc.ca](mailto:cvrld@cvrd.bc.ca)

**Subject:** CP Rail should help at least.

Hi everyone- CP Rail still has the land grants on Vancouver Island I believe, which includes mineral rights against mine and many on Vancouver Island's land titles.

HOW COULD THEY LEAVE US WITH A RAILWAY IN SUCH POOR CONDITION WHEN THEY STILL HAVE THE ABOVE ASSETS??

Also they have the equipment to replace ties, while there is no way we could buy automated equipment and also the ties. Therefore all the work we do is done by hand.

I believe that the CPR should be contacted and told in no uncertain terms that they should bring the railroad up to the highest operating standards or relinquish the above assets.

We need the trains running again as public transportation is being jeopardized because Greyhound is curtailing its service and many seniors are losing their drivers licenses.

May I thank Graham Bruce for the work he has done to get the r.r. back in service and Joe Stanhope for publicly supporting the Vancouver Island Railway.

Al Nichol, Qualicum Beach.

**O'Halloran, Matt**

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**Subject:** FW: Rail on Vancouver Island

**From:** Roger Simms [<mailto:rogermsimms@gmail.com>]

**Sent:** Wednesday, October 17, 2012 5:11 PM

**To:** Nohr, Tamie

**Subject:** Rail on Vancouver Island

Dear Sirs,

I believe in the future for rail on Vancouver Island.

It appears the ICF needs your support to back the \$5.2 million for bridge/trestle upgrades.

You have my full support to give the new rail plan a chance to prove itself, also please encourage the other Island municipal/Regional partners to add their support.

Yours sincerely,

Roger Simms  
864 Drew Road  
Parksville BC  
V9P 1X2



**O'Halloran, Matt**

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**Subject:** FW: E&N Railway

-----Original Message-----

From: Al Kutaj [<mailto:akutaj@me.com>]

Sent: Wednesday, October 17, 2012 6:18 PM

To: Nohr, Tamie

Subject: E&N Railway

I'm absolutely in favour of the RDN supporting the 3.2 million funding request for the ICF to put into Island rail bridges. It's time that we look at are future and are children's future and not just to the next election. We all seem to talk about the environment but yet no one wants to take a step forward to do anything about it, and we finally have an opportunity to be a part of solution.

Let's not get to the point of what Vancouver got to when they decided to put back the railroads for transit and it cost them millions if not billions of dollars to do this.

It is such a small investment towards her future please help save our E&N.

Regards

Alan Kutaj

**O'Halloran, Matt**

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**Subject:** FW: Island Corridor foundation

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**From:** Joe Skipsey [<mailto:Joe.Skipsey@telus.net>]

**Sent:** Wednesday, October 17, 2012 10:23 PM

**To:** Nohr, Tamie; George Holme

**Cc:** [islandrail@shaw.ca](mailto:islandrail@shaw.ca)

**Subject:** Island Corridor foundation

**Chair Joe Stanhope Regional District of Nanaimo**

**I am writing in support of the Island Corridor funding request for regional support on the trestle repairs that are required to get rail freight and passenger service moving effectively again on the island.**

**Sincerely Joe Skipsey**

**O'Halloran, Matt**

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**Subject:** FW: Island Corridor Foundation

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**From:** Barbara Hourston [<mailto:hourston.br@shaw.ca>]

**Sent:** Wednesday, October 17, 2012 10:49 PM

**To:** Nohr, Tamie

**Cc:** [islandrail@shaw.ca](mailto:islandrail@shaw.ca)

**Subject:** Island Corridor Foundation

I would like to express my support for the Island Corridor Foundations's request to Regional Districts for funding of \$2.3 million. This money will go to bridges and infrastructure repairs.

I see that, in spite of lack of rehab work, the rail line is being used more and more for freight transport. With improved rail, freight use would take some load from the Island Highway. It could also be an excellent addition to the tourism potential of Vancouver Island with an infusion of repair dollars. Such tourism potential is possible with a Cowichan wine tour, a Chemainus Theatre trip and cycle touring for single track cyclists in many areas of the island.

I urge you to support this venture.

Barbara Hourston  
2731 Neyland Road  
Nanaimo

**O'Halloran, Matt**

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**Subject:** FW: E&N

-----Original Message-----

From: Jay [<mailto:jackrterror@hotmail.com>]

Sent: Thursday, October 18, 2012 7:36 AM

To: Nohr, Tamie

Subject: E&N

I want to show my support for my tax money going to help bring back the E&N rail line. My tax money pays for many services I do not use or support. So I think it's time to support something I believe in and will use and enjoy for many years to come.

Thank you.

Jason Grant

651 7th st

Nanaimo

**O'Halloran, Matt**

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**Subject:**

FW:

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**From:** Steve Hadden [<mailto:hadden20@hotmail.com>]

**Sent:** Thursday, October 18, 2012 8:42 PM

**To:** Nohr, Tamie

**Subject:**

I feel very strongly that it would be a terrible loss if our railroad went down . I am strongly in favour of our regional district supporting the i.c.f. in its pursuit of 3.2 million towards the bridge upgrades. this money will come back 10 fold with all the traffic cars and trucks itll take off the road. AS well as the tourist possibilities.

yours

truely Steve Hadden

**O'Halloran, Matt**

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**Subject:** FW: RDN should support Island Rail

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**From:** The Times [<mailto:itime@shaw.ca>]  
**Sent:** Thursday, October 18, 2012 10:41 AM  
**To:** Nohr, Tamie  
**Cc:** [islandrail@shaw.ca](mailto:islandrail@shaw.ca)  
**Subject:** RDN should support Island Rail

To Chair Joe Stanhope

I fully support the RDN in spending my tax dollars for Island Rail bridge upgrades!!

I would bet that most taxpayers have no clue of the exorbitant taxes they pay to subsidize the truckers who cause the majority of the damage to our highways.

We desperately require an alternate mode of transportation from the vehicle travel we now experience with speed demons all over the highway having no regard for weather conditions &/or speed limits in any kind of weather.

Cheers

Orv Time

**O'Halloran, Matt**

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**Subject:** FW: We need passenger rail back

**From:** Kevin Epele [<mailto:keppele@gmail.com>]

**Sent:** Thursday, October 18, 2012 3:18 PM

**To:** Nohr, Tamie

**Subject:** We need passenger rail back

I want my taxes to go to the rail project. We need a passenger rail service back on this island. People need an alternative way to get up and down the island. A trip to Victoria for the day just makes sense to go by rail. Improved rail also helps with the ever increasing amount of freight being hauled up and down our highways.

Support the Island Rail.

Thank you.

Kevin Epele

**O'Halloran, Matt**

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**Subject:** FW: Rail corridor

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**From:** Norman Hall [<mailto:comdata@telus.net>]

**Sent:** Thursday, October 18, 2012 3:42 PM

**To:** Nohr, Tamie

**Subject:** Rail corridor

Hello

Just a quick note to say that I support bringing the rail service back to the Island Corridor. It is sorely missed by myself and wife. I do believe that the morning service should start in Qualicum Beach, and continue to Victoria. This would give the seniors in the community as well as younger people the opportunity to travel to Victoria and return on the same day. We have hoped to have service like the foregoing ever since we arrived on the Island 15 years ago.

I really believe that the response to the train alternative, would be exceeding most peoples expectations.

The resulting cost to the taxpayer, if the service was resumed, would be fairly reasonable, as quoted at \$2 for the upgrading of the trestles.

Norman Hall  
Dashwood



## O'Halloran, Matt

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**Subject:** FW: Please support the ICF with financial assistance to upgrade the rail bridges on Vancouver Island

-----Original Message-----

From: Mark Hughes [<mailto:moopa@shaw.ca>]

Sent: Thursday, October 18, 2012 11:00 AM

To: Nohr, Tamie

Cc: [islandrail@shaw.ca](mailto:islandrail@shaw.ca)

Subject: Please support the ICF with financial assistance to upgrade the rail bridges on Vancouver Island

I am in favour of the RDN supporting the 3.2 million funding request for the ICF to put into Island rail bridges, using my tax dollars to do so.

It's time the railways receive some financial assistance as the trucks/highways are unfairly subsidized and the railways should not be discriminated against.

Thank you,  
Mark Hughes,  
Nanaimo, BC

**O'Halloran, Matt**

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**Subject:** FW: RDN should support Island Rail

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**From:** Maureen Time [[mailto:nomo\\_time@hotmail.com](mailto:nomo_time@hotmail.com)]

**Sent:** Thursday, October 18, 2012 10:16 AM

**To:** Nohr, Tamie

**Subject:** RDN should support Island Rail

To Chair Joe Stanhope

I am totally in support of the RDN spending my tax dollars for Island Rail Bridge Upgrades. This is a mere pittance of tax-payer investment that will greatly benefit this Island for generations to come. For this reason it is imperative that the RDN get on board.

The average tax payer seems to forget that they are/have been paying a much greater amount in taxes yearly to subsidize the damage that trucks do to our highways.

Regards  
MO Time

## O'Halloran, Matt

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**Subject:** FW: Save the E&N Railway

-----Original Message-----

From: Bill Irvine [<mailto:wji@shaw.ca>]  
Sent: Friday, October 19, 2012 9:42 AM  
To: E&N Railway Supporter  
Subject: Save the E&N Railway

Dear E&N Railway Supporter:

When Sir John A. drove the last spike at Cliffside in 1886 my ancestors had lived in Victoria for 35-years after arriving here from Orkney aboard the good ship Tory. Our family's historical roots on Vancouver Island give us a unique, personal appreciation of the valuable role the Esquimalt & Nanaimo Railway (E&N) has played in our community as British Columbia continues to prosper into the 21st century.

My wife & I have enjoyed riding the E&N up island and back for the past several years, especially, as the fall leaves turn from green-to-gold. What a spectacular scene the train-ride provides as it travels through the wilds between Victoria and Courtenay! We reflect kindly upon remembering the Budd cars' wheels skidding on autumn leaves laying atop the rails as we passed over them and the engineer's encouraging reminder we would NOT have to get out and push!

These are some of the reasons we are in favour of using tax dollars to support the \$3.2 million funding request by the Island Corridor Foundation in 2012. Keep the line open and the trains running! Please.

Yours aye,

Bill & Bernice Irvine  
Publisher of:

Irvines in Victoria BC -- since 1851 ISBN 0-9695935-1-1 Poetry of Hazel Winnifred Gray ISBN 0-9695935-0-3

**O'Halloran, Matt**

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**Subject:** FW: Taxes for E+N Railway

**From:** Nick Acciavatti [<mailto:enr3004@gmail.com>]

**Sent:** Friday, October 19, 2012 9:33 AM

**To:** Nohr, Tamie

**Subject:** Taxes for E+N Railway

To Whom it may concern;

I'm absolutely in favour of the RDN supporting the 3.2 million funding request for the ICF to put into Island rail bridges. It's time that we look at are future and are children's future and not just to the next election. We all seem to talk about the environment but yet no one wants to take a step forward to do anything about it, and we finally have an opportunity to be a part of solution.

Let's not get to the point of what Vancouver got to when they decided to put back the railroads for transit and it cost them millions if not billions of dollars to do this.

We need to do more to be able to offer an alternate in transportation from here to Victoria, I was stuck in the line up after that tragic MVA on the Hat, and if the train was running I would have taken it to Vic for a few days while on business. There is many opportunities here on the island to move goods and people by rail, its about time we stopped talking about it and did it! Lets make it happen!

It is such a small investment towards her future please help save our E&N.

Thank you,

Nick Acciavatti

**O'Halloran, Matt**

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**Subject:** FW: Island rail funding

**From:** [gbrewski95@gmail.com](mailto:gbrewski95@gmail.com) [<mailto:gbrewski95@gmail.com>] **On Behalf Of** Geoff Bielewski

**Sent:** Friday, October 19, 2012 8:30 AM

**To:** [administration@comoxvalleyrd.ca](mailto:administration@comoxvalleyrd.ca); [mailbox@acrd.bc.ca](mailto:mailbox@acrd.bc.ca); [ssantarossa@crd.bc.ca](mailto:ssantarossa@crd.bc.ca); [cvrd@cvrd.bc.ca](mailto:cvrld@cvrd.bc.ca); [islandrail@shaw.ca](mailto:islandrail@shaw.ca); Nohr, Tamie

**Subject:** Island rail funding

Hello Island Reps.

Time to start planning for the future of the Island , this railway is a vital piece of the Island transportation network . I fully support the funding option as a taxpayer , A few dollars to secure the E&N is money well spent!

I'm looking forward to the day that we can take a train into Victoria from up-Island instead of risking the notorious Malahat Drive.

Yours Truly

Geoff Bielewski

Nanaimo

**O'Halloran, Matt**

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**Subject:** Bridge Repair financeing

**From:** The Rummings [<mailto:tedietr63coombs@shaw.ca>]

**Sent:** Friday, October 19, 2012 4:41 PM

**To:** Nohr, Tamie

**Cc:** [islandrail@shaw.ca](mailto:islandrail@shaw.ca)

**Subject:** Bridge Repair financeing

I Think it is imperative to get this project up and running. It surprises me that people do not question money spent on roads and yet they get all upset at this. I Myself would be willing to contribute fifty dollars a year if it included the Alberni line! Edward Rummyng Coombs B.C.

**O'Halloran, Matt**

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**Subject:** FW: Island Corridor Foundation funding

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**From:** Bob and Kath Saunders [<mailto:kbsaunders@shaw.ca>]

**Sent:** Friday, October 19, 2012 4:16 PM

**To:** Nohr, Tamie

**Cc:** Island Corridor Foundation

**Subject:** Island Corridor Foundation funding

Dear Mr. Stanhope

I am writing to let you know that I do not wish to lose the rail corridor on Vancouver Island because if we let it go we will never be able to get it back. I believe that rail will become a very useful mode of commuting and sending freight in the future. Therefore, I am in favour of using my tax dollars to support the \$3.2 million funding request by the Island Corridor Foundation.

Kathleen Saunders

## O'Halloran, Matt

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**Subject:** FW: ICF Tax `Issue

-----Original Message-----

From: Dennis Dalla-Vicenza [<mailto:trainz@shaw.ca>]

Sent: Friday, October 19, 2012 2:14 PM

To: [ssantarossa@crd.bc.ca](mailto:ssantarossa@crd.bc.ca); [administration@comoxvalleyrd.ca](mailto:administration@comoxvalleyrd.ca); [cvrd@cvrd.bc.ca](mailto:cvrld@cvrd.bc.ca); Nohr, Tamie; [stanhope@rdn.bc.ca](mailto:stanhope@rdn.bc.ca); [mayor@qualicumbeach.com](mailto:mayor@qualicumbeach.com); [nanaimo@jameslunneymc.ca](mailto:nanaimo@jameslunneymc.ca); [islandrail@shaw.ca](mailto:islandrail@shaw.ca); [mailbox@acrd.bc.ca](mailto:mailbox@acrd.bc.ca)

Cc: [nanaimo@jameslunneymc.ca](mailto:nanaimo@jameslunneymc.ca); [islandrail@shaw.ca](mailto:islandrail@shaw.ca); [mailbox@acrd.bc.ca](mailto:mailbox@acrd.bc.ca)

Subject: ICF Tax `Issue

I would most vociferously denounce this request for taxation increases to fund the railroad and would respectfully ask that you do the same. The ICF keeps proving over and over that they are incapable of running the railroad properly and are continuously looking for taxation handouts from all levels of government to fund their excesses and this has to stop.

I was a big supporter of the railroad until they refused to drop the ongoing Tax grab called VIA.

The railroad could have included the new funding request as part of their federal and provincial request but they didn't; which proves they truly don't know what they are doing. With the possibility of the Raven Mine going ahead this group should have been exploring funding to get the railroad totally operational from fanny bay to Port Alberni but instead they clung to their originally submitted VIA proposal and even that wasn't well thought out.

If we succumb to this new request what avenues will we have to stop their continuing to request tax increases to rebuild the Port Alberni Branch which has been estimated at \$950,000.00 per mile X 39 miles plus the rebuilding of all those large trestles along Cameron Lake which have rumoured costs somewhere around \$50,000,000.

Dennis Dalla-Vicenza  
Port Alberni or thereabouts



**From:** Fraser King [mailto:fraser.king@shaw.ca]  
**Sent:** Wednesday, October 24, 2012 12:02 PM  
**To:** Hill, Jacquie  
**Subject:** Island Railway

Mr. Stanhope,

Re. Island Railway

As a property owner in Nanaimo we support the ICF in its efforts to get the Regional partners to contribute to returning passenger-rail service to Vancouver Island.

A one-time tax of 43 cents per \$100,000 of property assessment for 5 years seems a reasonable price to pay to increase the chances of rail services continuing into the future.

It's worth the risk for history alone!

Kim Hogg & Fraser King

**From:** visionary1@shaw.ca [mailto:visionary1@shaw.ca]  
**Sent:** Saturday, October 27, 2012 11:59 AM  
**To:** Hill, Jacquie  
**Subject:** Island Corridor Foundations request for funding.  
**Importance:** High

I am writing on to express my support for the Island Corridor Foundation's request for funding from its five regional districts in order to assist their upgrades to the rail line.

The island corridor is beautiful for only a few dollars per capita from our Regions we could again rely on this important mode of transportation. Lets return railway transportation to the island before it is too late for the sake of our future generations and our environment.

I am strongly in favour of using our tax dollars to support the \$3.2 million funding request by the Island Corridor Foundation.

Sincerely,

Brian Dietrich  
2651 Jasmine Place  
Nanaimo, B.C.

**From:** Norman Abbey [mailto:nabbey@shaw.ca]

**Sent:** Saturday, October 27, 2012 11:08 AM

**To:** Hill, Jacquie

**Cc:** mailbox@acrd.bc.ca; ssantarossa@crd.bc.ca; cvrd@cvrd.bc.ca; administration@comoxvalleyrd.ca

**Subject:** I support Island Railway funding

*Dear Regional District of Nanaimo.*

*Please use my taxes to support the \$3.2 million funding request by the Island Corridor Foundation.*

*Sincerely,*

*Norman Abbey  
135 Victoria Rd.,  
Nanaimo, B.C.  
V9R 4P4*

*Ph: 250-753-7963 Email: <nabbey@shaw.ca>*

**ps:** *Thanks to the Alberni-Clayoquot Regional District for leading on this (funding) issue.*

**From:** Ian Gartshore [mailto:ian.gartshore2@gmail.com]

**Sent:** Saturday, October 27, 2012 9:19 AM

**To:** mailbox@acrd.bc.ca; ssantarossa@crd.bc.ca; administration@comoxvalleyrd.ca; cvrd@cvrd.bc.ca; Hill, Jacquie

**Subject:** Support for our railway

Dear Regional Council members,

October 24, 2012

I am writing on behalf of the non-profit Energy Solutions for Vancouver Island (ESVI) to express our support for the Island Corridor Foundation's request for funding from its five regional districts in order to assist their upgrades to the rail line.

The purpose of ESVI is to promote energy conservation and efficiency on Vancouver Island. We have played a significant role in determining electricity rates through our interventions at the B.C. Utilities Commission, have published monthly energy-related articles in the *Nanaimo News Bulletin* for the last six years, and have sponsored two transportation-related events in Nanaimo (including one focused on the future of the Island railway, December 2007). We are avid supporters of rail transport because of the efficiency of rail and because of the need for alternative ways to transport people and goods on our wonderful island.

Earlier this year when we had a booth at the Green Solutions Tradeshow in Nanaimo the one item that easily got the most positive attention at our booth was about rejuvenating rail travel. It is clear from this and from other contexts that rail transportation is a high priority for our residents. It has been shown to benefit tourism and the island economy. It has the real potential of reducing heavy traffic in congested areas such as the Western Communities and the Malahat. It can reduce the risk of spills and other dangerous goods from our highways, and improve public safety. Many other benefits are possible if we act now to invest in it.

As you know all transportation modalities enjoy public funding every year, especially municipal roads. For only a few dollars per capita from our Regions we could again rely on this important mode of transportation.

We are strongly in favour of using our tax dollars to support the \$3.2 million funding request by the Island Corridor Foundation.

Sincerely,

Ian Gartshore, Chairperson  
On behalf of the Board of ESVI  
353 Seventh St.  
Nanaimo, B.C.  
V9R 1E3

Ian Gartshore  
Nanaimo, B.C.  
250-754-0698

**From:** Spencer Kutaj [mailto:skutaj@shaw.ca]  
**Sent:** Sunday, October 28, 2012 8:44 PM  
**To:** Hill, Jacquie  
**Subject:** E&N Railway

Hi,

I just wanted to voice my opinion and say that I am in favour of the RDN supporting the ICF's funding request of \$3.2 million for rail trestle repairs. As a university aged student who has grown up on Vancouver Island, specifically Nanaimo, I see the importance of the railway on the Island. We currently have a piece of infrastructure available to us that many large urban city centers are working on building/reinstalling. For such a small investment, we can secure the future of both freight and passenger service on Vancouver Island. The railway can be a long term solution to the long term goals in regards to the environment, but only if we decide to now step up and make the choice to do so. So let's invest in this extremely valuable piece of infrastructure before it is too late. It's time to look farther into the future and realize railways are and will continue to be very important (look at the European rail systems). Please do your part to help save OUR railway.

Thank You,  
Spencer Kutaj

**O'Halloran, Matt**

---

**Subject:** FW: Vancouver Island Rail

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**From:** John Rumming [<mailto:johnrumming@shaw.ca>]

**Sent:** Monday, October 29, 2012 9:15 AM

**To:** Nohr, Tamie

**Cc:** [islandrail@shaw.ca](mailto:islandrail@shaw.ca)

**Subject:** Vancouver Island Rail

As a tax payer in the RDN I am in favour of providing funding for the revitalization of all ( Alberni line included ) rail lines on Vancouver Island. 3.2 million dollars is a very small contribution to a system that will help with transportation on the Island now and in the future. Our highways are overcrowded now and will only become more so as time goes by. The rail system will help, in my opinion, to alleviate some of this traffic congestion.

Yours truly,  
John Rumming

**O'Halloran, Matt**

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**Subject:** FW: Island Eail

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**From:** marguerite and john [<mailto:mhjbelle@telus.net>]  
**Sent:** Tuesday, October 30, 2012 5:42 PM  
**To:** Nohr, Tamie  
**Cc:** [islandrail@shaw.ca](mailto:islandrail@shaw.ca)  
**Subject:** Island Eail

Dear Mr. Stanhope and your fellow regional directors,

I am fully supportive of any funds you decide to contribute towards the resurrection and future operation of the Vancouver Island Railroad.

I think that the rail line is a wonderful creation and an essential part of the heritage of this island that should be preserved for the present and future generations. Lose this corridor and it can never be replaced.

I spent my formative years growing up in the UK, in a particularly small area called the East Coast of Fife in Scotland. I traveled every day to high school on part of the the LNER (London North Eastern Railway) that ran between Kirkcaldy and St. Andrews, a distance of approximately 40 miles. This line was typical of so many in the UK. It had taken over a century to plan and construct this wonderful rail line system – tunnels, overhead walkways, bridges, viaducts, stations, communication systems, refueling facilities, so many many many things that had taken so long to establish. The right away through fields, villages, towns -- a beautiful system that today could so easily be converted to a fast efficient and light electric driven railway. However, very sadly, it no longer exists. An economist for the British government, Mr. Beeching, did a study on this line along with quite a few others and recommended that it be discontinued, and this the government did. The right away is grown over where there are fields, and built over where there was a building lot, overhead walkways torn down, tunnels destroyed or abandoned and left as derelict shells. Sad and unfortunate.

Please do not let this happen to our island corridor.

Sincerely,

John Bell

**O'Halloran, Matt**

---

**Subject:** FW: Letter of Support

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**From:** Anita Morrill [<mailto:amorrill@chemainustheatre.ca>]

**Sent:** Tuesday, October 30, 2012 2:38 PM

**To:** [mailbox@acrd.bc.ca](mailto:mailbox@acrd.bc.ca); [ssantarossa@crd.bc.ca](mailto:ssantarossa@crd.bc.ca); [administration@comoxvalleyrd.ca](mailto:administration@comoxvalleyrd.ca); [cvrd@cvrd.bc.ca](mailto:cvrld@cvrd.bc.ca); Nohr, Tamie

**Cc:** [islandrail@shaw.ca](mailto:islandrail@shaw.ca)

**Subject:** Letter of Support



Dear Sirs/Madams:

We have reviewed the Island Corridor Foundation's request for \$3.2M in support from Island municipalities for its \$21M infrastructure program. In particular, the Theatre is in support of the restored passenger service component.

Now in our 20th season, the Chemainus Theatre has grown to one of the largest live theatres in Western Canada. We have done this with support from our Vancouver Island audience, which comes in equal parts from the Capital Region, the Cowichan region, and Nanaimo & north. We look forward to day the when our ticket holders can take the ICF service to the Chemainus Train Station, adjacent to the Theatre, to attend a show and dine with us.

We believe that if the aspirations of the ICF infrastructure program are realized, the commitment from Island taxpayers will be well justified by the benefits of a viable rail service. We offer this letter in support of this initiative.

Yours truly

A handwritten signature in black ink, appearing to read "Pat Moore".

Pat Moore,  
Board Chair

A handwritten signature in black ink, appearing to read "Randal Huber".

Randal Huber  
Managing Director



**O'Halloran, Matt**

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**Subject:** FW: Support for Island rail

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**From:** Noel Lewis-Watts [<mailto:noel.lw@shaw.ca>]

**Sent:** Wednesday, October 31, 2012 12:57 PM

**To:** [Islandrail@shaw.ca](mailto:Islandrail@shaw.ca)

**Cc:** Nohr, Tamie; John Ruttan

**Subject:** Support for Island rail

Board of Directors,  
Vancouver Island Corridor Foundation.

I have just learned that it will cost the individual home owner forty three cents [\$.043] per hundred thousand dollars [\$100,000] worth of property value, every year for five years to support the Island Rail. According to the city of Nanaimo property assessment dept. that would mean that we [my wife and I] would have to pay a little under a dollar fifty [\$1.50] **per year** for five years, or about seven dollars and fifty cents [\$7.50]. It's hard to imagine the elected members of government or this board would ponder over such a paltry sum when it means supporting something that if a few short years will be priceless. We would be glad to pay double this amount. We sincerely believe that if things were handled correctly the train service could make a profit, take thousand of cars off the road and reduce air pollution by thousands of tons. I give you for example the Go Train service in southern Ontario. In the beginning there were few riders but now, on occasion, there is standing room only on their double decker train cars .

Sincerely,

Noel Lewis-Watts,  
2139 Sun Valley Dr.,  
Nanaimo, B.C.  
250-729-9994.

L. Mackenzie Forbes  
647 Eagle Tree Close  
Parksville BC V9P 2N9  
Tel/Fax 250 954 0774  
[dormacforbes@shaw.ca](mailto:dormacforbes@shaw.ca)

November 01, 2012

Joe Stanhope  
Chairman  
Regional District of Nanaimo  
6300 Hammond Bay Road  
Nanaimo BC V9T 6N2

Dear Mr. Stanhope:

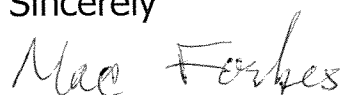
Attached please find the Victoria times Colonist newspaper clipping dated October 21, 2012 and entitled "The future of Island rail service is up to you".

The article states that (1) the regional districts are being asked to contribute \$3.2 million as their share of the cost of rebuilding the Vancouver Island rail infrastructure from Victoria to Courtenay, and (2) that it would cost the ratepayers "about 43 cents [per year] per \$100,000 of [their property's] assessed value . . . for five years".

I would urge the Regional District of Nanaimo to agree to contribute its share of the cost of the proposed rail infrastructure rebuilding project. This should be on the condition that Southern Rail of Vancouver Island would develop a new viable rail service for freight, passenger and enhanced tourism.

I appreciate your hard work on behalf of the citizens of the R.D.N.

Sincerely



L. M. (Mac) Forbes

# COMMENT

“Are cars so safe that they are dangerous?”

## SEND US YOUR LETTERS

■ **Mail:** Letters to the Editor, Times Colonist, Box 300, Victoria, B.C. V8W 2N4

■ **Fax:** 250-380-5353 ■ **Email:** letters@timescolonist.com

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## The future of Island rail service is up to you

A small investment now will save a priceless asset in the future

GRAHAM BRUCE

Should the five regional districts who are part-owners of the Vancouver Island rail corridor contribute to the rail infrastructure renewal project?

That is the question regional directors of Alberni-Clayoquot, Comox Valley, Nanaimo, Cowichan Valley and the capital will be asking themselves over the course of the next several weeks, and that is the question you should be asking yourself as Island residents.

What is at stake is the survival of rail on the Island.

The five regional district members make up half the ownership of the Island Corridor Foundation. The

ICF holds the land and rails on behalf of the five regional districts and 13 First Nations. The ICF has secured \$15 million in federal and provincial funding. The regional districts are being asked to contribute \$3.2 million as their share of the rebuilding plan.

The ICF will fund \$2.2 million and the rail company will contribute \$500,000.

If the project is lost, freight train service will discontinue and it is likely the rails will eventually be removed, ending 126 years of rail operations. Once gone, probably gone forever.

The ICF has developed an incremental rebuilding plan as a result of the exten-

sive ministry of transportation study completed in October 2010.

The ICF has also negotiated a 25-year operational agreement with Southern Rail of Vancouver Island. The rail company, part of the Washington Transportation Group, will be responsible for all rail operations and maintenance plus the development of new viable rail services for freight, passenger, excursion and tourism. The operational agreement estimated value in track fees and maintenance to the ICF is \$70 million over 25 years.

There will be 164 direct and indirect jobs during the 12-month construction project. A First Nations trackman training and employment program has been developed, along with a First Nations conductor/engineer scholarship initiative. It is anticipated the rail company will employ 60 to

30 people as business is increased.

An improved rail link through the new Annacis Island rail barge terminal on the mainland makes for a seamless connection to move goods through Island ports for Asian, North American and Island markets. This will help immensely for the expansion of freight service.

Direct rail connections to the new Nanaimo cruise-ship terminal will aid in developing a stronger mid- and north Island tourism industry. Feature tourist trains and excursion trains have the opportunity to expand from this, as did the successful Alberni Pacific Railway-McLean Mill tourist attraction.

But this \$20-million Phase I infrastructure investment is primarily focused on the reinstatement of a new Via Rail train service and improved

schedule between Victoria and Nanaimo. It is through this capital investment and service improvement that will give life to Island rail and the opportunity to maintain an important mode of transportation.

Some will argue against the regional contribution, and if successful in influencing regional politicians they will be able to take credit in ending Island rail. People 25 years from now will shake their heads at the lack of foresight.

However, if regional board directors hear the voices of support for rail, it may encourage them to fund their \$3.2-million share. Based on assessment, it would be about 43 cents per \$100,000 of assessed value. For example, the cost for a property worth \$400,000 would be around \$1.72 per year for five years.

The critics will bet there

is no future for rail — they might be right, and if the rails are torn up they will surely be right. But for the sake of a \$3.2-million investment in a \$360-million transportation asset, it's not a good bet.

Better to invest the money, repair the railroad, put pressure on Via Rail for a new train-service agreement and allow 10 years of aggressive rail development by our rail operator and then decide if there is a long-term future.

No doubt, personal or regional agendas can easily override this pragmatic incremental approach to determine the future of Island rail. It will take Island-wide voices that speak in support of this common-sense renewal plan for Island rail service.

Graham Bruce is the chief operating officer of the Island Corridor Foundation.

**O'Halloran, Matt**

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**Subject:** FW: In Favour of Spending Additional Money to Support Rail on Vancouver Island

-----Original Message-----

From: COLLEEN FRANK [<mailto:colleenfrank@shaw.ca>]

Sent: Thursday, November 01, 2012 10:34 AM

To: Nohr, Tamie

Subject: In Favour of Spending Additional Money to Support Rail on Vancouver Island

Attn: Mr. Joe Stanhope

I am a 5 year resident of Nanaimo who is semi retired and frequent visitor to Victoria. I would definitely use the train to go back and forth.

'I am in favour of using my tax dollars to support the \$3.2 million funding request by the Island Corridor Foundation'.

Thanks.

Colleen Frank

6310 McRobb Ave #420

Nanaimo BC V9V 1W8

250-933-6310

**O'Halloran, Matt**

---

**Subject:** FW: In Favour of Spending Additional Money to Support Rail on Vancouver Island

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**From:** Moe Skoropad [<mailto:moeskoropad@shaw.ca>]

**Sent:** Thursday, November 01, 2012 8:36 AM

**To:** Nohr, Tamie

**Cc:** [Islandrail@shaw.ca](mailto:Islandrail@shaw.ca)

**Subject:** In Favour of Spending Additional Money to Support Rail on Vancouver Island

*Attn: Mr. Joe Stanhope*

*I am a 5 year resident of Nanaimo who is semi retired and frequent visitor to Victoria. I would definitely use the train to go back and forth.*

*'I am in favour of using my tax dollars to support the \$3.2 million funding request by the Island Corridor Foundation'.*

*Thanks.*

*Maurice Skoropad  
6310 McRobb Ave #420  
Nanaimo BC V9V 1W8  
250-933-6310*

## O'Halloran, Matt

---

**Subject:** FW: Island Rail

-----Original Message-----

From: Silvia Luscher [<mailto:schog@shaw.ca>]

Sent: Friday, November 02, 2012 1:00 PM

To: Nohr, Tamie

Subject: Island Rail

'I am in favour of using my tax dollars to support the \$3.2 million funding request by the Island Corridor Foundation'. With the possible coal mine being built in the Buckley Bay area and the hopeful prospect of the company using a freight train I have another thought. We all know that trains are way more fuel efficient than trucks and with less of them on the inland island highway it would make us all a lot safer, so why not build a new bigger, and FUNCTIONAL train yard in Courtenay, its the end of the line and there is unused land by the walmart industrial area.

There is still much to do, but the people of Vancouver Island know that Vancouver Island Rail is a reality as far into the future as we can see, and beyond.

Rather than continuing to spend millions on more and better roads, why not exercise some foresight and divert some of that investment into laying the infrastructure for an alternative?

Rail is not some risky new enterprise. It is an essential service back east, in the Far East and in Europe. It works.

Silvia Luscher, Nanaimo

**O'Halloran, Matt**

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**Subject:** FW: Island Rail

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**From:** Ron Lychak [<mailto:rlychak@telus.net>]  
**Sent:** Friday, November 02, 2012 11:57 AM  
**To:** Nohr, Tamie  
**Cc:** [islandrail@shaw.ca](mailto:islandrail@shaw.ca)  
**Subject:** Island Rail

Please don't spend any of my tax dollars on any rail service for Vancouver Island.

Ron Lychak  
2145 Nictash Place  
Nanaimo BC V9X1R9  
250-741-1914

**O'Halloran, Matt**

---

**Subject:** FW: island rail service

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**From:** Thomas Luscher [<mailto:think3d@shaw.ca>]

**Sent:** Sunday, November 04, 2012 8:36 AM

**To:** Nohr, Tamie

**Subject:** Re: island rail service

I am in favour of using my tax dollars to support the \$3.2 million funding request by the Island Corridor Foundation. With the possible coal mine being built in the Buckley Bay area and the hopeful prospect of the company using a freight train I have another thought. We all know that trains are way more fuel efficient then trucks and with less of them on the inland island highway it would make us all a lot safer, so why not build a new bigger, and FUNCTIONAL train yard in Courtenay, its the end of the line and there is unused land by the walmart industrial area. There is still much to do, but the people of Vancouver Island know that Vancouver Island Rail is a reality as far into the future as we can see, and beyond. Rather than continuing to spend millions on more and better roads, why not exercise some foresight and divert some of that investment into laying the infrastructure for an alternative?

Rail is not some risky new enterprise. It is an essential service back east, in the Far East and in Europe. It works.

Thomas Luscher, Nanaimo



**O'Halloran, Matt**

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**Subject:** FW: Support for Island Rail

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**From:** Bill Mccracken [<mailto:billmccracken@telus.net>]

**Sent:** Tuesday, November 06, 2012 9:53 AM

**To:** Nohr, Tamie

**Subject:** Support for Island Rail

*Dear Mr Stanhope,*

Please use my taxes *to support the \$3.2 million funding request by the Island Corridor Foundation.*

*Sincerely,*

*Bill McCracken*

Sent from my iPhone

**O'Halloran, Matt**

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**Subject:** FW: Island Corridor Foundation

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**From:** carol lundy [mailto:clundy1@telus.net]

**Sent:** Tuesday, November 06, 2012 9:12 AM

**To:** Nohr, Tamie

**Subject:** Island Corridor Foundation

Dear Sir or Madam:

I am not in favour of any taxpayers monies going to support the Island Corridor Foundation. I have written to this Foundation as well as sending e-mails and phone calls and to date I have yet to receive answers to my many questions.

This project in my opinion is not feasible, will not make money or even break even and the tax payer will be paying forever for a project that will benefit a very few, mainly those that work for the Foundation.

Yours truly  
Carol Lundy  
6644 Kestrel Crescent,  
Nanaimo, B.C.  
V9V 1V9  
ph 250-390-4074

**O'Halloran, Matt**

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**Subject:** FW: Island Railway

-----Original Message-----

From: Sandra Franklin [<mailto:sandbfranklin@shaw.ca>]

Sent: Tuesday, November 06, 2012 11:47 AM

To: Nohr, Tamie

Subject: Island Railway

As property owners in Nanaimo we support the ICF in its efforts to get the Regional partners to contribute to returning passenger-rail service to Vancouver Island. We would agree to a one time tax of 43 cents per 100,000 of property assessment for 5 years. Sincerely, R. and S. Franklin

Sent from my iPad

Regional District of Nanaimo  
Chair: Joe Stanhope  
6300 Hammond Bay Road  
Nanaimo, BC  
V9T 6N2

Dear Mr. Stanhope and the RDN,

I am writing in support of our participation in the rejuvenation of rail transport on Vancouver Island.

Why? The railway has been shown to benefit tourism and the wider island economy. It has the real potential of reducing heavy traffic in congested areas such as the Western Communities and the Malahat, and has the potential to be used as the backbone for our regional transit some time in the future. It can reduce the risk of spills and other dangerous goods from our highways, and improve public safety. Many other benefits are possible if we act now to invest in it.

As you know all transportation modalities enjoy public funding every year, especially municipal roads. For only a few dollars per capita from our Regions we could again rely on this important mode of transportation. One day when public transit can offer us easy connections between various modalities we will see a significant reduction in single-vehicle usage, a corresponding drop in GHG and pollution emissions, enjoy better health by getting people out of their cars, and thus enjoy a higher quality of life. The rail corridor is a very important piece to this puzzle. An investment today will have significant benefits in the future.

Thus, I am thus strongly in favour of using our tax dollars to support the \$3.2 million funding request by the Island Corridor Foundation.

Sincerely,

Ian

Ian Gartshore  
Nanaimo, B.C.  
250-754-0698  
[gartshoreian@gmail.com](mailto:gartshoreian@gmail.com)

## O'Halloran, Matt

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**Subject:** FW: Island Corridor best use for rapid transport of passengers.

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**From:** [victorcomops@shaw.ca](mailto:victorcomops@shaw.ca) [<mailto:victorcomops@shaw.ca>]  
**Sent:** Wednesday, November 07, 2012 12:27 PM  
**To:** Nohr, Tamie; [editor@nanaimobulletin.com](mailto:editor@nanaimobulletin.com); [DBellaart@nanaimodailynews.com](mailto:DBellaart@nanaimodailynews.com)  
**Subject:** Island Corridor best use for rapid transport of passengers.

Dear Editor, and other persons interested in the better use of the Island Rail Corridor. Lately I have seen some messages about this corridor. One in particular from Graham Bruce the Chief Operating Officer of this Corridor asking for more funds from regional districts to enable them to go ahead with repairs to the track bridges, and other infrastructure to eventually run Passenger Trains on the system. This will be a very large, and lengthy project to undertake without a great deal of improvement in the time it will take to get trains to run with passengers at any increase in speed of service. My suggestion will take less time, and less expenditure of funds with a much improved system in speed of service safety, and result in a faster service all weather safe monorail. With a monorail concrete beam 22 to 24 feet in the air placed at the side of the existing rail tracks the freight trains will still run. There will be no more level crossing accidents, snow nor rain or fog will not stop monorail trains from running up in relative free air at greater speeds than any of the Budd cars, or most Steam trains on rail tracks. Disney company built the monorail trains for Disneyland, and Epcot Disney World in Florida, also the trains for the Seattle Worlds Fair which are still running after some 50 years. These trains are run by Direct Current motors at 400 Volts DC. Each of the three cars carry 50 passengers the drive motors are direct connected to rubber tired automobile wheels under each car, the trains are lighted, and heated and air-conditioned by the same supply. The current is fed to the motors by a brush pick up system making contact with a copper conductor on the side of the concrete beam. The Beam is supported by concrete columns built up under the beam from the ground about every 30 Feet so they do not take up much of the space of the corridor right-of-way. Now Walt Disney at the time he built the trains was in partnership with a German company in Cologne Germany called ALWEG, I believe that Disney company now owns the rights to the Monorail system. He gave the Seattle system to the city of Seattle for a portion of the ticket price for a certain time then they owned the trains and system. So if the Island Corridor want to know more about building a monorail they will have to contact the Disney company. I think a Monorail system can be built with the \$ 15000000, and the interest it has earned which was given by both the Federal and BC governments. In far less time it would take to repair the existing rail tracks, and revenue earned will help pay for the track repairs, meanwhile the Freight trains can still run on the track as it is now. I just thought that as Graham Bruce wrote in your paper all Vancouver Island Residents have a say in the railways future. Yours Victor A Osborne. PS a monorail train driven by Direct Current motors actually could run to infinite speeds so the drive system has to be held in check by a control system operated by the train driver who also has a dead mans hand system if he got sick or collapsed the train would come to a stop safely. A monorail train system will help solve the Colwood Crawl coming out of Victoria heading north.

**O'Halloran, Matt**

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**Subject:**

FW:

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**From:** Terri Hawkins [<mailto:hawkinsterri@hotmail.com>]

**Sent:** Wednesday, November 07, 2012 9:46 PM

**To:** Nohr, Tamie

**Cc:** [islandrail@shaw.ca](mailto:islandrail@shaw.ca)

**Subject:**

Dear Chair Stanhope,

I write this letter in support rail travel on Vancouver Island.

I am surprised that funding this mode of transportation is even being questioned. This is one of the most ecological and sustainable forms of transportation and I consider it essential to Vancouver Island and the way of life that we are creating here.

We live in an area with a rapidly increasing elderly population, as well as an ever growing group of younger people who frequently utilize the railway to get from one community to another in a fast efficient manner. Tourists love this form of travel, as they can relax and see the sights of our beautiful island without the distraction of speeding cars and trucks. This railway has been an important part of Vancouver Island for so many years, I can't imagine our island without it.

Please add my name to those in favour of using my tax dollars to support the \$3.2 million funding request by the Island Corridor Foundation.

Thank you,

Terri Hawkins  
#106 2111 Meredith Road  
Nanaimo, B.C. V9R 2N2



RDN REPORT	
D/	CAO APPROVAL
EAP	
COW	✓
NOV 05 2012	
RHD	
BOARD	

**MEMORANDUM**

**TO:** Paul Thorkelsson  
Deputy Chief Administrative Officer

**DATE:** November 5, 2012

**FROM:** Joan Harrison  
Director, Corporate Services

**FILE:** 8640-01

**SUBJECT:** Island Corridor Foundation  
Request for Funding

**PURPOSE:**

To present options for responding to the request for funding by the Island Corridor Foundation (ICF) for upgrades to the rail infrastructure.

**BACKGROUND:**

In 2004, the ICF, a partnership of First Nations, five regional districts and 14 municipal governments acquired the Vancouver Island Rail Corridor (see Attachment A). Southern Railway of Vancouver Island (SVI) provides rail services on the corridor through an operating agreement with ICF. In June of 2011, the Province announced \$7.5M in funding to help restore passenger rail service on Vancouver Island. In April of 2012, the federal government announced a matching \$7.5M commitment for this project. The Initial Railway Corridor Upgrades that would be funded through these sources include upgrades to 139.7 miles of rail from Victoria to Courtenay and to the 3.2 mile Wellcox Spur in Nanaimo.

\$500,000 of the provincial commitment has funded a Bridge Inspection and Assessment which concludes an estimated cost of \$2.41M is required to cover maintenance, projected repairs (excluding the bridge ties) and necessary strengthening to support the bridges for passenger service until 2021. The total estimated cost of bridge tie renewals required to support the bridges for passenger service to 2021 is \$2.99M. The combined cost of these two components is \$5.4M and is not included within the \$15M funding to be provided by the federal and provincial governments.

Graham Bruce, Chief Operating Officer for the ICF, appeared before the Board at an In Camera meeting held July 24, 2012 to provide background information on the ICF and possible future rail services on Vancouver Island, including an overview of a repair and funding plan developed by the ICF in consultation with Southern Railway of Vancouver Island (SVI). Mr. Bruce stated that the ICF was seeking funding support in principle from the Regional District of Nanaimo (RDN) and the other member Regional Districts for the repairs identified in the Bridge Inspection and Assessment Report, estimated at \$5.4M.

At that meeting the Board directed Staff to prepare a report on the financial options that the Regional District of Nanaimo could use to assist the Island Corridor Foundation.

Since that time, RDN Staff have been working with Staff from the Capital Regional District, Cowichan Valley Regional District, Comox Valley Regional District and Alberni Clayoquot Regional District to investigate options to provide the requested funding. Mr. Bruce provided additional information to the Staff group and subsequently met with the Chairs and senior Staff from the above noted Regional Districts on this matter. During these meetings, Mr. Bruce stated that the immediate needs of the ICF could be met by a contribution of \$3.2M rather than the \$5.4M figure requested previously. The ICF has determined that the additional funds are not required until year four of the rail upgrades and the ICF is confident that they can successfully undertake the funding of the \$2.2M themselves.

The ICF has proposed that \$1.2M of the funding come from the Capital Regional District (CRD), with the funding of \$2M to be shared amongst the Alberni-Clayoquot, Comox Valley, Cowichan Valley and Nanaimo Regional Districts. This method of apportionment has the CRD paying for the bridge upgrades within the CRD and the remaining costs of upgrades outside of the CRD being shared amongst the other areas. Using this method of apportionment, the RDN would pay approximately \$945K based on assessment. Should the entire \$3.2M be shared amongst all regional districts based on assessments, the CRD would pay \$1.9M and the RDN would pay \$605,325. This alternative apportionment may not align with the overall approach taken by the other Vancouver Island regional districts.

The attached letter from the Co-chairs of ICF, dated October 4, 2012 (Attachment B), formalizes their request for funding. The Co-chairs state in their letter that the “one-time regional contribution of \$3.2 million is now critical to the release of the federal and provincial funding and the future of rail service for Vancouver Island”. ICF Co-chair, Mary Ashley has also stated publicly that “without the regional participation, it is likely we will lose the federal/provincial funding, our rail operator and a functional railroad”.

The following documents provide additional documentation regarding the ICF and their pursuit of funding and planning for upgrades to the rail system (Attachments C – I):

Attachment C – ICF Bylaw No. 1

Attachment D – February 2011 – Request for VIA Service Enhancement on the Vancouver Island Corridor

Attachment E – ICF Financial Statements – December 31, 2011 (Unaudited)

Attachment F – 2012 Budget

Attachment G – ICF Business Plan Summary – 2013 – 2017

Attachment H – ICF Projected Financial Statements – December 31, 2013 – 2017 (unaudited – see notice to reader)

Attachment I – Initial Railway Corridor Upgrade Plan

#### **ALTERNATIVES:**

1. Approve funding through Grants-in-Aid to the ICF in the amount of approximately \$945K, based on \$2M to be shared amongst the RDN, Cowichan Valley Regional District, Comox Valley Regional District and Alberni Clayoquot Regional District based on assessment, to be borrowed from the Municipal Finance Authority (MFA) over a five year term.
2. Approve funding through Grants-in-Aid to the ICF in the amount of approximately \$945K, based on \$2M to be shared amongst the RDN, Cowichan Valley Regional District, Comox Valley Regional District and Alberni Clayoquot Regional District based on assessment, with no borrowing.



3. Approve funding through Grants-in-Aid to the ICF in the amount of approximately \$605,325, based on \$3.2M to be shared amongst all the ICF member regional districts based on assessment, to be borrowed from MFA over a five year term.
4. Approve funding through Grants-in-Aid to the ICF in the amount of approximately \$605,325, based on \$3.2M to be shared amongst all the ICF member regional districts based on assessment, with no borrowing.
5. Deny funding to the ICF.

**FINANCIAL IMPLICATIONS:**

Alternative 1

Borrowing \$945,000 over 5 years at 4% (conservative estimate), the RDN would pay \$212,273 each year (\$37,800 in interest and \$174,473 in principal). This equates to \$0.7036 per \$100,000 in assessed value which is \$2.46 on a \$350,000 home. If approved by the Board, \$212,273 would be added to each year of the 2013 – 2017 Financial Plan. Staff are currently waiting for clarification from the Ministry of Community, Sport and Cultural Development as to the ability to borrow for the purpose of providing a Grant-in-Aid.

Alternative 2

A one-time grant of \$945K with no borrowing would cost \$3.12 per \$100,000 in assessed value which is \$10.92 on a \$350,000 home. Section 815(9) of the *Local Government Act* limits the amount that may be included in a financial plan for Grants-in-Aid to \$0.10 per thousand of net taxable value of land and improvements in the regional district. Including this one-time grant with the other Grants-in-Aid budget, the annual requisition is no greater than \$0.042 per thousand of net taxable value and well within the allowable limit for the RDN. If approved by the Board, this amount would be an addition to the 2013 budget.

Alternative 3

Borrowing \$605,325 over 5 years at 4% (conservative estimate), the RDN would pay \$135,972 each year (\$24,213 in interest and \$111,759 in principal). This equates to \$0.4507 per \$100,000 in assessed value which is \$1.58 on a \$350,000 home. If approved by the Board, \$135,972 would be added to each year of the 2013 – 2017 Financial Plan. As mentioned under Alternative 1, Staff are currently waiting for clarification from the Ministry of Community, Sport and Cultural Development as to the ability to borrow for the purpose of providing a Grant-in-Aid. As noted above, this apportionment may not align with the overall approach taken by the other Vancouver Island regional districts.

Alternative 4

A one-time grant of \$605,325 with no borrowing would cost \$2.01 per \$100,000 in assessed value which is \$7.02 on a \$350,000 home. As with Alternative 2, including this one-time grant with the other Grants-in-Aid budget, the annual requisition is still within the allowable limit for the RDN. If approved by the Board, this amount would be an addition to the 2013 budget. As with Alternative 3, this apportionment may not align with the overall approach taken by the other Vancouver Island regional districts.

Alternative 5

No financial implications.

**STRATEGIC PLAN IMPLICATIONS:**

This project is aligned with the 2013 – 2015 Board Strategic Plan Action Area for Transportation. Rail is identified as a transportation alternative and a method of reducing transportation emissions. In providing this funding to ICF the Board would be supporting positive action towards established strategic plan goals.

**SUMMARY/CONCLUSIONS:**

The ICF has requested \$3.2M in funding from the Capital Regional District, Cowichan Valley Regional District, Comox Valley Regional District and Alberni Clayoquot Regional District and the RDN for rail upgrades. With the ICF's proposed method of sharing between the regional districts, the RDN's share of the funding would be approximately \$945K. Staff have reviewed the various options for responding to this request. As the provision of passenger rail service fits within the Board's Strategic Plan as a method of reducing transportation emissions, Staff support the funding at the level requested by the ICF.

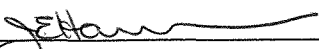
Staff are currently waiting for clarification from the Ministry of Community, Sport and Cultural Development as to the ability to borrow for the purpose of providing a Grant-in-Aid. Should it be determined that the RDN cannot borrow for this purpose, Alternatives 1 and 3 would not be possible.

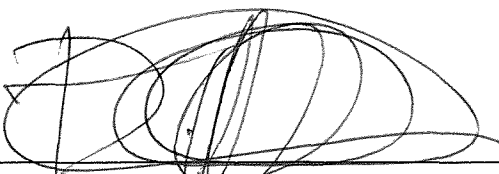
At this time, Staff recommend that the Board approve a Grant-in-Aid to the ICF for approximately \$945K. Following clarification on the ability to borrow these funds, Staff will provide a second report to the Board that will provide a further recommendation on raising these funds, either through a single tax requisition or by borrowing over a five year period. The final funding arrangements will be determined by the Board through the 2013 budgeting process.

**RECOMMENDATION:**

That the Board approve funding through Grants-in-Aid to the Island Corridor Foundation in the amount of approximately \$945K, based on \$2M to be shared amongst the RDN, Cowichan Valley Regional District, Comox Valley Regional District and Alberni Clayoquot Regional District based on assessment;

And that Staff provide a report to the Board requesting further direction with regard to the method for raising the funds (with or without borrowing) once clarification has been received as to the ability to borrow through the Municipal Finance Authority for a Grant-in-Aid, for consideration in the 2013 budget process.

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

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



Industry Canada Industrie Canada

Canada  
Corporations Act

Loi sur les  
corporations canadiennes

C A N A D A

LETTERS PATENT

WHEREAS an application has been filed to incorporate a corporation under the name

Island Corridor Foundation

THEREFORE the Minister of Industry by virtue of the powers vested in him by the *Canada Corporations Act*, constitutes the applicants and such persons as may hereafter become members in the corporation hereby created, a body corporate and politic in accordance with the provisions of the said Act. A copy of the said application is attached hereto and forms part hereof.

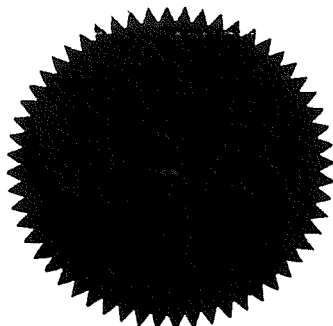
Date of Letters Patent - October 30, 2003

GIVEN under the seal of office of the Minister of Industry.

A handwritten signature in black ink, appearing to read "P. H. Shan".

for the Minister of Industry

File Number: 419938-3



Canada

# Island Corridor Foundation

## APPLICATION FOR INCORPORATION OF A CORPORATION WITHOUT SHARE CAPITAL UNDER PART II OF THE *CANADA* *CORPORATIONS ACT*

To the Minister of Industry:

### I

The undersigned hereby apply to the Minister of Industry for the grant of a charter by letters patent under the provisions of Part II of the *Canada Corporations Act* constituting the undersigned, and such others as may become members of the Corporation thereby created, a body corporate and politic under the name of:

### Island Corridor Foundation

The undersigned have satisfied themselves and are assured that the proposed name under which incorporation is sought is not the same or similar to the name under which any other company, society, association or firm, in existence is carrying on business in Canada or is incorporated under the laws of Canada or any province thereof or so nearly resembles the same name as to be calculated to deceive and that it is not a name which is otherwise on public grounds objectionable.

### II

The applicants are individuals of the full age of eighteen (18) years with power under law to contract. The name, the address and the occupation for each of the applicants are as follows:

Name	Address	Occupation
Ronald William Rice, Jr.	2013 Fernwood Rd., Victoria, B.C. V8T 2Y8	Businessman
Judith Sayers	5433 River Rd., Port Alberni, B.C. V9Y 6Z3	Chief & Negotiator
Walter John Peake	Box 890, 174 Elk Rd., Lake Cowichan, B.C. VOR 2G0	Mayor, Town of Lake Cowichan
Kenneth William McRae	13920 Pacific Rim Highway, Port Alberni, BC. V9Y 7L7	Mayor, Port Alberni
Mary Louise Ashley	2254 Dalton Rd., Campbell River, B.C. V9Y 1H6	Labour Market Analyst
James Robert Thomas	8170 Halalt Rd., Chemainus, B.C. VOR 1K5	Chief Councillor
Terry Sampson	5320 Takala Road, Ladysmith, B.C. V9G 1M5	Chief Councillor

The said Ronald William Rice, Jr., Judith Sayers, Walter John Peake, Kenneth William McRae, Mary Louise Ashley, James Robert Thomas and Terry Sampson will be the first directors of the Corporation.

### III

#### **The objects of the Corporation are to:**

1. to acquire, preserve and develop for purposes of the Corporation and its objects, but for no other purposes, the Island Corridor which lies North-South from Victoria to Courtenay and East-West from Nanaimo to Port Alberni on Vancouver Island, together with ancillary lands, structures and all other property rights attached thereto (the "Island Corridor") and the infrastructure and other assets that constitute the E & N Railroad and are located on the Island Corridor (the "Railroad");
2. to maintain the continuity of the Island Corridor as a contiguous special use connection for all communities, while respecting and supporting First Nations interests and traditional lands and uses;
3. to contribute to safe and environmentally sound passenger and freight rail services along the Railroad;
4. to encourage a flexible infrastructure along the Island Corridor which will encourage a wide range of economic and trade activity for the benefit of all communities lying adjacent to the Island Corridor;
5. to preserve archaeological resources, historic landmarks, structures, artifacts, , and historic routes along the Island Corridor for historical purposes and for ongoing and future use by the community;
6. to create trails, parks, gardens, greenways and other public areas for use of members of the public along the length of the Island Corridor;
7. to conserve the environmental and spiritual features and functions of the Island Corridor in respect of the land, water and natural resources for the general benefit of the public; and
8. to do all such charitable activities which are incidental to and beneficial to the attainment of the purposes stated above.

The above purposes of the Corporation shall be carried out without purpose of gain for its members and any profits or other accretions to the Corporation shall be used for promoting its purposes and all of the above purposes shall be carried on an exclusively charitable basis.

Without limiting the powers the Corporation possesses pursuant to the *Canada Corporations Act*, the Corporation possesses the power to do all such things as are incidental to the attainment of the above objects and, in particular:

1. to use, apply, give, devote, accumulate or distribute from time to time all or part of the fund or funds of the Corporation and/or the income therefrom by such means as may from time to time be determined by the board of directors for the objects of the Corporation;
2. to use, apply, give, devote, accumulate or distribute from time to time all or part of the fund or funds of the Corporation and/or the income therefrom by such means as may from time to time be determined by the board of directors to or for any organization or organizations which in the judgment of the board of directors of the Corporation will promote the objects of the Corporation;
3. to acquire by purchase, contract, donation, lease, legacy, devise, gift, grant, bequest or otherwise, real property or interests therein, and to enter into and carry out agreements, contracts, or undertakings incidental thereto, and to hold and manage the same for the actual use and occupation of the Corporation or for carrying on its objects, and to sell, grant, convey, mortgage, hypothecate, pledge, charge, lease, or otherwise dispose of such real property or interests therein from time to time as occasion may require, and to acquire other real property or interests therein in addition thereto or in place thereof, as may be considered advisable;
4. to acquire by purchase, contract, donation, lease, legacy, devise, gift, grant, bequest or otherwise, any personal property or interests therein, and to enter into and carry out any agreements, contracts or undertakings incidental thereto, and to sell, grant, convey, mortgage, hypothecate, pledge, charge, lease or otherwise dispose of such personal property or interests therein, from time to time as occasion may require, and to acquire other personal property or interests therein in addition thereto or in place thereof, as may be considered advisable;
5. to invest and reinvest the funds of the Corporation in such manner as determined by the board of directors from time to time pursuant to the provisions of the *Trustee Act* RSBC 1996 ch.464;
6. to employ and pay such professionals, assistants, representatives and employees and to incur such reasonable expenses as may be necessary therein;
7. to require payment of all sums of monies and claims to any real or personal property in which the Corporation may have an interest, and to compromise in any such claims, and generally to pursue payment in its corporate name through whatever means are available at law; and
8. to draw, make, endorse, execute and issue cheques and other negotiable instruments.

#### IV

The operations of the Corporation may be carried out throughout Canada and elsewhere.

#### V

The place within Canada where the head office of the Corporation is to be situated is the City of

Nanaimo, in the Province of British Columbia.

## VI

It is specifically provided that in the event of liquidation or winding up of the Corporation, the assets of the Corporation, after payment of all liabilities, shall be distributed to one or more qualified donees as defined in the *Income Tax Act*, having the capacity to administer the assets of the Corporation and for purposes as close as possible to the Corporation, or to the Crown in Right of British Columbia and/or Local Governments and/or First Nations Governments if the transfer can be effected on terms which will, in the reasonable opinion of the Directors, result in the accomplishment of the objects of the Corporation. The recipients shall be chosen by resolution of two-thirds of the Directors of the Corporation and ratified by a vote of two-thirds of the Members at a General Meeting of the Members.

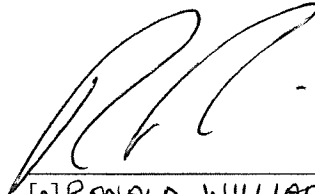
## VII

The by-laws of the Corporation shall be those filed with the application for letters patent until repealed, amended, altered or added to.

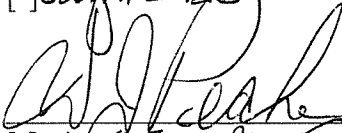
## VIII

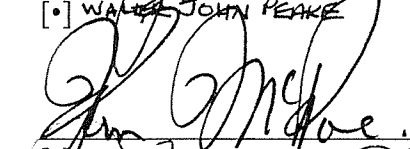
The Corporation is to carry on its operation without pecuniary gain to its members and any profits or other accretions to the Corporation are to be used in promoting its objects.

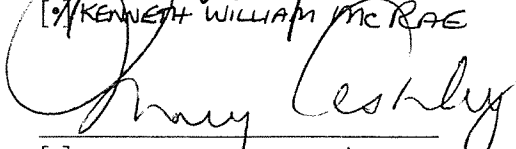
*Oct.* DATED at the City of Nanaimo, Province of British Columbia, the 20 day of 2003.

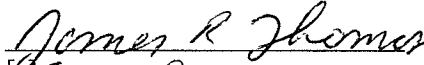
  
[.] RONALD WILLIAM RICE

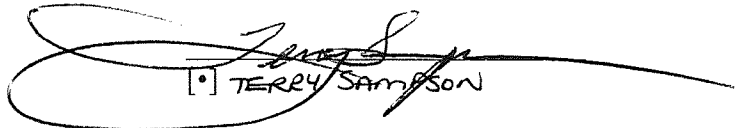
  
[.] JUDITH SAMERS

  
[.] WALTER JOHN PEAKE

  
[.] KENNETH WILLIAM MACRAE

  
[.] MARY LOUISE ASHLEY

  
[.] JAMES ROBERT THOMAS

  
[.] TERRY SAMPSON

[.]

[.]

[.]



ISLAND  
CORRIDOR  
FOUNDATION

islandrail.ca | islandrail@shaw.ca  
office 250 754 7254 | fax 1 888 662 4197  
Box 375 Stn A | Nanaimo, BC | V9R 5L3

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October 4, 2012

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

Dear Board Directors

During this past month of August our Chief Operating Officer, Mr. Graham Bruce, made presentations to our five member regional districts. As a result of the direction given from those meetings, the Island Corridor Foundation has submitted a detailed presentation in support of a funding contribution by the five member regional districts for rail infrastructure improvements.

Meetings have been held with Regional Chairs and CAO's to prepare a report on the mechanism(s) and funding formula for your respective boards' consideration.


The request is for \$3.2 million. An administrative report prepared by regional district staff has proposed how best the amount should be applied.

On your behalf during the past several years, the ICF Board has put together an incremental reinvestment plan that will encourage improved passenger and freight rail service. From that plan federal and provincial funding of \$15 million has been approved.

Your one-time regional contribution of \$3.2 million is now critical to the release of the federal and provincial funding and the future of rail service for Vancouver Island.

On behalf of the ICF Board and the many rail supporters we thank you for your consideration of this very important transportation initiative.

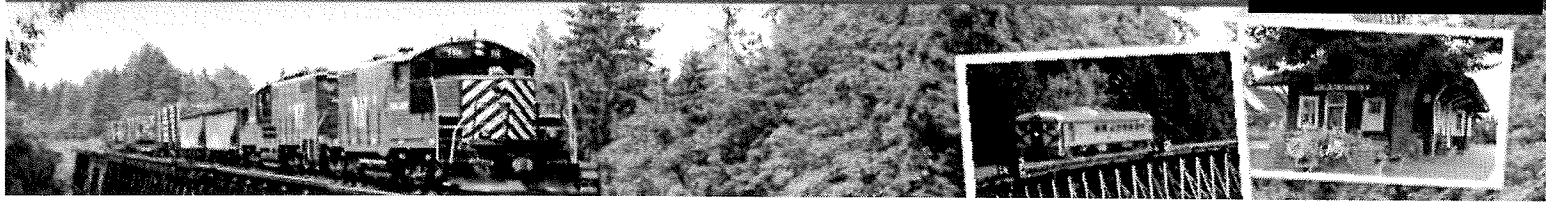
Yours truly,



Dr. Judith Sayers  
Co-chair



Mary Ashley  
Co-chair



**Towards Restoration – your contribution will make rail service a reality.**

The re-establishment of a viable rail service on the Vancouver Island Railway has been a priority for Island communities since 2004 – when Regional Districts, municipalities and First Nations first rallied together to save the railway from closure. Forming the Island Corridor Foundation and acquiring ownership of the railway was the first step in the process. Partnering with a successful rail operator was the second (Southern Railway of British Columbia). The third step, which will make rail service a reality, is the incremental rebuilding of the railway to restore passenger service and expand freight service.

Detailed studies have identified the need for approximately \$20.9 million worth of incremental upgrades to restore service for a minimum of ten years. The ICF has worked tirelessly to build a strong business case and attract investment. These efforts have been tremendously successful - the provincial and federal governments have confirmed a combined total of \$15million in funding.

This has substantially reduced the amount of funding required from member Regional Districts to just 15% of the total project cost, or \$3.2 million. Shared by all five member Regional Districts, the cost to taxpayers (based on assessment) would be approximately \$0.43 per \$100,000 of assessed value. For example, the cost for a property worth \$400,000 would be around \$1.72 per year, for five years.

This investment is critical to the future of rail service on Vancouver Island. Without it, the provincial/federal funding will be lost, and the future of the Vancouver Island railway will be in jeopardy.



**Your Railway, Your Decision  
It's Now Up to You**

**Vancouver Island Railroad Infrastructure Project (Phase 1)**

Funding Sources

Government of Canada	\$7.5 million
Province of BC	\$7.5 million
Southern Railway of Vancouver Island	\$500,000
ICF Loan / Fundraiser	\$2.2 million
<b>Member Community (Regional Districts') Contribution</b>	<b>\$3.2 million (required)</b>
<b>TOTAL PROJECT COST</b>	<b>\$20.9 million</b>

Related benefits:

- ✓ 25-year operating agreement / \$70 million value.
- ✓ First Nation Railway Trackman training and employment program.
- ✓ First Nation Conductor/Engineer scholarship program.

Vancouver Island Railway

A \$366 million historic asset that **belongs to you** – the Island communities located within the following five Regional Districts that participate in shared ownership along with 13 First Nations communities:

- Alberni-Clayoquot
- Capital Region
- Comox-Strathcona
- Cowichan Valley
- Nanaimo

The provincial and federal governments have generously committed \$15million to repair your railway. This transportation corridor travels right through Vancouver Island's most populated areas – bustling regions that are currently lacking an efficient alternative for transporting both people and goods. This is a one-time funding request to rebuild the railway and make sure your community's efforts to acquire it ultimately pay off.

## How Will Island Communities Benefit?

The Island Corridor Foundation entered into a contract for operation of the rail system with Southern Railway of British Columbia (SRY). The ICF and SRY's Island subsidiary (Southern Railway of Vancouver Island, or SVI) have completed a draft 25-year operating agreement, which can be finalized in conjunction with the funding approval for the member communities' portion of the project. This long-term agreement will result in numerous benefits for Island communities, including:

### Job Creation & Spending

- The proposed project will generate almost \$20 million in construction spending, creating an estimated 164 jobs, along with \$7.7 million in wages and salaries;
- In the longer term, an estimated 15 to 30 full-time positions will be saved and/or created within SVI's operations/maintenance department.
- Upon project completion, SVI will inject approximately \$42 million over 10 years into the Island economy for wages, salaries, goods and services.

### Restored Passenger Rail Service

- A new agreement to be negotiated with VIA Rail will provide for restored passenger service between Victoria and Courtenay. Improvements including upgraded rail cars and scheduling changes to provide an additional early morning southbound commuter run from Nanaimo to Victoria, and an additional early evening run returning to Nanaimo from Victoria.

### Expanded Marketplaces for Island-Produced Goods

The delivery of locally-produced goods to market in a timely and cost-effective manner plays a critical role in the Island's economy. The project will set the stage for expanded freight service.

- Seamless transfers through the new SRY-owned Annacis Island Marine Terminal will connect Island industries to four "Class 1" railroads and North American markets.
- Upgraded infrastructure and efficient access to expanded marketplaces will support growth in several key sectors, including forestry, agriculture, animal feed, propane, fuel products and concrete. It will also enable SVI to aggressively attract new freight business – target markets include aggregate, coal, and manufactured forest products.

### Environment

Rail is rapidly being accepted across North America as the green transportation alternative. Trains account for far fewer emissions than other forms of transport and are, on average, three times more fuel-efficient than truck transport. Improved passenger service for residents commuting to the Capital Regional District will remove even more vehicle traffic. This will reduce GHG emissions, alleviate congestion and improve road safety. It will also provide an important transportation alternative linking the central, south and north Island regions.

### First Nations Socio-Economic Benefits

The ICF, in partnership with SVI, has initiated two innovative project-related employment programs, both of which are specifically designed to facilitate permanent, full-time employment opportunities for members of Vancouver Island's First Nations communities. They include a Railway Trackman training & employment program, as well as a conductor/engineer scholarship program.

*"We have not come this far, worked this hard and achieved this much to walk away from the Railway at this critical time. As the owners of this multi-million dollar asset, we must recognize the enormous value of this one-time, \$15million gift from the federal and provincial governments, and take immediate action to ensure this opportunity is not lost."*

Dr. Judith Sayers – Chair, Island Corridor Foundation

**Island Corridor Foundation**  
(the “Corporation”)

**BY-LAW NUMBER 1**

being a by-law relating generally to the conduct of  
the business and affairs of the Corporation.

**SECTION ONE**

**CONDITIONS OF MEMBERSHIP**

- 1.1 **Members:** Membership shall be limited to Local Governments and First Nations Governments.

The Local Governments eligible for membership shall be: the Capital Regional District, the Cowichan Valley Regional District, the Nanaimo Regional District, Comox-Strathcona Regional District, and the Alberni-Clayoquot Regional District (the “Regional Districts”). The First Nations Governments eligible for membership shall be those Nations whose traditional territories are wholly and/or partly within the geographic area of the Island Corridor.

Each Local Government Member and each First Nations Government Member shall appoint a Designated Representative to exercise its rights, including voting rights, at annual and general meetings. The Designated Representatives for meetings of Members need not be the same person nominated by the Member for Director.

- 1.2 **Membership Fees:** There shall be no membership fees or dues unless otherwise directed by the Board of Directors.
- 1.3 **Withdrawal of Membership:** Any Member may withdraw from the Corporation by delivering to the Corporation a written resignation and lodging a copy of the same with the secretary of the Corporation.

**SECTION TWO**

**MEMBERS’ MEETINGS**

- 2.1 **Annual Meeting:** The annual or any other general meeting of the Members shall be held in the city where the head office of the corporation is situated or at any place in Canada and on such date as the Board of Directors may at its discretion determine

At every annual meeting, in addition to any other business that may be transacted, the report of the Directors, the financial statement and the report of the auditors shall be presented and auditors appointed for the ensuing year. The Members may consider and transact any business either special or general at any meeting of the Members.

2.2 **Calling of Meetings:** The Board of Directors shall have power to call, at any time, a general meeting of the Members of the corporation. The Board of Directors shall call a special general meeting of Members on written requisition of Members carrying not less than 25% of the voting rights.

2.3 **Quorum:** Fifty percent (50%) of the Local Government Members entitled to vote and Fifty percent (50%) of the First Nations Government Members entitled to vote shall constitute a quorum at all meetings of the Members. In the event that the quorum for the transaction of business at any meeting of Members is not constituted, the Chair at such meeting may call for an adjournment and announce thereat the time and place to reconvene a new meeting to transact the same matters of business and, for such reconvened meeting, no notice shall be required.

2.4 **Notice of Meetings:** Fourteen (14) days' written notice shall be given to each voting Member of any annual or special general meeting of Members. Notice of any meeting where special business will be transacted shall contain sufficient information to permit the Member to form a reasoned judgement on the decision to be taken.

No error or omission in giving notice of any annual or general meeting or any adjourned meeting, whether annual or general, of the Members of the corporation shall invalidate such meeting or make void any proceedings taken thereat and any Member may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat. For purpose of sending notice to any Member, director or officer for any meeting or otherwise, the address of the Member, director or officer shall be its last address recorded on the books of the corporation

2.5 **Voting Rights:** Each Member present shall be entitled to one weighted vote at meetings of Members. Prior to each meeting the vote of each Member shall be weighted such that the total value of votes of all of the First Nations Government Members, whether or not present, shall be equal to the total value of the votes of all of the Local Government Members, whether or not present. Each First Nations Government Member's vote shall be equal in weight to each other First Nations Member's vote and each Local Government Member's vote shall be equal in weight to each other Local Government Member's vote. The formula to adjust the weight of votes shall be adjusted to accomplish the same result if the number of Members changes.

2.6 **Voting:** A majority of the weighted votes cast by Members present and carrying voting rights shall determine the questions in meetings except where the vote or consent of a greater number of Members is required by the Act or these By-laws.

## SECTION THREE

### BOARD OF DIRECTORS

- 3.1 **Number:** The property and business of the Corporation shall be managed by a Board of Directors, comprised of a minimum of twelve (12) Directors, including an equal number of directors from Local Governments (initially being 5 in number) and from First Nations Governments (initially being 5 in number), and also including at At-Large Directors (initially being 2 in number) nominated by the Directors (based on the recommendations of a Selection Committee chosen by the Directors) to represent interests not otherwise represented by the Board. One of the interests represented by one Director shall be that of aboriginal people generally. The other At Large Director shall be nominated to represent the interests of Local Governments generally.
- 3.2 **Qualifications:** No person shall be qualified for election on the Board of Directors if such person is less than 18 years of age, is of unsound mind and has been so found by a court of Canada or elsewhere, or has the status of a bankrupt.
- 3.3 **Selection of Directors:** The applicants for incorporation shall become the first Board of Directors of the Corporation whose term of office on the Board of Directors shall continue until all of their respective successors are elected at a Members Meeting not later than one year after incorporation. The Board of Directors shall appoint from among its members a Selection Committee. The Selection Committee shall nominate two persons to fill the positions of the two At-Large Directors.

Within one year of incorporation, the Local Government Members shall nominate 5 persons for election to the Board of Directors and the First Nations Government Members shall nominate 5 persons for election to the Board of Directors. Such persons need not be elected public officials. The First Nations Government Members shall nominate by a method of their own choice (provided that the nominees shall represent diverse interests) 5 nominees for election to the Board of Directors.

The Local Government Members shall nominate Directors as follows: if all 5 Regional Districts are members then each Regional District shall nominate a person for election to the Board. If there are less than 5 Regional Districts as members then those persons nominated to be Board members by the Regional Districts shall meet as a selection committee and nominate additional person(s) to be Director so that there shall be 5 Directors representing Local Governments.

After 10 nominees have been selected (and not later than one year after incorporation), the Members through their Designated Representatives, shall meet and shall elect the nominees as successors to the first Board of Directors, including 2 nominees chosen by the Selection Committee to be the Directors representing the At-Large interests.

- 3.4 **Term of Office:** By a method of random selection, 6 Directors shall be elected for terms of 1 year and 6 for terms of 2 years. After the expiry of the first 1-year terms, all terms of Directors will be for 2 years. In the event of a vacancy being filled pursuant to these Bylaws, the new Director will serve the remainder of the term for which the previous Director was elected.

- 3.5 **Remuneration for Directors:** A Director may be paid reasonable expenses incurred by him in the performance of his duties and reasonable honorarium for his services. Nothing herein contained shall be construed to preclude any Director from serving the corporation as an officer or in any other capacity and receiving compensation therefor.
- 3.6 **Retirement:** A retiring Director shall remain in office until the dissolution or adjournment of the meeting at which his retirement is accepted and his successor is elected.
- 3.7 **Removal of a Director:** The office of Director shall be automatically vacated,
- (a) if at a special general meeting of Members, a resolution is passed by two-thirds of all of the Members that he be removed from office;
  - (b) if a Director has resigned his office by delivering a written resignation to the secretary of the corporation;
  - (c) if the Director is found by a court to be of unsound mind;
  - (d) if the Director becomes bankrupt or suspends payment or compounds with his creditors;
  - (e) on death;
- provided that if any vacancy shall occur for any reason in this paragraph contained, the Directors from Local Government by majority vote, shall, by appointment, fill the vacancy among the local government Members and the First Nations Directors by majority vote, shall by appointment fill a vacancy among the First Nations Directors, and the Board of Directors by a majority vote shall fill a vacancy of an At Large Directorship with an appropriate nominee of the Selection Committee for an At-Large directorship.
- 3.8 **Replacement of Directors:** Whenever a vacancy is filled, whether by the Board of Directors or by the Members, the replacement Director shall serve on the remainder of the term established for the position.

## SECTION FOUR

### POWERS OF DIRECTORS

- 4.1 **Administration of Affairs:** The Board of Directors of the Corporation shall administer the affairs of the Corporation in all things and do all such other acts and things and make or cause to be made for the corporation, in its name, any kind of contract which the corporation may lawfully enter into and, save as hereinafter provided, generally, may exercise all such other powers and do all such other acts and things as the corporation is by its charter or otherwise authorized to exercise and do.
- 4.2 **Authorization of Expenditures:** The Directors shall have power to authorize expenditures on behalf of the Corporation from time to time and may delegate by resolution to an officer or officers of the Corporation the right to employ and pay salaries to employees.

The Directors shall have the power to enter into a trust arrangement with a trust company for the purpose of creating a trust fund in which the capital and interest may be made available for the benefit of promoting the objects of the Corporation in accordance with such terms as the Board of Directors may prescribe.

- 4.3 **Specific Powers:** The Board of Directors is hereby authorized, from time to time,
- (a) to borrow money upon the credit of the corporation, from any bank, corporation, firm or person, upon such terms, covenants and conditions at such times, in such sums, to such an extent and in such manner as the Board of Directors in its discretion may deem expedient;
  - (b) to limit or increase the amount to be borrowed;
  - (c) to issue or cause to be issued bonds, debentures or other securities of the corporation and to pledge or sell the same for such sums, upon such terms, covenants and conditions and at such prices as may be deemed expedient by the Board of Directors; and
  - (d) to secure any such bond, debentures or other securities, or any other present or future borrowing or liability of the company, by mortgage, hypothec, charge or pledge of all or any currently owned or subsequently acquired real and personal, movable and immovable, property of the corporation, and the undertaking and rights of the corporation.
- 4.4 **Grants and Donations:** The Board of Directors shall take such steps as it may deem requisite to enable the Corporation to acquire, accept, solicit or receive legacies, gifts, grants, settlements, bequests, endowments and donations of any kind whatsoever for the purpose of furthering the objects of the Corporation.
- 4.5 **Agents and Employees:** The Board of Directors may appoint such agents and engage such employees as it shall deem necessary from time to time and such persons shall have such authority and shall perform such duties as shall be prescribed by the Board of Directors at the time of such appointment.
- 4.6 **Remuneration:** Remuneration for all officers, agents and employees and committee Members shall be fixed by the Board of Directors by resolution. Such resolution shall have force and effect only until the next meeting of Members when such resolution shall be confirmed by resolution of the Members, or in the absence of such confirmation by the Members, then the remuneration to such officers, agents or employees and committee Members shall cease to be payable from the date of such meeting of Members.
- 4.7 **Books and Records:** The Board of Directors shall see that all necessary books and records of the Corporation required by the by-laws of the Corporation or by any applicable statute or law are regularly and properly kept.

## SECTION FIVE

### MEETINGS OF THE BOARD OF DIRECTORS

- 5.1 **Calling of Meetings and Election of Chair:** Meetings of the Board of Directors may be



held at any time and place to be determined by the directors provided there is at least one (1) meeting in each calendar year. At the first meeting of the Directors held each year the Directors shall elect, by majority vote of all of the Directors, a Chair and a Vice Chair. In the absence of the Chair the Vice Chair shall chair meetings of the Board of Directors. The Chair shall be elected in alternating years by a Director nominated by or representing the interests of Local Government and by a Director nominated by or representing the interests of First Nations.

- 5.2 **Notice of Meetings:** Two clear days' written notice, by facsimile or electronic transmission or by personal delivery, or fourteen (14) clear days' written notice, by mail, of any meeting of the Board of Directors shall be given to Directors and such notice shall designate a time and place for such meeting, unless the meeting is an emergency, which shall be at the discretion of the Chair.

No error or omission in giving notice of any meeting of the Board of Directors or any adjourned meeting of the Board of Directors of the Corporation shall invalidate such meeting and any Director may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat.

- 5.3 **Quorum:** The quorum for the transaction of business at any meeting of the Board of Directors shall consist of at least fifty (50%) percent of the Members of the Board of Directors, being three representing Local Governments and three representing First Nations Governments. If two successive duly called meetings of the Board fail to achieve a quorum then the quorum for the next duly called meeting shall be at least fifty (50%) percent of the Members of the Board of Directors.

- 5.4 **Voting Rights:** Each Director is authorized to exercise one (1) vote at all meetings of the Board of Directors.

- 5.5 **Voting:** Questions arising at all meetings of the Board of Directors shall be decided by consensus. The Board shall by policy establish a dispute resolution mechanism. The dispute resolution mechanism shall include the right of the Chair to postpone for one meeting the final vote on a matter on which there is a tie vote. After all efforts at achieving consensus, including the full use of the dispute resolution mechanism, have been exhausted without success, the decision shall be made by a majority of the Directors and if the votes of the Directors are equal in a question put to a vote then the Chair of the meeting shall have a casting vote, in addition to the Chair's own vote which the Chair shall have at all meetings of Directors.

- 5.6 **Meetings by Other Communications:** If all the Directors of the Corporation consent thereto generally or in respect of a particular meeting, a Director may participate in a meeting of the Board or of a committee of the Board by means of such conference telephone or other communications facilities as permit all persons participating in the meeting to hear each other, and a Director participating in such a meeting by such means is deemed to be present at the meeting.

- 5.7 **Minutes of Meetings:** The minutes of the Board of Directors shall be available to the general Membership of the Corporation and the minutes shall be provided to each of the

Directors.

- 5.8 **Place of Meetings:** Meetings of the Board of Directors may be held at any place in Canada.
- 5.9 **Unanimous Resolutions:** A resolution in writing, signed by all Directors entitled to vote on that resolution at a meeting of Board of Directors or committee of the Board of Directors, is as valid as if it had been passed at a meeting of Board of Directors or committee of the Board of Directors duly called.

## SECTION SIX

### COMMITTEES

- 6.1 **Appointment:** The Board of Directors may appoint committees whose Members will hold their offices at the will of the Board of Directors. The directors shall determine the duties of such committees and may fix by resolution, any remuneration to be paid.
- 6.2 **Quorum:** The powers of a committee of the Board of Directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all Members of such committee who would have been entitled to vote on that resolution at a meeting of such committee.
- 6.3 **Advisory Bodies:** The Board of Directors may from time to time appoint such advisory bodies as it may deem advisable.
- 6.4 **Meetings:** Meetings of a committee shall be held at any time and place to be determined by the Members of such committee provided that two clear days' written notice, by facsimile or electronic transmission, or 14 clear days' written notice, by mail, of any meeting of the committee shall be given to all Members of the committee and shall designate a time and place for such meeting.

No error or omission in giving notice of any meeting of a committee or any adjourned meeting of a committee of the Corporation shall invalidate such meeting or make void any proceedings taken thereat and any Member of such committee may at any time waive notice of any proceedings taken or had thereat.

- 6.5 **Minutes of Meetings:** The minutes of a committee shall not be available to the general Membership of the Corporation but shall be available to the Board of Directors, each of whom shall receive a copy of such minutes.

## SECTION SEVEN

### OFFICERS

- 7.1 **Officers:** The officers of the Corporation shall be a president, vice-president, secretary and treasurer and any such other officers as the Board of Directors may by by-law

determine. Any two offices may be held by the same person. Officers need not be directors.

- 7.2 **Appointment:** All officers shall be appointed by resolution of the Board of Directors at the first meeting of the Board of Directors following an annual meeting of Members.
- 7.3 **Term of Office:** The officers of the Corporation shall hold office for one year from the date of appointment or until their respective successors are appointed in their stead. All officers shall be subject to removal by resolution of the Board of Directors at any time.

## SECTION EIGHT

### DUTIES OF OFFICERS

- 8.1 **The President:** The president shall be the person elected as Chair under section 5.1 and shall be the chief executive officer of the corporation, shall preside at all meetings of the corporation and of the Board of Directors, shall have the general and active management of the affairs of the Corporation, and shall see that all orders and resolutions of the Board of Directors are carried into effect.
- 8.2 **The Vice-President:** The vice-president shall be the person elected as Vice-Chair under section 5.1 and shall, in the absence or disability of the president, perform the duties and exercise the powers of the president and shall perform such other duties as shall from time to time be imposed upon him by the Board of Directors.
- 8.3 **The Treasurer:** The treasurer shall have the custody of the funds and securities of the corporation and shall keep full and accurate accounts of all assets, liabilities, receipts and disbursements of the corporation in the books belonging to the corporation and shall deposit all monies, securities and other valuable effects in the name and to the credit of the corporation in such chartered bank or trust company, or, in the case of securities, in such registered dealer in securities as may be designated by the Board of Directors from time to time. The treasurer shall disburse the funds of the corporation as may be directed by proper authority taking proper vouchers for such disbursements, and shall render to the president and directors at the regular meeting of the Board of Directors, or whenever they may require it, an accounting of all the transactions and a statement of the financial position, of the corporation. And shall also perform such other duties as may from time to time be directed by the Board of Directors.
- 8.4 **The Secretary:** The secretary may be empowered by the Board of Directors, upon resolution of the Board of Directors, to carry out the affairs of the corporation generally under the supervision of the officers thereof and shall attend all meetings and act as clerk thereof and record all votes and minutes of all proceedings in the books to be kept for that purpose. The secretary shall give or cause to be given notice of all meetings of the Members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or president, under whose supervision he shall be. The secretary shall be custodian of the seal of the corporation, which shall be delivered only when authorized by a resolution of the Board of Directors to do so and to such

person or persons as may be named in the resolution.

- 8.5 **Other Officers:** The duties of all other officers of the corporation shall be such as the terms of their engagement call for or the Board of Directors requires of them.
- 8.6 **Remuneration:** A reasonable remuneration for all officers, agents and employees may be fixed at the discretion of the Board of Directors by resolution; provided, however, that such resolution shall have force and effect only until the next meeting of Members when such resolution shall be confirmed by resolution of the Members. In the absence of such confirmation by the Members, then the remuneration to such officers, agents or employees shall cease to be payable from the date of such meeting of Members.

## SECTION 9

### INDEMNITIES TO DIRECTORS AND OTHERS

- 9.1 Every director or officer of the corporation or other person who has undertaken or is about to undertake any liability on behalf of the corporation or any company controlled by it and their heirs, executors and administrators, and estate and effects, respectively, shall from time to time and at all times, be indemnified and saved harmless out of the funds of the corporation, from and against;
- (a) all costs, charges and expenses which such director, officer or other person sustains or incurs in or about any action, suit or proceedings which is brought, commenced or prosecuted against him, or in respect of any act, deed, matter of thing whatsoever, made, done or permitted by him, in or about the execution of the duties of his office or in respect of any such liability;
  - (b) all other costs, charges and expenses which he sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by his own wilful neglect or default.

## SECTION TEN

### GENERAL

- 10.1 **Corporate Seal:** The seal of the Corporation shall be in such form as adopted by the Board of Directors of the Corporation.
- 10.2 **Head Office:** The head office of the Corporation shall be in the City of Nanaimo, in the Province of British Columbia or, if authorized by by-law, at such other location in Canada.
- 10.3 **Execution of Documents:** The Board of Directors shall have power from time to time by resolution to appoint officers or other persons on behalf of the Corporation to sign specific contracts, documents and instruments in writing. The seal of the Corporation when required may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any officer or person designated by the Board of Directors.

- 10.4 **Fiscal Year End:** The fiscal year of the Corporation shall be December 31.
- 10.5 **Auditor:** The Members shall at each annual meeting appoint an auditor to audit the accounts of the Corporation for report to the Members at the next annual meeting. The auditor shall hold office until the next annual meeting provided that the Board of Directors may fill any casual vacancy in the office of auditor. The remuneration of the auditor shall be fixed by the Board of Directors.
- 10.6 **Minutes:** The minutes of the Board of Directors shall be available to the general Membership of the corporation.

## SECTION ELEVEN

### RULES AND REGULATIONS

- 11.1 The Board of Directors may prescribe such rules and regulations not inconsistent with these by-laws relating to the management and operation of the Corporation as they deem expedient, provided that such rules and regulations shall have force and effect only until the next annual meeting of the Members of the Corporation when they shall be confirmed, and failing such confirmation at such annual meeting of the Members, shall cease to have any force and effect.

## SECTION TWELVE

### AMENDMENT OF BY-LAWS

- 12.1 The by-laws of the Corporation not embodied in the letters patent may be repealed or amended by by-law enacted by two-thirds (2/3) of the Board of Directors at a meeting of the Board of Directors and sanctioned by an affirmative vote of at least two-thirds (2/3) of the weighted votes of the Members at a meeting duly called for the purpose of considering the said by-law; provided that the repeal or amendment of such by-laws shall not be enforced or acted upon until the approval of the Minister of Industry (or any successor government department) has been obtained.

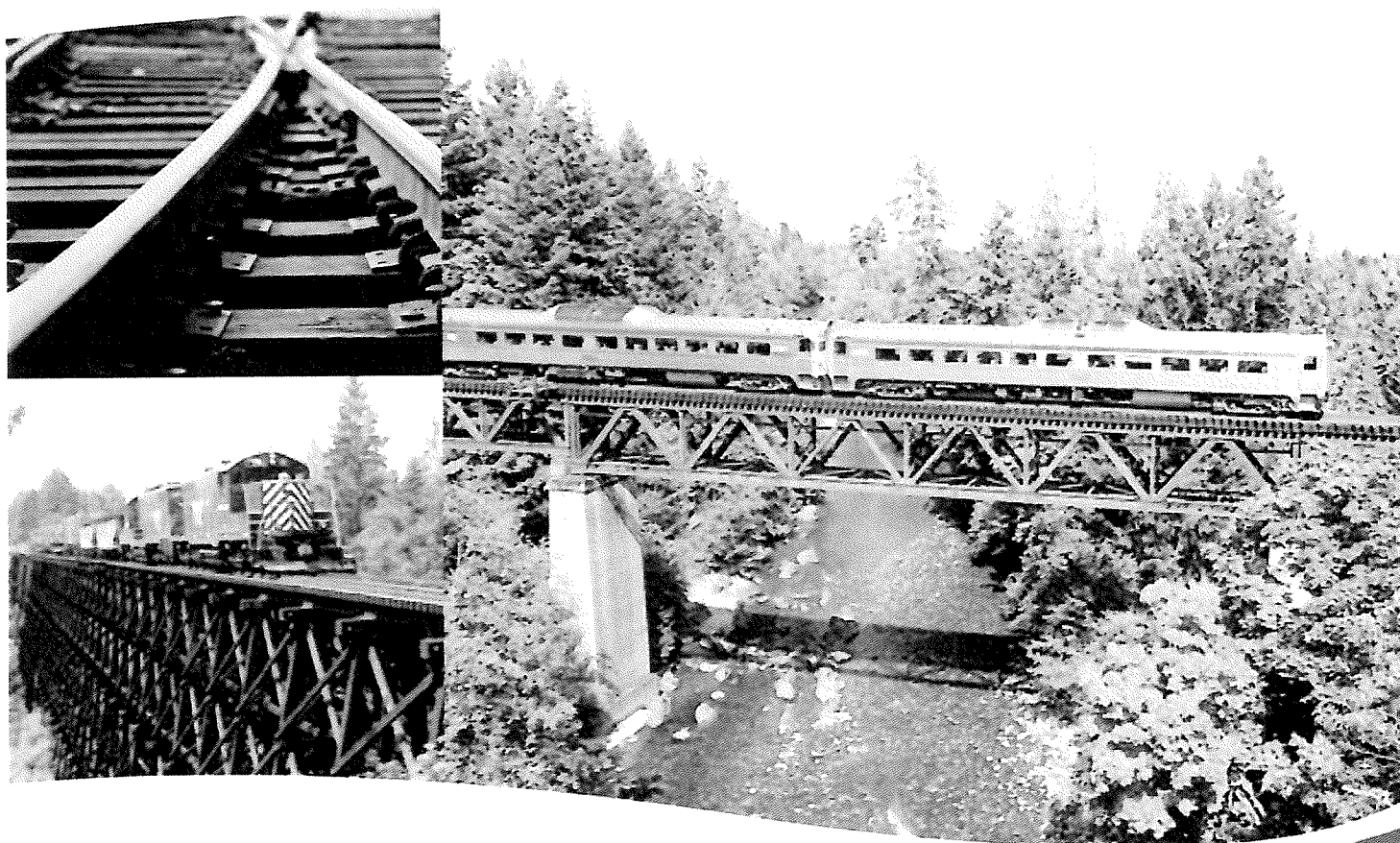
## SECTION THIRTEEN

### INTERPRETATION

- 13.1 In these by-laws and in all other by-laws of the Corporation hereafter passed unless the context otherwise requires, words importing the singular number or the masculine gender shall include the plural number or the feminine gender, as the case may be, and vice versa, and references to persons shall include firms and corporations.

Request for  
VIA Service Enhancement  
on the  
Vancouver Island Rail Corridor

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February 2011

Submitted by:  
Island Corridor Foundation

This submission represents a formal request by the Island Corridor Foundation (ICF) to the Government of Canada and VIA Rail for enhanced passenger service on Vancouver Island. Specifically, the ICF proposes that the VIA terminus be relocated from Victoria to Nanaimo and that additional service be run between Nanaimo and Victoria before and after the existing daily *Malahat* return train that operates between Victoria and Courtenay.

In so doing, VIA Rail service would become available to new inter-city markets, including daytrip, recreational and tourist travellers between the mid-Island and Victoria. It would also complement:

- the federal government and VIA Rail's \$8 million investment in newly refurbished rail cars for *The Malahat* service that are expected to be in operation at the beginning of 2012, and,
- the \$22 million investment by the Island Economic Trust and federal and provincial governments to construct a new Port of Nanaimo cruise ship terminal.

The proposed service enhancement would add approximately 3 to 4 additional service hours per day depending on running times at an added gross cost of approximately \$500,000 per year less revenue. It may also involve a one-time cost to relocate the equipment maintenance and storage centre from Victoria to Nanaimo. However, as the present maintenance site in Victoria is slated for redevelopment, relocation is unavoidable in any case.

The following report provides the background and justification for this request as well as the details and implications of the proposed service enhancement.

## *1. Background*

In late 2009, the Island Corridor Foundation (ICF) presented a report<sup>1</sup> to VIA Rail outlining the potential to enhance passenger service on Vancouver Island. This report was also subsequently provided to several federal and provincial elected officials. The report examined two potential enhancement options in the context of the ICF's long term plan for infrastructure upgrades and investment:

- Option 1 - Relocation of the VIA equipment maintenance and storage terminal from Victoria to Nanaimo and the addition of a run between Nanaimo and Victoria before and after the existing Victoria to Courtenay *Malahat* service; and,
- Option 2 – Addition of a second train to provide additional inter-city rail transportation, including service for daytrip, recreational and tourist travellers.

While Option 2 was preferred because of the greater amount of service and opportunities to tap into new passenger markets, initial implementation of Option 1 was suggested to minimize incremental costs, avoid the necessity of procuring additional equipment, allow the service to test the new markets and prove itself, and enable additional research and development of potential new tourism market products.

This approach is consistent with the ICF's incremental program of investment and renewal of the Vancouver Island corridor. Progress to date includes:

- **\$2.4 million for reconstruction of the historic Nanaimo railway station;**
- **more than \$4.2 million for tie replacement, new ballast, signal repairs and other track infrastructure improvements** over the past four years;
- **over \$25 million in related infrastructure improvements** (See Table 1) by the ICF together with its member municipalities (including grants from the federal government and Province of BC) and **another \$12 million proposed** to ensure that rail access is maintained in the reconstruction of Victoria's Johnson Street Bridge; and,
- an impending investment of **\$15 million toward rail infrastructure upgrades** to be funded equally by the Province of BC and federal government **to ensure the continued sustainable safe operation** of the rail line upon which Vancouver Island industries, First Nations and other communities rely.

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<sup>1</sup>Shirocca Consulting, *Potential VIA Passenger Service Enhancement*, October 2009.



**Table 1 – Local Investments related to the Rail Line**

- The Town of Esquimalt and BC Ministry of Transportation and Infrastructure have invested over **\$5 million** to replace and upgrade the Admirals Road public railway crossing and signal system;
- The City of View Royal and BC Ministry of Transportation and Infrastructure have invested **\$4 million** to construct a new Four Mile joint rail and trail bridge over the Old Island Highway in Langford.
- The City of Langford and BC Transit have invested **approximately \$2.0 million** for the development of the **Langford transit exchange** located adjacent to and in anticipation of future rail service improvements and development.
- The Cowichan Valley Regional District has **invested \$110,000** to improve the **Cobble Hill** rail stop and The Town of Esquimalt is currently developing plans for a new rail station; and,
- **\$12.5 million** has been invested to construct cycle/walking trails by Greater Victoria local municipalities, the Capital Regional District and the BC Local Motion Fund and another **\$1.8 million** by the Cowichan Valley Regional District to promote rail/cycle tourism.

In addition to the above investments, the proposed service enhancement also offers opportunities to serve and complement the \$22 million<sup>2</sup> investment by the Island Economic Trust and federal and provincial governments in a new Port of Nanaimo cruise ship terminal. The new terminal is expected to immediately draw approximately 31,000 visitors plus crew annually. Recognizing that land excursions are the key to attracting cruise lines to the new terminal, the Port is developing a transportation hub, including facilities to serve marine, bus, air, and rail passengers. The Port is presently working with the ICF and its rail operator, Southern Railway of Vancouver Island (SVI), to develop the necessary rail infrastructure, including a rail spur and equipment maintenance and storage facility to serve the cruise terminal.

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<sup>2</sup> \$3.5 million from the Island Coastal Economic Trust, \$5 million from the Province of BC and \$8.5 million from the federal government.

## 2. Proposed Immediate VIA Rail Service Enhancement

VIA Rail currently operates *The Malahat*, a single two-car train that runs daily between Victoria and Courtenay serving inter-city and tourist passengers. Contrary to other routes across Canada, *The Malahat's* ridership has grown steadily over the past four years despite inhibiting factors such as aged obsolete passenger rail equipment lacking in amenities, inability to carry bicycles or wheelchairs, poor ride quality due to track conditions and a ten-hour return trip.

The federal government's decision to acquire three newly refurbished Rail Diesel Passenger Cars (RDC's) that are both wheelchair and bicycle accessible to replace VIA rail's old RDC's and its proposed support of the \$15 million in track repairs and upgrades will do much to improve this situation and encourage further tourism interest and potential in the corridor. However, the existing service design has been in place for more than 50 years and has not responded to the many changes that have occurred on the Island over this period, including the rapid population growth of the mid-Island. As a result, the existing service does not serve the mid-Island well.

To better address Island needs, the ICF has proposed relocation of the start/end point of *The Malahat* from Victoria to Nanaimo and the addition of a morning train from Nanaimo to Victoria prior to *The Malahat* run and a reverse trip at the end of this run. The incremental service would cater to inter-city daytrip, recreational and tourist travellers bound to/from Victoria from the mid-Island. Table 2 below shows two conceptual schedules, one with current running times and the other with improved running times when the corridor is fully upgraded.

TABLE 2: ADDITIONAL PRE & POST NANAIMO/VICTORIA RUN ON MALAHAT SERVICE

SOUTHBOUND	MILES	CURRENT RUNNING TIMES		IMPROVED RUNNING TIMES	
		↓	↓	↓	↓
COURTENAY	139.7		13:10		12:40
PARKSVILLE	95.2		14:45		13:43
NANAIMO (STARKS)	69.2	05:45	14:55	06:10	14:30
DUNCAN	39.7	07:10	16:40	06:56	15:16
LANGFORD	7.9	08:50	17:20	07:52	16:15
VICTORIA	0.8	08:10	17:40	08:10	16:30
TRIP TIME		<b>2:25</b>	<b>4:30</b>	<b>02:00</b>	<b>3:50</b>

NORTHBOUND		↓	↓		↓	↓
VICTORIA	0.8	08:25	17:55		08:30	16:50
LANGFORD	7.9	08:45	18:15		08:45	17:05
DUNCAN	39.7	10:00	18:55		09:44	18:04
NANAIMO (STARKS)	72.5	11:00	20:20		10:30	18:50
PARKSVILLE	95.2	11:20			11:23	
COURTENAY	139.7	12:55			12:20	
TRIP TIME		4:30	2:25		3:50	2:00

Based on the 2010 operations contract between SVI and VIA Rail, the incremental cost for the added service as illustrated above is estimated to be approximately \$500,000 per year **less incremental revenues**, or less than \$5 per seat. To put this into context, VIA Rail now charges an adult fare of \$20 between Duncan and Victoria. By comparison, Greyhound Bus charges \$15 to \$20 and the Cowichan Valley Regional Transit Authority (CVRTA) charges a subsidized cost of \$6.30 based on ten tickets or \$7.00 cash. This suggests that even with a very reduced fare comparable to the subsidized transit rate charged by the CVRTA, the service can be competitively priced and still recoup some, if not all, of its operating costs.

It should be noted that VIA Rail staff have reviewed the incremental cost estimate and agreed that it was reasonable. Final actual costs will be dependent on detailed scheduling and contract costs at that time of implementation

### *Expected Ridership & Revenues*

As is the case with most transportation projects, cost of service is relatively certain, whereas ridership and revenue estimates tend to be more variable and less certain<sup>3</sup>. A recent study<sup>4</sup> carried out on behalf of the BC Ministry of Transportation and Infrastructure examined inter-city passenger potential for the proposed enhanced service outlined above. Based on a Direct Demand Model (DDM) and data on current VIA ridership, the study predicted that demand

<sup>3</sup>As part of its review of the ICF's 2009 report, VIA Rail examined various other services it operates to determine if there were any comparables to the proposed service enhancement. Although three city pairs were examined – Drummondville/Quebec City, Drummondville/Montreal and Alexandria/Montreal, this review concluded that none were good comparables to the Nanaimo/Victoria service due to several factors -the larger population of the inbound destination (i.e., Quebec City and Montreal vs. Victoria) in each city pair; the originating city (i.e., Drummondville and Alexandria vs. Nanaimo) being midway between much larger population centres (i.e. Drummondville between Quebec City and Montreal and Alexandria between Ottawa and Montreal); more frequent daily service on these lines; shorter travel time; and, geographic differences on the Vancouver Island corridor (e.g., the Malahat) that effectively expand travel distance.

<sup>4</sup>BC Ministry of Transportation & Infrastructure, *Evaluation of E & N Corridor: Passenger Analysis*, 2010.

for inter-city rail service could triple “by tapping into the existing and projected personal and other business travel market into Victoria and Nanaimo”<sup>5</sup>.

Looking forward to 2026, the study projected annual ridership could meet or exceed 159,000 with the enhanced service compared to 50,000 if it were to stay unchanged. On this basis, an average fare of only \$5 could cover the cost of the incremental service, meaning that minimal ridership would be required to cover or exceed the added operating expenditure at market fare prices. Although the demand projections of the DDM are based on the improved running times, it still would only require an average of 34 additional passengers per train or less than 25 percent of the predicted potential demand to cover the incremental cost of the service based on current running times and VIA Rail’s current fare rates.

Table 3 below illustrates the number of additional passengers per train run for the incremental service that are required to cover the cost of the incremental service at different price points. This compares with a capacity of 116 seats per train run, assuming no seat turnover or standees.

TABLE 3: ADDITIONAL PASSENGERS PER TRAIN REQUIRED TO BREAK EVEN

ONE-WAY AVERAGE FARE	AVERAGE PASSENGERS PER TRAIN TO BREAK EVEN
\$7	98
\$15	45
\$20	34

### *Maintenance Centre Relocation*

At present, train maintenance is carried out in Victoria at the historic roundhouse and rail yard site just south of Esquimalt Road in Songhees. This site forms part of the Bayview Development and is designated for mixed use redevelopment, including 500,600 s.f. of residential, 199,100 s.f. of residential/hotel and 98,200 s.f. of retail commercial/public space. This parcel is a prime site and the last remaining major piece of the redevelopment project. Although its development was stalled by the recent economic downturn, it is now back on track and is slated to be completed by 2013.<sup>6</sup> The developer has the right to request that the maintenance operator vacate the site with 90 days prior notification. While there may be some room for negotiation on timing, there is no question that this site is no longer compatible with its surroundings and it must change from industrial to residential/commercial and public use in the near future.

<sup>5</sup>BC Ministry of Transportation & Infrastructure, *Evaluation of E & N Corridor: Passenger Analysis*, 2010, p. 2..

<sup>6</sup> BC Ministry of Finance, *Major Projects Inventory*, September 2010.

In contrast, both the City and the Port of Nanaimo would welcome the relocation of the VIA Rail maintenance facility to port property in Nanaimo. The cost for relocation and the new facility will of course be subject to various considerations, such as location, presence of existing facilities, decisions on ownership and negotiation. As a result, a reasonable cost estimate cannot be provided at this time. However, this will be a one-time cost; one which must be incurred sooner or later and should not be factored into the decision to enhance rail service on the Island as proposed.

### 3. Conclusions

Demand for additional rail service on Vancouver Island is evident from ridership growth over the last several years despite the existing service's adverse characteristics, including old cars lacking in amenities, the inability to carry bicycles or wheelchairs, poor ride quality due to track conditions and a ten-hour return trip. Introduction of newly refurbished cars in the beginning of 2012 and investment of \$15 million in track repairs and upgrades will improve this situation. However, the service design, which has remained unchanged for over 50 years, remains a major impediment as it does not serve the heavily populated mid-Island well and neglects significant personal and other business trip markets in Victoria and Nanaimo.<sup>7</sup> In addition, dislocation of the present train maintenance site in Victoria is imminent.

For all of the above reasons, the ICF proposes that the VIA Rail terminus be relocated to from Victoria to Nanaimo and that additional service be run between Nanaimo and Victoria before and after the existing daily *Malahat* return train between Victoria and Courtenay. In so doing, VIA Rail service would become available to new inter-city markets, including daytrip, recreational and tourist travellers between the mid-Island and Victoria. It would also complement:

- the \$10 million investment in newly refurbished RDCs for *The Malahat* service, and,
- the \$22 million investment by the Island Economic Trust and federal and provincial governments to construct a new Port of Nanaimo cruise ship terminal.

The gross cost for this incremental service is estimated to be approximately \$500,000 per year or less than \$5 per seat **before revenues** are taken into account, meaning that the service can be competitively priced with minimal ridership required to cover or exceed the added operating expenditure.

The BC Ministry of Transportation and Infrastructure examined inter-city passenger potential for the proposed enhanced service and projected annual ridership in 2026 could meet or exceed 159,000 with the enhanced service compared to 50,000 if it were to stay unchanged. Although this demand projection is based on the improved running times, it still would only require an average of 34 additional passengers per train or less than 25 percent of the predicted potential demand to cover the incremental cost of the service based on current running times and VIA Rail's existing fare rates.

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<sup>7</sup> Ministry of Transportation & Infrastructure, , *Evaluation of E & N Corridor: Passenger Analysis*, 2010.

**Island Corridor Foundation**  
**Financial Statements**  
*December 31, 2011*  
*(Unaudited)*

**Island Corridor Foundation**  
**Contents**  
*For the year ended December 31, 2011*  
*(Unaudited)*

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## Review Engagement Report

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To the Directors of Island Corridor Foundation:

We have reviewed the statement of financial position of Island Corridor Foundation as at December 31, 2011 and the statements of operations and changes in net assets, and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Foundation.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

Duncan, British Columbia

April 25, 2012

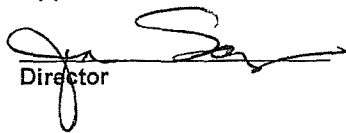
**MNP LLP**  
Chartered Accountants

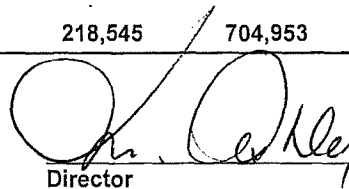
**Island Corridor Foundation**  
**Statement of Financial Position**

As at December 31, 2011  
(Unaudited)

	Operating Fund	Capital Fund	2011	2010
<b>Assets</b>				
<b>Current</b>				
Cash	176,462	7,043	183,505	328,874
Accounts receivable	-	-	-	1,000
Harmonized sales tax receivable	28,545	-	28,545	44,272
	205,007	7,043	212,050	374,146
Capital assets (Note 4)	-	351,884,717	351,884,717	355,517,836
Prepaid expenses (Note 5)	13,026	-	13,026	-
	218,033	351,891,760	352,109,793	355,891,982
<b>Liabilities</b>				
<b>Current</b>				
Bank indebtedness (Note 6)	-	299,000	299,000	-
Accounts payable and accruals	14,906	168,589	183,496	79,479
Due to/from fund	(72,460)	72,460	-	-
Accrued interest payable	18,056	15,284	33,340	71,389
Current portion of long-term debt (Note 7)	-	74,810	74,810	149,620
Current portion of note payable (Note 8)	175,000	-	175,000	175,000
	135,502	630,143	765,646	475,488
Long-term debt (Note 7)	-	74,810	74,810	74,810
Deferred revenue (Note 9)	83,043	-	83,043	106,305
	83,043	74,810	157,853	181,115
	218,545	704,953	923,499	656,603
<b>Subsequent event (Note 13)</b>				
<b>Net Assets</b>				
Unrestricted	(512)	-	(512)	(62,576)
Externally restricted	-	(367,909)	(367,909)	28,924
Invested in capital assets	-	351,554,715	351,554,715	355,269,031
	(512)	351,186,806	351,186,294	355,235,379
	218,545	704,953	352,109,793	355,891,982

Approved on behalf of the Board

  
Director

  
Director

The accompanying notes are an integral part of these financial statements

**Island Corridor Foundation**  
**Statement of Operations and Changes in Net Assets**  
*For the year ended December 31, 2011*  
*(Unaudited)*

	<i>Operating Fund</i>	<i>Capital Fund</i>	<i>2011</i>	<i>2010</i>
<b>Revenue</b>				
Donations and grants	311,260	2,379	313,639	1,030,354
Crossings and leases	129,953	-	129,953	41,514
Interest	834	2	836	853
	<b>442,047</b>	<b>2,381</b>	<b>444,428</b>	<b>1,072,721</b>
<b>Expenses</b>				
Amortization	-	4,076,514	4,076,514	4,076,514
Insurance	19,250	-	19,250	18,750
Interest and bank charges	160	280	440	984
Interest on long-term debt	7,434	8,736	16,170	16,357
Mortgage brokerage fee	-	28,000	28,000	-
Office	45,325	-	45,325	45,453
Professional fees	64,402	-	64,402	24,128
Property taxes	23,413	-	23,413	35,433
Public awareness	2,000	-	2,000	114,357
Repairs and maintenance	11,939	-	11,939	-
Subcontractors	206,060	-	206,060	160,463
	<b>379,983</b>	<b>4,113,530</b>	<b>4,493,513</b>	<b>4,492,439</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>62,064</b>	<b>(4,111,149)</b>	<b>(4,049,085)</b>	<b>(3,419,718)</b>
<b>Net assets, beginning of year</b>	<b>(62,576)</b>	<b>355,297,955</b>	<b>355,235,379</b>	<b>358,655,097</b>
<b>Net assets, end of year</b>	<b>(512)</b>	<b>351,186,806</b>	<b>351,186,294</b>	<b>355,235,379</b>

*The accompanying notes are an integral part of these financial statements*

**Island Corridor Foundation**  
**Statement of Cash Flows**

*For the year ended December 31, 2011*  
*(Unaudited)*

	<i>Operating Fund</i>	<i>Capital Fund</i>	<i>2011</i>	<i>2010</i>
<b>Cash provided by (used for) the following activities</b>				
<b>Operating activities</b>				
Cash received	264,923	2,380	267,303	1,107,598
Cash paid for services and supplies	(367,510)	(28,280)	(395,790)	(389,490)
Interest received	834	2	836	853
	<b>(101,753)</b>	<b>(25,898)</b>	<b>(127,651)</b>	<b>718,961</b>
<b>Financing activities</b>				
Interfund transfers	20,177	(20,177)	-	-
Advances on demand loan	-	299,000	299,000	-
	<b>20,177</b>	<b>278,823</b>	<b>299,000</b>	<b>-</b>
<b>Investing activities</b>				
Proceeds on disposal of investment	-	-	-	54,000
Purchase of capital assets	-	(316,718)	(316,718)	(874,091)
	<b>-</b>	<b>(316,718)</b>	<b>(316,718)</b>	<b>(820,091)</b>
<b>Decrease in cash resources</b>	<b>(81,576)</b>	<b>(63,793)</b>	<b>(145,369)</b>	<b>(101,130)</b>
<b>Cash resources, beginning of year</b>	<b>258,038</b>	<b>70,836</b>	<b>328,874</b>	<b>430,004</b>
<b>Cash resources, end of year</b>	<b>176,462</b>	<b>7,043</b>	<b>183,505</b>	<b>328,874</b>

**Island Corridor Foundation**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2011*  
*(Unaudited)*

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**1. Incorporation and commencement of operations**

The Island Corridor Foundation ("the Foundation") was incorporated under the laws of the Government of Canada on January 1, 2004. It is a registered charity under the Income Tax Act and, as such, is exempt from income taxes and able to issue donation receipts for income tax purposes. In order to maintain the status of a charitable organization under the Act, the Foundation must meet certain requirements within the Act, which, in the opinion of management, have been met.

The Foundation is a partnership of First Nations, five regional and 14 municipal governments that assumed ownership of the 290-kilometre rail corridor in 2006 on behalf of the communities of Vancouver Island. The Foundations purpose is to preserve the use of the corridor in perpetuity for the connection and benefit of all Island communities and First Nations along the corridor.

**2. Going concern**

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Foundation will realize the carrying value of its assets and satisfy its obligations as they become due in the normal course of operations.

During the last several years the Foundation has been depleting its cash resources, has a significant working capital deficiency and has not met its debts as they came due with respect to its note payable and long term debt. During the year the Foundation re-negotiated the terms of its long-term debt in favour of extending the repayment terms and as at December 31, 2011, is in full compliance with the new repayment schedule. However, the new agreement will reduce cash inflows from donations by the required repayments as disclosed in Note 7. New repayment terms for the note payable have tentatively been reached and will form part of the long term operating agreement with Southern Railway, when signed. Until then, this entire debt remains classified as a current liability.

During the year the Foundation improved operating results which resulted in an excess of revenues over expenses for the current year. The Foundation was able to negotiate various land use fees through registered easements, statutory right of ways and licenses of occupation. The Foundation is building stable annual revenue streams from these fees. Currently, Southern Railway manages and collects a substantial amount of similar land use fees from businesses along the Corridor. The proposed new long term operating agreement will see those fees managed and collected by the Foundation in the future.

The application of the going concern concept is dependent on the Foundation's ability to continue to increase its revenues in order to restore and maintain profitable operations, to receive continued support from its lenders, or to find new sources of financing. A failure to continue as a going concern would require that stated amounts of assets and liabilities be reflected on a liquidation basis which could differ significantly from the going concern basis. These financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Foundation were to be unable to continue as a going concern.

3. **Significant accounting policies**

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles as issued by the Accounting Standards Board in Canada using the following significant accounting policies:

***Fund accounting***

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts are maintained on a fund accounting basis. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the contributors or in accordance with the directives issued by the Board of Directors.

The Foundation follows the restricted fund method of accounting for contributions and maintains two funds - Operating Fund and Capital Fund.

The Operating Fund accounts for the assets, liabilities, revenues and expenses related to the Foundation's activities in the preservation of the Corridor and its administrative activities.

The Foundation recognizes donations when received. Municipal grant revenue is recognized over the period specified by the grantor. Interest revenue is recognized when earned. Revenue from crossing agreements and lease agreements is recognized over the term of the agreement. Fundraising revenue is recognized when received.

The Capital Fund is used to account for all capital assets of the Foundation and to present the flow of funds related to their acquisition and disposal, unexpended capital resources and debt commitments.

In the current year unrestricted donations in the amount of \$306,260 (2010 - \$306,356) were received and recognized as revenue in the operating fund. Of this amount \$301,249 was from Canadian Pacific Railway (CPR) (2010 - \$301,249). The remaining donation of \$5,010 was a corporate donation of services. The foundation also received \$2,379 (2010 - \$228,899) of restricted donations to be used to restore the Nanaimo Train Station. These funds were recognized as revenue in the capital fund.

No restricted grants (2010 - \$406,527) were received during the year to be used to restore the Nanaimo train station.

***Capital assets***

Capital assets are recorded at cost. The cost for contributed capital assets is considered to be fair value at the date of contribution.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	<b><i>Method</i></b>	<b><i>Rate</i></b>
Track (rails and ties)	straight-line	21-27 years
Bridges and tunnels	straight-line	40 years
Railway signals	straight-line	8.8 years
Culverts	straight-line	20 years
Railway stations	straight-line	20 years

***Contributed materials and services***

Contributed materials and services are recognized in the financial statements, when their fair value can be reasonably determined, they are used in the normal course of the Foundation's operations and would otherwise have been purchased.

3. **Significant accounting policies** *(Continued from previous page)*

**Financial instruments**

**Held for trading:**

The Foundation has classified the following financial assets and liabilities as held for trading: cash.

These instruments are initially recognized at their fair value. Fair value is determined by published price quotations in an active market. Transactions to purchase or sell these items are recorded on the trade date.

Held for trading financial instruments are subsequently measured at their fair value, without any deduction for transaction costs incurred on sale or other disposal. Gains and losses arising from changes in fair value are recognized immediately in the statement of revenues and expenses.

**Loans and receivables:**

The Foundation has classified the following financial assets as loans and receivables: accounts receivable.

These assets are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date.

Loans and receivables are subsequently measured at their amortized cost, using the effective interest method. Under this method, estimated future cash receipts are exactly discounted over the asset's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial asset is measured at initial recognition, less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, less any reduction for impairment or uncollectability. Gains and losses arising from changes in fair value are recognized in excess of revenues over expenses.

**Other financial liabilities:**

The Foundation has classified the following financial liabilities as other financial liabilities: accounts payable and accruals, long-term debt, note payable, accrued interest payable, and demand loan payable.

These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date.

Any fees incurred on the exchange or modification of a financial liability not accounted for as an extinguishment are included in the carrying amount of the modified financial liability and amortized over its remaining expected life. Any related other costs incurred are recognized in current year excess of revenues over expenses.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Under this method, estimated future cash payments are exactly discounted over the liability's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial liability is measured at initial recognition, less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount. Gains and losses arising from changes in fair value are recognized in excess of revenues over expenses upon derecognition or impairment.

**Financial asset impairment:**

The Foundation assesses impairment of all its financial assets except those classified as held for trading. Impairment is measured as the difference between the asset's carrying value and its fair value. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

3. **Significant accounting policies** *(Continued from previous page)*

**Measurement uncertainty - Use of estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenues and expenses in the periods in which they become known.

**Recent Accounting Pronouncements**

**Canadian accounting standards for not-for-profit organizations**

In October 2010, the Accounting Standards Board (AcSB) approved the accounting standards for private sector not-for-profit organizations (NFPOs) to be included in Part III of the CICA Handbook-Accounting ("Handbook"). Part III will comprise:

- The existing "4400 series" of standards dealing with the unique circumstances of NFPOs, currently in Part V of the Handbook; and
- The new accounting standards for private enterprises in Part II of the Handbook, to the extent that they would apply to NFPOs.

Effective for fiscal years beginning on or after January 1, 2012, private sector NFPOs will have the option to adopt either Part III of the Handbook or International Financial Reporting Standards (IFRS). Earlier adoption is permitted. The Organization expects to adopt Part III of the Handbook as its new financial reporting standards for its financial statements dated December 31, 2012. The Organization has not yet determined the impact of the adoption of Part III of the Handbook on its financial statements.



**Island Corridor Foundation**  
**Notes to the Financial Statements**  
For the year ended December 31, 2011  
(Unaudited)

4. **Capital assets**

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2011 Net book value</i>	<i>2010 Net book value</i>
Land	274,470,628	-	274,470,628	274,470,628
Track (rails and ties)	55,716,121	13,146,236	42,569,885	44,819,336
Bridges and tunnels	29,630,344	4,352,122	25,278,222	26,018,975
Railway signals	5,723,000	3,820,755	1,902,245	2,552,586
Culverts	7,872,370	2,310,503	5,561,867	5,955,485
Railway stations	847,000	248,807	598,193	640,543
Construction in progress	1,503,677	-	1,503,677	1,060,283
	<b>375,763,140</b>	<b>23,878,423</b>	<b>351,884,717</b>	<b>355,517,836</b>

Construction in progress includes costs incurred to date for the restoration of the Nanaimo train station, which was substantially damaged by fire in late 2007. No amortization of this asset has been recorded because it is currently under construction.

During the year, interest of \$3,774 (2010 - nil) was capitalized as part of construction in progress.

5. **Prepaid expenses**

During the year a commission was paid which related to the signing of a tenancy lease for the Nanaimo train station. This commission will be amortized over the term of the lease. As the Train station is still under construction, no current year expense has been realized.

6. **Bank indebtedness**

Bank indebtedness includes an non-revolving demand term loan amounting to \$299,000 (2010 - nil) bearing interest at CIBC prime plus 2%.

The loan is for completion of the Nanaimo train station re-construction. The loan is approved to a maximum of \$1.1 million. During the construction phase payments are interest only.

Once construction is complete, the loan will convert to a fixed or variable rate loan with scheduled monthly principal and interest repayments over a 20 year amortization period with a 5 year term.

The loan is secured by a general security agreement providing CIBC a first charge over the Nanaimo train station with an estimated net book value of \$1,603,677, a collateral mortgage for \$1,100,000 over the property and a registered assignment of insurance and rents. Review engagement annual financial statements are required to be submitted within 150 days of the year end.

**Island Corridor Foundation**  
**Notes to the Financial Statements**  
For the year ended December 31, 2011  
(Unaudited)

7. Long-term debt

	2011	2010
Term loan from Canadian Pacific Railway repayable in three annual payments of \$74,810 plus accrued interest at prime plus 1% compounded annually. Accrued interest from date of loan to first principal payment was due July 1, 2010, with remaining annual principal and accrued interest payments due thereafter.	149,620	224,430
Less: Current portion	74,810	149,620
	74,810	74,810

Principal repayments on long-term debt in each of the next five years are estimated as follows:

2012	74,810
2013	74,810

During the year a new repayment schedule was reached with Canadian Pacific Railway (CP Rail). The principal and interest payment originally due on July 1, 2010 was withheld from CP Rail's 2011 annual cash donation to the Foundation. Likewise, the 2011 and 2012 payments will be deducted in the following calendar year from CP Rails donation.

Accordingly, only the 2011 payment, to be withheld in 2012, is classified as current.

8. Note payable

	2011	2010
Note payable to Southern Railway, repayable in eight quarterly payments of \$25,000 plus interest at prime plus 1% beginning June 30, 2008, secured by a promissory note and a general security agreement on all of the Foundation's assets.	175,000	175,000
Less: Current portion	175,000	175,000
	-	-

The Foundation has not made the required principal and interest repayments on the note payable since September 30, 2008, and is in discussions with Southern Railway to have the repayment terms extended.

Until the revised terms are agreed to by Southern Railway, the liability will remain a current liability.

9. Deferred revenue

Changes in the deferred revenue balance are as follows:

	Operating Fund	Capital Fund	2011	2010
Balance, beginning of year	106,305	-	106,305	26,083
Received during the year	-	-	-	103,484
Recognized as revenue during the year	(23,262)	-	(23,262)	(23,262)
Balance, end of year	83,043	-	83,043	106,305

**10. Financial instruments**

The Foundation, as part of its operations, carries a number of financial instruments. It is management's opinion that the Foundation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

***Risk management policy***

The Foundation, due to its size and limited operations, does not have formal risk management policies in place.

***Credit concentration***

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist of cash and accounts receivable. The maximum credit risk exposure for cash is \$183,505 (2010 – \$328,875). However, the Foundation believes that there is minimal risk associated with these amounts, as the deposits are being held with a large financial institution that provides Canada Deposit Insurance for investments on deposit.

***Fair value of financial instruments***

The carrying amount of cash, accounts receivable, accounts payable and accruals, and accrued interest payable is approximated by their fair value due to their short-term nature.

The fair value of the Foundation's bank indebtedness, note payable, and long-term debt approximates their carrying value due to the fact that they have floating interest rates that are tied to current market rates.

***Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Foundation is exposed to interest rate risk with respect to its note payable, long-term debt and bank indebtedness which are subject to interest rates linked to prime rate.

A 1% change in interest rates related to the long-term debt, note payable, and bank indebtedness could increase or decrease interest expense by approximately \$5,488 (2010 - \$3,994).

**11. Capital management**

The Foundation's objective when managing capital is to ensure that it remains a going concern, in order to acquire, preserve and develop the Island Corridor as a special use connection for all communities along the Corridor. The Foundation meets these objectives by setting and monitoring annual operating budgets for revenues and expenses, and managing capital expenditures and related debt obligations.

The net assets on the statement of financial position are managed by the Foundation as capital.

There are no debt covenants which restrict capital.

**Island Corridor Foundation**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2011*  
*(Unaudited)*

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**12. Economic dependence**

The Foundation's main source of revenue is derived from donations from the Canadian Pacific Railway of approximately \$301,000 per year. The Foundation's ability to continue viable operations is dependent upon the continued support of this entity.

**13. Subsequent event**

In April 2012 the Federal Government of Canada approved \$7.5 million in matching funding with the Province of British Columbia (total \$15 million), for rail infrastructure upgrades of the Victoria subdivision. This funding is part of phase I rail improvements, which is an incremental rebuilding program that will ensure passenger rail service on the Victoria subdivision for at least 10 years.

Although the upgrades focus on passenger service, it follows that through the Foundation's rail operator (Southern Railway), an aggressive plan to expand rail freight service is now possible.

## 2012 BUDGET

2012 Actual Jan. 1 - June 30/12

CASH ON HAND	175,000	175,000
REVENUES		
CIBC (Mort. Draw) Nanaimo Stn.		
Telus Lease	300,000	300,000
CRD	5,000	
G.S.T. Rebate	50,000	28,500
Administration Nanaimo Station		
Fees & Leases	100,000	74,300
S.V.I. Operating Agreement	75,000	
Total	<u>705,000</u>	<u>577,800</u>
EXPENDITURES		
Planning	5,000	640
Legal	50,000	13,500
Insurance	25,000	24,000
Salaries	151,000	75,000
Administration	87,000	40,500
Honorariums	25,000	10,500
Travel	15,000	7,000
Island Rail Days	2,500	
Audits & Accounting	15,000	15,000
Property Taxes	10,000	14,000
Communication	20,000	
Office Expense	7,500	3,800
Rail Maintenance (Alberni Sub)	20,000	
Contingency	20,000	5,000
Sub Total	<u>453,000</u>	
Taxes Wellcox	35,000	
CP Loan Payment	75,000	118,000
Nanaimo Station		
TOTAL	<u>563,000</u>	334,340
RESERVE	<u>142,000</u>	243,460

## Island Corridor Foundation

### **Business plan summary 2013-2017.**

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#### **Background:**

- The Island Corridor Foundation (“ICF”) was incorporated in 2003 as a not-for-profit society and became a registered charity under the *Income Tax Act* in 2004. ICF is governed by a board of directors comprised of 10 member representatives and 2 directors at large. Membership in ICF is limited to local governments and First Nation governments whose territories are wholly or partly within the geographic area of the corridor.
  
- The objects of the ICF are to:
  - o Acquire, preserve and develop for purposes of the Corporation the corridor which lies North-south from Victoria to Courtenay and East-West from Nanaimo to Port Alberni and east-west from Duncan to Lake Cowichan on Vancouver Island;
  - o Maintain the continuity of the Corridor as a contiguous special use connection for all communities;
  - o Contribute to safe and environmentally sound passenger and freight rail services;
  - o Encourage a flexible infrastructure along the Corridor which will encourage a wide range of economic and trade activity;
  - o Preserve archaeological resources, historic landmarks, structures, artifacts, and historic routes along the Corridor for historical purposes;
  - o Create trails, parks, gardens, greenways and other public areas for use of members of the public along the length of the Corridor;
  - o Conserve the environmental and spiritual features and functions of the Corridor in respect of the land, water and natural resources; and
  - o Do all such charitable activities which are incidental to and beneficial to the attainment of the purposes stated above.

### **Major Accomplishments from 2003 to 2012:**

- In its first 9 years of operation, ICF had a number of significant accomplishments as follows:
  - o In 2004 the ICF received registered charity status from the government of Canada.
  - o In 2006 the ICF received a donation of approximately \$375 million from Canadian Pacific Railway. The donation included the land, gravel rail bed, ties, tracks, culverts, and related structures such as bridges, trestles, and tunnels that support the rail service; 7 historic train stations and the land they sit on; and timber rights along the corridor.
  - o In 2011 the ICF was approved for a \$7,500,000 infrastructure grant from the Province of BC and in 2012 the Federal Government matched that with an additional \$7,500,000 to upgrade the rail infrastructure in the corridor. The first \$500,000 of the province's money was used to complete an engineering audit of the bridges and trestles. It was determined that approximately \$18M is required to bring the ties, the rails, the trestles and bridges up to standard for passenger service from Victoria to Courtenay.
  - o In 2012 a complete restoration of the Nanaimo train station was completed for a total cost of \$2.4 million.

### **The business of the Island Corridor Foundation:**

- In order to meet the objects of the ICF and to remain financially feasible, the board of directors has identified that the ICF must generate income from both rail and non-rail activities.
- The ICF is in the enviable position of having a rail operator which provides rail service on its line. Southern Rail of Vancouver Island Ltd. ("SRVI") has been operating both freight and passenger service under difficult conditions since 2006. Although the ICF has not benefited from operating fees in the first nine years, it has had the indirect benefit that the operator has funded the basic maintenance of the rail. With the deterioration of the ties and rail infrastructure as well as the bridges and trestles, passenger service has recently been suspended.
- Non-rail activities which have generated income for the ICF over the past 9 years include leases, crossings and right of way fees, donations and grants.

### **The Business Plan:**

- The management of SRVI and the management of the Island Corridor ICF have developed the terms of an operating agreement which is to be brought forward to each of their respective boards of directors. This operating agreement would come into play once the rail lines and ties have been upgraded.
- The cost of all upgrades is expected to be approximately \$20.4 million. The balance of the grants pledged by the Federal and Provincial Governments will cover the first \$14.5 million. A further \$5.9 million is required to complete the project. The first \$3.2 million is required immediately and the balance will be required over six years starting in the 4<sup>th</sup> year after the upgrades. The ICF is pursuing the five regional government members for the \$3.2 million.
- The funds needed starting in four years over a period of six years totals \$2.7 million. SRVI has committed to pay \$500K of this balance. The ICF will pursue financing from traditional lenders for \$2.2 million. The financing may be partly offset by community fundraising.
- As part of the phase I improvements, the ICF is negotiating with VIA rail to provide passenger rail service as soon as the upgrades are completed. VIA has already committed a newly renovated three car train which will have the capacity to carry bicycles and baggage as well as a small refreshment center. The bicycle storage will nicely complement the ICF's biking and hiking trails being constructed within the rail corridor for passengers to be able to access various areas along the corridor. A new passenger schedule has been proposed which would have a train originate out of Nanaimo daily at approximately 6 am heading southbound arriving at Victoria around 8 am. The train would then depart Victoria arriving at Courtenay approximately 12:30 pm and then make an afternoon run back to Victoria for a 5:30 pm arrival; it would depart Victoria at 6 pm for an 8 pm Nanaimo arrival.
- Future phases could include an intercity commuter train for the employees of the Victoria shipyards who live north of the Malahat; several runs between Victoria and Langford; weekend excursion trains; tourist feature train with a focus on cruise ship traffic. \$20.9 million will not prepare the rail for heavy freight traffic over and above the current service. The ICF does not intend to fund those future upgrades. It is expected that should the feasibility for heavy freight exist, the industries requiring this service would be the ones to source out the funding for these upgrades.



### **Operating agreement with SRVI**

The draft operating agreement is for a period of 25 years with an opportunity for both parties to revisit the terms at the end of 10 years. The expected investment by SRVI over the 25 year period is approximately **\$70 million dollars**, \$21 million of which is expected to be spent in the first 10 years of the contract. Their investment will come directly and indirectly to the ICF as follows:

- Track license fees growing to \$300,000 per year by the 3<sup>rd</sup> year
- A contribution of \$5 per carload to a First Nations Fund held by the ICF.
- A capital fund contribution to the ICF in the amount of 7% of gross revenue
- Track maintenance of \$58.5 million
- \$500,000 towards the upgrade program over 6 years starting in 2016.
- 

### **Financial Plan:**

- Attached are the financial projections for 2013-2017.

**Island Corridor Foundation**  
**Projected Financial Statements**

*December 31, 2013 - 2017*  
*(Unaudited - see notice to reader)*

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**To compile a Financial Projection**

We have compiled the financial projection of the Island Corridor Foundation consisting of projected balance sheets at December 31, 2013, 2014, 2015, 2016 and 2017 and the related projected statements of general operations and fund balances, capital operations and fund balances and cash flows for the years then ended using assumptions, included in the hypothesis set out in Note 2, with an effective date of XXX and other information provided by management. Our engagement was performed in accordance with the applicable guidance on compilation of a financial projection issued by the Canadian Institute of Chartered Accountants.

A compilation is limited to presenting, in the form of a financial projection, information provided by management and does not include evaluating the support for the assumptions, including the hypothesis, or other information underlying the projection. Accordingly, we do not express an opinion or any other form of assurance on the financial projection or assumptions, including the hypothesis. Further, since the financial projection is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material. We have no responsibility to update this communication for events and circumstances occurring after the date of this communication.

This communication is intended solely for management's use and is only to be referred to and distributed to the Board of Directors of the Island Corridor Foundation.

Nanaimo, BC

MNP LLP  
Chartered Accountants

**Island Corridor Foundation**  
**Pro Forma Balance Sheet**  
*As at each of the years ending December 31*  
*(Unaudited - See Notice to Reader)*

	Dec. 31 2013	Dec. 31 2014	Dec. 31 2015	Dec. 31 2016	Dec. 31 2017
<b>Assets</b>					
<b>Current</b>					
Cash	79,053	1,537	8,307	213,388	346,839
GST receivable (Note 11)	50,000	50,000	50,000	50,000	50,000
	<u>129,053</u>	<u>51,537</u>	<u>58,307</u>	<u>263,388</u>	<u>396,839</u>
Property, plant and equipment (Note 6)	361,624,698	356,801,699	352,580,263	348,799,827	345,001,391
	<u>\$ 361,753,751</u>	<u>\$ 356,853,236</u>	<u>\$ 352,638,570</u>	<u>\$ 349,063,215</u>	<u>\$ 345,398,230</u>
<b>Liabilities</b>					
<b>Current</b>					
Accounts payable and accruals	150,000	185,000	75,000	75,000	75,000
Current portion of long-term debt	36,200	37,958	7,801	135,428	207,514
	<u>186,200</u>	<u>222,958</u>	<u>149,801</u>	<u>210,428</u>	<u>282,514</u>
Long term debt (Note 7)	1,193,125	1,155,166	1,080,365	1,262,108	1,362,584
Deferred revenue	36,515	17,642	19,552	18,462	17,372
	<u>1,415,840</u>	<u>1,395,766</u>	<u>1,249,718</u>	<u>1,490,997</u>	<u>1,662,450</u>
<b>Fund Balances</b>					
Unrestricted	66,713	15,897	234,690	606,276	980,854
Externally restricted (Note 5)	5,385	15,232	29,798	49,371	75,838
Invested in capital assets	360,263,740	355,393,341	351,124,364	346,916,570	342,679,086
	<u>366,315,838</u>	<u>366,544,470</u>	<u>356,488,812</u>	<u>347,572,217</u>	<u>343,735,778</u>
	<u>\$ 361,753,751</u>	<u>\$ 356,853,236</u>	<u>\$ 352,638,570</u>	<u>\$ 349,063,214</u>	<u>\$ 345,398,229</u>

**Island Corridor Foundation**  
**Projected Statement of General Operations and Fund Balances**

*For the years ending December 31  
(Unaudited - See Notice to Reader)*

	2013	2014	2015	2016	2017
<b>Revenue</b>					
Operator track fees (Note 8)	75,000	100,000	300,000	300,000	300,000
Leases from non-rail sources (Note 8)	181,634	188,010	192,794	382,582	384,178
First Nations Corridor Fund (Note 5)	4,380	4,510	4,645	4,785	6,515
Donations (Note 8)	301,000	301,000	301,000	301,000	301,000
	<u>562,014</u>	<u>593,520</u>	<u>798,439</u>	<u>988,367</u>	<u>991,693</u>
<b>Expenses</b>					
Insurance	25,000	175,000	175,000	175,000	175,000
Interest on long term debt	-	-	-	7,000	5,600
Office and administration	60,000	60,000	55,000	55,000	55,000
Professional fees	24,996	24,996	25,000	24,996	25,000
Property taxes	50,000	50,000	50,000	50,000	50,000
Salaries and subcontractors	300,000	300,000	300,000	300,000	300,000
	<u>459,996</u>	<u>609,996</u>	<u>805,000</u>	<u>611,996</u>	<u>610,600</u>
<b>Excess of revenue over expenses</b>	102,018	(16,476)	15,439	376,371	381,093
<b>Fund balance, beginning of year</b>	(30,755)	71,583	54,787	248,225	624,596
<b>Fund balance, end of year</b>	<u>71,263</u>	<u>54,787</u>	<u>248,225</u>	<u>624,596</u>	<u>1,005,689</u>
<b>Made up of:</b>					
Unrestricted	66,853	5,897	234,690	606,276	980,854
Externally restricted	4,410	890	13,535	18,320	24,835
	<u>71,263</u>	<u>64,787</u>	<u>248,225</u>	<u>624,596</u>	<u>1,005,689</u>

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**Island Corridor Foundation**  
**Projected Statement of Capital Operations and Fund Balances**

*For the years ending December 31*  
*(Unaudited - See Notice to Reader)*

	2013	2014	2015	2016	2017
<b>Revenue</b>					
Railway Capital Fund (Note 8)	1,009	5,333	9,921	14,788	19,952
Grants (Note 2)	17,700,000	-	-	-	-
Donations	-	-	-	83,333	83,333
	<u>17,701,009</u>	<u>5,333</u>	<u>9,921</u>	<u>98,121</u>	<u>103,285</u>
<b>Expenses</b>					
Amortization	4,517,777	4,822,999	4,221,436	4,230,436	4,248,436
Interest on long term debt	53,967	49,300	47,541	60,691	72,381
	<u>4,571,744</u>	<u>4,872,299</u>	<u>4,268,977</u>	<u>4,291,127</u>	<u>4,320,817</u>
<b>Excess of revenue over expenses</b>	13,129,264	(4,866,966)	(4,259,056)	(4,193,006)	(4,217,532)
<b>Fund balance, beginning of year</b>	<u>347,137,384</u>	<u>360,266,648</u>	<u>355,399,682</u>	<u>351,140,626</u>	<u>346,947,620</u>
<b>Fund balance, end of year</b>	<u>360,266,648</u>	<u>355,399,682</u>	<u>351,140,626</u>	<u>346,947,620</u>	<u>342,730,088</u>
<b>Made up of:</b>					
Unrestricted	360,266,640	355,393,771	351,124,364	346,916,570	342,679,086
Externally restricted	1,009	6,311	16,263	31,051	51,003
	<u>360,266,648</u>	<u>355,399,682</u>	<u>351,140,626</u>	<u>346,947,620</u>	<u>342,730,088</u>

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**Island Corridor Foundation**  
**Projected Statement of Cash Flows**

*For the years ending December 31*  
*(Unaudited - See Notice to Reader)*

	2013	2014	2015	2016	2017
Cash provided by (used for) the following activities:					
<b>Operating activities</b>					
Net income	13,231,282	(4,883,442)	(4,065,617)	(3,816,635)	(3,836,439)
Add back depreciation	4,517,777	4,822,999	4,221,436	4,230,436	4,248,436
Decrease (increase) in HST receivable	33,809	-	-	-	-
Increase (decrease) in deferred revenue	(23,265)	(15,873)	(1,090)	(1,090)	(1,090)
Increase (decrease) in accounts payable	75,000	35,000	(110,000)	-	-
	<u>17,834,603</u>	<u>(41,316)</u>	<u>44,729</u>	<u>412,711</u>	<u>410,907</u>
<b>Financing activities</b>					
Proceeds from long-term debt	-	-	-	366,667	366,667
Repayment of long-term debt	(109,335)	(36,200)	(37,959)	(124,297)	(194,123)
	<u>(109,335)</u>	<u>(36,200)</u>	<u>(7,959)</u>	<u>242,370</u>	<u>172,544</u>
<b>Investing activities</b>					
Acquisition of capital assets	(17,700,000)	-	-	(450,000)	(450,000)
	<u>(17,700,000)</u>	<u>-</u>	<u>-</u>	<u>(450,000)</u>	<u>(450,000)</u>
<b>Increase (decrease) in cash resources</b>	<b>25,268</b>	<b>(77,511)</b>	<b>6,770</b>	<b>205,081</b>	<b>133,451</b>
<b>Cash resources, beginning of year</b>	<b>53,784</b>	<b>24,053</b>	<b>1,537</b>	<b>8,307</b>	<b>213,388</b>
<b>Cash resources, end of year</b>	<b>79,053</b>	<b>1,537</b>	<b>8,307</b>	<b>213,388</b>	<b>346,839</b>

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# Island Corridor Foundation Summary of Significant Assumptions

*For the years ending December 31  
(Unaudited - See Notice to Reader)*

**1. Nature of presentation**

This financial projection presents, to the best of management's knowledge and belief, ICF's expected financial position, results of operations and cash flows for the projected period. Accordingly, the projection reflects management's judgment, as of September 11, 2012, of the expected conditions and their expected course of action.

The assumptions disclosed herein are those that management believes are significant to the projection. There will usually be differences between the projection and the actual results because events and circumstances frequently do not occur as expected, and those differences may be material. Management does not intend to update the projection subsequent to the date of issue.

**2. Hypothesis**

Island Corridor Foundation ("ICF") has entered into negotiations with Sourther Railway of Vancouver Island Limited ("SRVI") to operate the Victoria subdivision (rail line from Victoria to Courtenay) and the Port Alberni subdivision (Courtenay to Port Alberni). These projected financial statements reflect a 25 year agreement with "SRVI". The monetary terms are noted in the assumptions following. The projection also assumes the Port Alberni subdivision is not operational within the projection period.

This projection also reflects that a total of \$20.4 million in funding will be received to upgrade the rail line and supporting structures. The remaining funds are designated as follows:

Funding used in 2011	500,000
Province of British Columbia	
Funding to be received in 2013	20,000,000
Province of British Columbia	500,000
Government of Canada	3,000,000
Member regional governments	18,200,000
Funding to be received 2016-2021	2,200,000
Bank financing/fundraising	<u>20,400,000</u>

The funding used in 2011 was for a bridge and nestle engineering audit paid for directly by the Province of British Columbia.

The operator is responsible to maintain the rail line and supporting structures to the conditions in place upon completion of these upgrades.

**3. Projections period**

The time frame of 2013-2017 in the projected statements reflect that the operating license agreement will take effect at the beginning of 2013. Effective date may not be at that time, however, time frames should remain reasonably consistent

**4. Nature of operations**

ICF was incorporated under the Canada Corporations Act in November 2003 as a not-for profit organization and is a registered charity under the Income Tax Act. ICF's main objectives are to acquire, preserve and develop the Island Corridor portion of the E & N Railroad and to maintain the continuity of the Corridor as a contiguous special use connection for all communities, while respecting and supporting First Nations interests and traditional lands and uses.

**5. Fund accounting**

This projection reflects the Restricted Fund Method of Fund Accounting. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the donors or in accordance with directives issued by the board of directors. Transfers between funds are made when it is considered appropriate and authorized by the board of directors. For financial reporting purposes, the accounts have been classified into the following funds:

General Fund - accounts for the ICF's general fundraising, granting and administrative activities.  
This fund reports unrestricted operating grants, revenue and expenses related to the Society's day to day operations.



## Island Corridor Foundation Summary of Significant Assumptions

*For the years ending December 31  
(Unaudited - See Notice to Reader)*

### 5. Fund accounting (continued from previous page)

Capital Asset Fund - reports the assets, liabilities, revenues and expenses related to ICF's capital assets.

This projections assumes that the following are externally restricted funds:

#### First Nations Corridor Fund

The operator will pay ICF \$5 per rail carload to be set aside for economic development opportunities in relation to the Rail Property for the benefit of the First Nations members of ICF. Payment will be made no later than 30 days following the end of each month. Management estimates are based on the last full year of passenger service.

Year	Carloads	Revenue per Carload	To First Nations Corridor Fund
2013	876	5	4,380
2014	902	5	4,510
2015	929	5	4,645
2016	957	5	4,785
2017	986	5	6,515

#### Railway Capital Fund

The operator will pay ICF a railway capital fee of 7% of gross revenues received by the operator in excess of \$1 million for each fiscal year. This will be paid by February 28th of the following fiscal year.

This fund is restricted for the purposes of funding future capital improvement projects. Management estimates are based on the current level of freight activity.

Year	Carloads	Revenue per Carload	Gross revenue to operator	Gross revenue over \$1 million	To Railway Capital Fund
2013	876	1,558	1,364,408	14,408	1,009
2014	902	1,155	1,076,086	76,086	5,333
2015	929	1,229	1,141,741	141,741	9,921
2016	957	1,255	1,210,605	210,605	14,788
2017	986	1,300	1,284,758	284,758	19,952

#### First Nations Scholarship Fund

The operator will pay ICF up to a maximum of \$20,000 per year for the first four years to be set aside for a scholarship to an individual member of a First Nation. The purpose is to provide for the payment of education and related expenses, including accommodation, in a railway related field. It is assumed that this fund is paid out each year. These revenues and expenses are not reflected in this projection.

### 6. Capital acquisitions and disposals

	2013	2014	2015	2016	2017
Land	274,470,628	274,470,628	274,470,628	274,470,628	274,470,628
Track	52,280,983	49,451,532	46,622,081	43,792,630	40,963,178
Railway signals	601,563	-	-	-	-
Culverts	4,774,630	4,381,012	3,987,393	3,593,775	3,200,156
Bridges & trestles	26,932,716	26,063,963	25,195,210	24,767,457	24,321,703
Railway stations	2,564,178	2,434,565	2,304,952	2,175,339	2,045,725
	361,624,698	356,801,699	352,580,263	348,799,827	345,001,391

Opening numbers as at January 1, 2013 are not yet audited.

#### Additions included in above:

	2013	2014	2015	2016	2017
Track	14,500,000	-	-	-	-
Bridges & Tunnels	3,200,000	-	-	450,000	450,000
	17,700,000	-	-	450,000	450,000

## Island Corridor Foundation Summary of Significant Assumptions

*For the years ending December 31  
(Unaudited - See Notice to Reader)*

### 7. Financing

This projection assumes the prime rate to be the current rate of 3% as at September 11, 2012.

#### Canadian Pacific (CP) loan

ICF has a loan from Canadian Pacific Railway for \$149,620 as at December 31, 2011. It is payable in equal annual instalments of \$74,810 per year in 2012 and 2013 with an interest rate of prime + 1%.

#### Long-term debt

	2013	2014	2015	2016	2017
CIBC railway station mortgage	1,054,325	1,018,125	980,166	940,365	898,631
Southern Railway note payable	175,000	175,000	175,000	140,000	105,000
Future financing	-	-	-	317,170	566,447
	1,229,325	1,193,125	1,155,166	1,397,535	1,570,078
Less current portion	36,200	37,958	41,801	135,428	207,514
Long-term debt	1,193,125	1,155,167	1,080,365	1,262,108	1,362,564

#### Southern Railway note payable

ICF has a note payable in the amount of \$175,000 to the rail operator. Payment is deferred until 2016. Interest will not accumulate during this period. ICF will repay the loan to the operator in five equal consecutive instalments from 2016 to 2021, with interest at prime + 1% from the date of the first payment date. The loan can be repaid in full or in part at any time without penalty. The interest from this loan will be charged against the operating fund.

#### CIBC railway station mortgage

ICF has a non-revolving demand loan from CIBC for the amount of \$1.1 million as of August 5, 2012 repayable with interest at prime + 1.75%. It is repayable with monthly instalments at \$7,125 per month (inclusive of interest and principal) over 20 years with payments beginning September 5, 2012.

#### Future financing

It is assumed that in 2016 ICF will obtain \$367,667 in bank indebtedness to undertake capital upgrades on the bridges and trestles at a rate of prime + 1.75% payable over 6 years.

It is further assumed that in 2017 ICF will obtain \$367,667 in bank indebtedness to continue the capital upgrades on bridges and trestles at a rate of prime + 1.75% payable over 5 years.

SRVI has already committed to pay the difference between \$450,000 and \$367,667 for the six years of the financing.

### 8. Revenues

This projection reflects the following revenue assumptions:

#### Leases

	2013	2014	2015	2016	2017
Leases from non-railway	100,000	100,000	100,000	100,000	100,000
Restaurant leases	80,544	86,920	91,704	96,492	98,088
Local government assigned agreements	33,000	33,000	33,000	33,000	33,000
Private sources assigned agreements	-	-	-	152,000	152,000
Westhills ROW	1,090	1,090	1,090	1,090	1,090
Remitted to SRVI	(33,000)	(33,000)	(33,000)	-	-
	181,634	188,010	192,794	382,582	384,178

# Island Corridor Foundation Summary of Significant Assumptions

For the years ending December 31  
(Unaudited - See Notice to Reader)

## 8. Revenues (continued from previous page)

### Local government assigned agreements

The operator will assign to ICF the local governments' assigned agreements. ICF will collect & administer the revenues. ICF will pay this amount to the operator on each of the 1st 3 anniversary dates of this agreement. The annual amount is expected to be \$33,000.

### Private sources assigned agreements

These funds are assigned to ICF starting in 2016 and are collected from businesses and individuals who are using the rail corridor. The amount is expected to be \$152,000.

### Donations

CP Rail donates approximately \$301,000 per year to ICF. This donation is the net proceeds of CP Rails' agreement with Telus to have their fibreoptics located in the rail corridor.

### Operator track fees

The proposed agreement states that track fees will be payable to ICF as follows:

2013	75,000
2014	100,000
2015	300,000
2016	300,000
2017	300,000

## 10. Expenses

Expenses are based on management's best assumptions and reflect the following specific expense assumptions:

Insurance costs will be \$25,000 per year for current operations. In 2014, an additional \$175,000 is required for trestles insurance.

## 11. Accounts receivable

Accounts receivable are assumed to be received in the month that they are billed.

## 12. GST Rebate

ICF qualifies for a 50% GST rebate on expenses and capital expenditures.

## 13. Income taxes

No provision for federal and provincial income taxes has been made as ICF is not subject to tax.

## 14. Inflation

No consideration has been given to an inflation factor in this projection.

Vancouver Island Rail Corridor  
(VIRC)

INITIAL RAILWAY CORRIDOR UPGRADE PLAN



Submitted to: BC Ministry of Transportation & Infrastructure

By: Island Corridor Foundation

June 2012

Note: This full document is Privileged, Confidential, and of a Commercially Sensitive Nature and therefore not for Public Release without the express permission of Southern Railway of Vancouver Island Limited

## Vancouver Island Rail Corridor Initial Railway Corridor Upgrade Plan

### *Project Overview*

On June 28, 2011, British Columbia Premier Christy Clark announced \$7.5 million in funding to help restore passenger rail service on Vancouver Island. Premier Clark indicated the funding commitment was in response to ongoing community support, with Vancouver Island mayors and First Nations representatives saying rail service supports economies by creating jobs and the resulting benefit to families.

The provincial funding commitment is provided in two parts. The BC Ministry of Transportation and Infrastructure (BC MoTI) has contributed \$500,000 in funding for an engineering inspection and assessment of the 48 rail bridges and trestles on the line. Completion of the bridge assessment is anticipated in February 2012. The balance of \$7 million is committed to upgrade to the track infrastructure in order to ensure compliance with federal track safety standards and safe operation for passenger and freight rail service.

On April 10, 2012 Minister John Duncan (MP) announced the federal government's matching \$7.5 million commitment toward the restoration of passenger rail service on Vancouver Island. A total of \$5.4 million in funding required to target repairs deemed necessary as part of the bridge assessment will come from 2 sources; \$500K from the rail operator, SVI and \$4.9M from regional members of the ICF.

The primary components of the total \$15 million Initial Railway Corridor Upgrades to include the complete Victoria Subdivision (139.7 miles from Victoria to Courtenay) and the Wellcox Spur (3.2 miles in Nanaimo) is as follows:

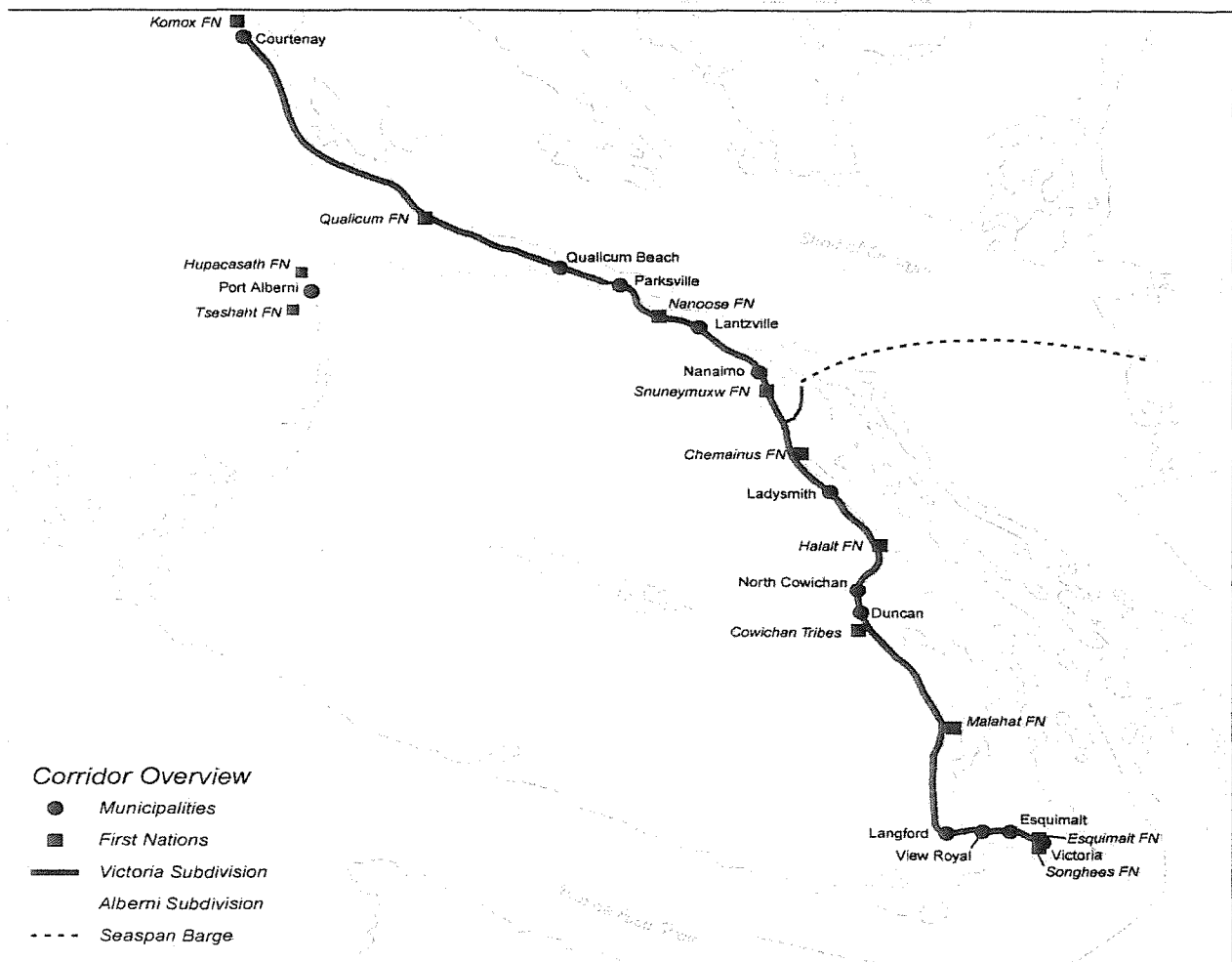
- A. \$500,000 > Engineering Inspection and Assessment of 48 railway bridges (Complete Feb. 2012)
- B. \$920,000 > Removal and replacement of 9000 pair of full toe joint bars with good relay toeless style bars complete with new track bolts, nuts, and heavy spring washers.
- C. \$11,216,000 > Renewal of approximately 110,300 track ties and 974 switch ties, including replacement of associated single shoulder tie plates with double shoulder plates and renewal of all track spikes in ties replaced.
- D. \$2,364,000 > Re-ballast, lift (average 2"), tamp, re-line, regulate, and trim complete Victoria Subdivision and Wellcox Spur
- E. Total \$15,000,000 > Initial Railway Upgrade Budget Estimate\*

## Bridge Capital Requirement & Total Project Cost

The BC MoTI Bridge Inspection and Assessment Report concluded that a total estimated cost of \$2.41M is required to cover maintenance, projected repairs (excluding the bridge ties) and necessary strengthening to support the bridges for passenger service until 2021. The total estimated cost of bridge tie renewals required to support the bridges for passenger service to 2021 is \$2.99M. Therefore, the total estimated cost to support the bridges for passenger service to 2021 is \$5.4M. The total project cost including necessary bridge repairs is therefore \$20.4M.

The \$5.4 million in funding required to target repairs deemed necessary as part of the bridge assessment will come from 2 sources; \$500K from the rail operator, SVI and \$4.9M from regional members of the ICF.

### Map of Project Area - Vancouver Island Rail Corridor - Victoria Subdivision (highlighted red)



## **Background**

Built in 1886, the Vancouver Island Rail Corridor has served the Island's population and industries for 125 years and continues to be an essential support to those it serves. Unfortunately, decades of limited capital investment and insufficient maintenance have greatly diminished its ability to carry freight and passengers efficiently and effectively. The VIA Rail passenger service was ceased in March 2011, due to deteriorating track conditions and the inability of the rail operation to maintain train speeds required to meet the demands of the passenger service. Today, freight service only is operated at slow speeds and the need to maintain safe operations at all times under these less than ideal conditions.

In 2004, the Island Corridor Foundation (ICF), which is a partnership of First Nations, five regional districts and 14 municipal governments, acquired the line in recognition of its importance and public support for the rail line's continuance by Islanders. In 2006, the ICF entered into an operating agreement with Southern Railway of Vancouver Island (SVI) to provide rail services on the corridor. ICF, SVI, and local municipalities have invested over \$4 million to maintain the viability of the rail service. In 2008, on behalf of the ICF, SVI identified the need for a capital investment of \$103.8 million to rehabilitate and upgrade the entire rail corridor including the Port Alberni Subdivision (excluding bridges) to bring the rail line up to current standards and maintain and enhance its operational viability. In October 2009, the BC Ministry of Transportation and Infrastructure (BC MoTI) completed a report entitled "Evaluation of the E&N Railway Corridor: Foundation Paper", which constituted Phase 1 of the study of the railway BC MoTI had commissioned. Forming part of that initial phase was a report entitled, "Evaluation of the E&N Railway Corridor: Baseline Reference Report ". A copy of that report is attached hereto as Appendix A.

While the larger renewal proposal is still considered to be the total requirement to render the railway sustainable in the long term, the BC MoTI report advocated an "incremental approach", whereby investment in the railway is feasible based on individual viable business segments developed. SVI has developed a plan to reinstate and enhance the passenger service, along with a longer term vision for passenger rail service on Vancouver Island. This initial business segment forms the primary focus of the provinces \$7.5M (and matching federal) commitment is the VIA Rail intercity passenger service.

It is anticipated that this initial rehabilitation program will also provide additional benefits by:

1. Extending the economic life of the rail line,
2. Enhancing safety,
3. Improving operational efficiency by removing temporary speed restrictions,

4. Enhancing the ability to market rail service by restoring the confidence of shippers in the long term viability of the rail shipping option,
5. Retaining the line as an important transportation option connecting the Capital Regional District with the mid-island, and
6. Retaining the line in operating condition while other viable business opportunities can be developed.

### ***Risk Assessment & Immediate Safety Requirements***

#### ***Summary of 2009 MoTI Evaluation of the E&N Railway Corridor: Baseline Reference Report***

In October 2009, the BC MoTI completed a report entitled "Evaluation of the E&N Railway Corridor: Foundation Paper", which constituted Phase 1 of the study of the railway BC MoTI had commissioned. Forming part of that initial phase was a report entitled, "Evaluation of the E&N Railway Corridor: Baseline Reference Report" (the MoTI Report). A copy of the complete report is attached hereto as Appendix A.

In summary of the primary deficiencies outlined, the MoTI Report states, "*The Railway condition is considered not to be compliant with BC Safety Authority Regulations and Rules Respecting Track Safety (Part 30) for Common Carrier Railways in the following areas:*

- *Vegetation growth in the ballast section and crossing approaches*
- *Clusters of decayed ties and decayed ties under the rail joints*
- *Worn, loose rail joints and frozen bolts."*

Other capital and maintenance issues raised in the MoTI Report include bridge repair and automatic crossing signal conditions. In particular, the MoTI Report highlights that, "*Without a significant on-going investment in ties and rail joint maintenance, the line will become inoperable. Other Capital requirements include bridge repair and crossing protection replacement."*



## *Proposed Initial Railway Upgrade Plan Detail*

The initial railway upgrade plan has been tailored to directly address regulatory and safety issues highlighted in the MoTI Report in addition to rendering the railway economically and physically sustainable for passenger rail and the existing level of freight services for a minimum period of 10 years. A detailed breakdown of the \$15M provincial / federal contribution toward the \$20.4M project is as follows. (Note: All cost detailed below are eligible costs as specified under the Canadian federal Building Canada Fund requirements. All costs of otherwise ineligible items are either covered internally by the Island Corridor Foundation or are provided at no cost to the Island Corridor Foundation by its rail operator, Southern Railway of Vancouver Island Limited.)

### A. Engineering Bridge Inspection and Assessment - Budget Estimate = \$500,000

This component of the project includes a detailed engineering inspection and assessment of all 46 rail bridges on the Victoria Subdivision between Victoria and Courtenay and the 2 rail bridges on the Wellcox Spur. The Bridge Inspection and Assessment work is now complete, with expected release of the final report in February 2012.

### B. Rail Joint Rehabilitation - Budget Estimate = \$920,000

The rail joint rehabilitation component of the upgrade work includes removal of all 9000 pairs of "full-toe" rail joint bars in the line and replacement with good condition relay (used) "toeless" rail joint bars in order to meet or exceed current regulatory standards. This replacement program will include new track bolts complete with nuts and heavy spring washers. In addition, all existing "toeless" joint bars to remain in the line will be brought into compliance with the current federal "Rules Respecting Track Safety for Common Carrier Railways" (TSR) by tightening and/or replacing existing track bolts (c/w nuts and heavy spring washers) as required.

This segment of the upgrade work is intended to be performed by SVI internal railway maintenance staff by calling back employees currently on lay-off due to the suspension of the VIA Rail passenger service in March 2011. In addition, SVI proposes to deliver, on behalf of the ICF, a track maintenance training program for Vancouver Island First Nations members under the British Columbia Labour Market Solutions Program. It is expected that labour required to augment current and laid-off SVI employees will be drawn from the resulting pool of trained First Nations members. A description of the joint provincial / federal training & employment program is attached as Appendix B.

The estimated funding requirement for the rail joint rehabilitation segment of the upgrade work is \$920,000, with the breakdown as follows:

• Direct Labour - In-house & temp. First Nations	\$271,000
• Equipment (Hydraulic Bolters /ArcAir Cutters /Trucks /etc.)	\$ 67,000
• Materials	\$365,000
• Project Management & Administration	<u>\$217,000</u>
• Total Estimated Funding Requirement	<u>\$920,000</u>

C. Tie Renewal - Budget Estimate = \$11,216,000

A key requirement of the Initial Upgrade Plan, as highlighted in the MoTI Report, is renewal of deteriorated track ties. The tie renewal program includes removal and renewal of approximately one-quarter of all track ties in the complete line from Victoria to Courtenay in addition to the 3.2 mile Wellcox Spur connection with the main rail yard on the Nanaimo City waterfront. The total track mileage on the Victoria Subdivision to be upgraded would be from Mile 0.21 (north end of the bridge over Johnston Street in Victoria) to the end of the line in Courtenay (Mile 139.7). The length of bridge deck on the Victoria Subdivision and the Wellcox Spur totals 7576 feet. In addition, there are a total of 43 railway turnouts (switches) in the line. This translates, at an average length of 80 feet, to a total length of turnouts of 3440 feet. The existing track has ties at 22 inches on centre or 2880 ties per mile. The total number of track ties in the Victoria Subdivision and the Wellcox Spur, deducting the total length of bridge decks and turnouts, is 404,938 ties. The proposed tie renewal program of 110,300 track ties therefore computes to approximately 27% of the total number of track ties in the line.

In addition, from a physical condition assessment, SVI has determined that there are a total of 974 switch ties (ties in turnouts) or 10,927 lineal feet of switch ties requiring renewal.

The Initial Upgrade Plan also includes replacement of all single shoulder tie plates removed as part of the tie renewal program and replacement with good relay (used) or new double shoulder tie plates. This will be based on availability of relay tie plates in good condition. A physical assessment by SVI has determined a total requirement for 172,700 double shoulder tie plates. All spikes removed as part of the program will be replaced with new 5/8"x6" prime grade cut track spikes to CP Rail Standard (Drawing R-14-4-6). The estimated total requirement for new track spikes is 5405 - 100 lb. kegs, or 670,220 spikes (at 124 spikes per keg).

The materials for this segment of the work are proposed to be procured by competitive tender to railway suppliers with the capability to supply the required materials. Track and switch tie renewal, including tie plate replacement, is also proposed to be tendered separately to qualified railway contractors. It is presumed that labour for the tie renewal program may also be drawn from the pool of trained labour established through the proposed First Nations railway training program developed and instituted by SVI for that purpose. Consideration in evaluation of tenders will be given to contractors that incorporate a First Nations labour component in their tender package.

The estimated funding requirement for this segment of the upgrade work is \$11,216,000, with the breakdown as follows:

• Materials (Track & Switch Ties, Tie Plates, Track Spikes)	\$ 5,068,000
• Purchased Services (Contract Labour & Equipment)	\$ 5,614,000
• Project Management & Administration	<u>\$ 534,000</u>
• Total Estimated Funding Requirement	<u>\$11,216,000</u>

D. Re-Ballasting & Surfacing - Budget Estimate = \$2,364,000

The final component of the Initial Upgrade Plan is the re-ballasting and surfacing program. This program is proposed to include:

- Supply and installation of 160,000 tonnes of new 1½ inch (40mm) clear crush rock track ballast,
- Lifting the track an average of 2 inches throughout the complete Victoria Subdivision and Wellcox Spur,
- Re-grading, tamping, lining, and trimming the track and ballast section.

Total track lift is expected to vary between a “zero” lift to match high points in the track profile to a maximum lift of 4 inches, resulting in an average 2 inch lift throughout the complete Victoria Subdivision and Wellcox Spur.

The Re-Ballasting and Surfacing program will provide the following benefits:

1. Restored even track profile, providing a smoother ride quality and resulting reduced (vertical) impact stress on the track structure and foundation.
2. Restored proper alignment of the track, also providing improved ride quality and reduced (horizontal) impact stresses on the track structure.
3. Improved track drainage resulting reduced pumping and settlement, better track support and reduced tie decay.
4. Reduction in contamination of the track structure by vegetative growth, reducing water retention and enhancing safety by improving track inspection and signal system effectiveness.

The estimated funding requirement for this segment of the upgrade work is \$2,364,000, with the breakdown as follows:

• Materials - 1 ½ inch (40mm) Clear Crushed Rock Ballast	\$1,130,000
• Purchased Services (Contract Labour & Equipment)	\$1,121,000
• Project Management & Administration	<u>\$ 113,000</u>
• Total Estimated Funding Requirement	<u>\$2,364,000</u>

Total Initial Railway Upgrade - Budget Estimate - Items A. to E.	<u>\$15,000,000</u>
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***Summary of Funding Budget Estimates***

Initial Railway Upgrade - Breakdown of Upgrade Components:

A. Bridge Engineering Inspection and Assessment (Complete - Feb. 2012)	\$ 500,000
B. Rail Joint Rehabilitation	\$ 920,000
C. Tie Renewal	\$11,216,000
D. Re-Ballasting & Surfacing	<u>\$ 2,364,000</u>

Total Initial Upgrade - Budget Estimate	<u>\$15,000,000</u>
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## ***Statement of Estimating Risk, Accuracy & Contingency***

Detailed consultations with multiple rail contractors and rail material suppliers have been conducted in support of the above estimated costs quoted. Accuracy is estimated within a tolerance of 5% above or below the above estimated costs. In addition, there is an overall estimated minimum 5% contingency built into all base unit prices used in production of the above cost estimates. There is a very high level of confidence that the total planned work can be accomplished with the Total Initial Upgrade - Budget Estimate above. However as a further contingency, it is estimated that the quantum of track tie replacements planned as part of the tie renewal component will exceed the minimum requirements of the federal Track Safety Rules by an estimated further 5%. If necessary, based on actual tender prices received through a competitive bid procedure, the quantity of track ties to be replaced may be reduced correspondingly in order to assure compliance with budgetary funding limits.

## ***Long Term Operational Plan - Additional Maintenance Requirements***

Additional deficiencies identified in the MoTI Report, beyond those addressed in the above proposed initial upgrade plan, include:

- Vegetation growth;
- Deteriorating condition of automatic crossing signals;
- Deteriorating culverts and drainage systems - updated inspection; and
- Absence of rail anchoring systems.

All of the above items are planned to be addressed as part of the maintenance expense budget within the long term operational plan for the railway. The following detail is provided as to how each item is to be addressed as part of the operating plan for the railway going forward:

### **1. Vegetation Control**

In 2008, at the approximate time of the track inspection in support of the MoTI Report, SVI commenced acting on Pest Management Plan No. 344-0017-05/10, which was in place at the time SVI commenced operations in 2006. Significant improvements to vegetation control issues on the railway have been affected since that time both to the ballast section of the track and to sight-lines at crossings. SVI has since obtained confirmation of receipt of Pesticide Use Notice authorizing SVI to act on a new PMP No. 629-0003-11/16 covering the period from 2011 to 2016. This new PMP provides specific detail as to how

all aspects of vegetation control will be addressed on the railway going forward. The full PMP document may be viewed at the following web link: [http://www.sryrailink.com/wp-content/uploads/2011/11/PMP\\_SVI-629-0003-11\\_16\\_FINAL.pdf](http://www.sryrailink.com/wp-content/uploads/2011/11/PMP_SVI-629-0003-11_16_FINAL.pdf).

Funds are allocated, as part of the 10 year operational plan and related budget forecast for the railway, as necessary to maintain vegetation control required to address all necessary track maintenance and safety issues. Related maintenance requirements include activities necessary to control vegetation in the ballast section of the track, around and under bridge structures, and at all level crossing necessary to protect proper automatic crossing signal function and required sight-lines to crossings approaches, signs and signals. In addition, related vegetation control will include, where necessary, removal of trees on the railway right-of-way that may be identified as being a danger to safe railway operations. As outlined in detail in the railway PMP, a combination of means including machine mowing, hand clearing, and herbicide application, where necessary and permitted by the PMP, are to be used to achieve and maintain the level of vegetation control necessary to protect all aspects of safe rail operations.

## 2. Crossing Signal Systems

Crossing signal systems have always been, and will continue to be, maintained as part of the railway operating maintenance budget as required to protect public safety and meet or exceed all applicable regulatory safety standards. Approximately 50% of the crossing signal systems are under the full or partial maintenance responsibility of other parties, including local municipal authorities, regional districts, and the provincial Ministry of Transportation and Infrastructure.

In cooperation with various road authorities, numerous new crossing signal systems in addition to specific upgrades and safety enhancements to existing systems have been completed and are ongoing. SVI will continue to perform all necessary maintenance on behalf of those other responsible parties and, in addition, will continue to perform work necessary to all systems for which the railway is responsible as part of SVI's operating maintenance plan. Necessary maintenance expense funds are allocated as part of the 10 year operating financial plan and budget as required in order to continue to maintain all level crossing signal systems in safe condition and in compliance with applicable regulatory standards. In addition, it is anticipated that capital funds necessary for required improvements to signal systems to support potential additional services on the line (eg. commuter rail) will be provided as part of the individual business cases and financial plans for those specific opportunities.

### 3. Culverts and Drainage

It is recognized that ongoing maintenance of culverts and drainage is integral to maintaining a safe track structure and operating condition in the longer term. Effective drainage helps to protect the rail infrastructure preventing rot in the wooden track ties resulting weakening of the track structure. Proper drainage also helps to maintain an effective foundation and support for the track structure which aids in preventing settlement and resulting deterioration of the track surface profile. To that end SVI has engaged in a long term lease arrangement for a Gradall with alternate vegetation cutting head and ditching bucket. It is intended to utilize this equipment for alternate functions as part of ongoing annual maintenance programs. As a supplement to in-house labour and equipment, contract purchased services will be utilized for culvert replacement and drainage maintenance programs as required.

As such, necessary funds are also allocated as part of the operating maintenance plan and budget to culvert maintenance and renewal, along with maintenance of drainage courses in order to maintain effective drainage on the railway right-of-way. As part of the operating plan, regular inspections will be performed necessary to identify deficiencies in drainage systems and to establish necessary immediate and planned future maintenance requirements.

### 4. Rail Anchoring

Past maintenance and operational experience has determined that rail anchoring has not been an issue or necessary requirement relative to railway maintenance or operational safety issues. Reasons for this are twofold, the nature of the railway and the nature of the operation to date. The track structure in general is very well supported on a solid, well consolidated, sub-grade foundation. In addition, due to tall vegetation (trees) at the right-of-way extremity for most of the line along with moderate ambient temperatures, there is very little influence related to temperature on expansion and contraction of the rail. As a result, neither temperature induced joint separation (“pull-aparts”), nor track buckling (“sun kinks”) have been issues on Vancouver Island. The nature of the operation to date has also not been a factor requiring effective rail anchoring. The passenger service with light RDC cars with consistent loading in alternate directional movements has rendered the track unaffected by traffic induced longitudinal movement of the rail relative to the ties or substructure. The existing level of freight service has also not been a factor in inducing any excessive rail “creep” or movement. Excessive stresses due to “bunching” of the rail in the track structure have not been a past issue relative to track maintenance or safety.

With regard to rail anchoring requirements, it is anticipated that other potential additional rail service developing (eg. aggregate / coal) on the line will likely require installation of effective rail anchoring. As with crossing signal systems, it is anticipated that capital funds necessary for required installation of rail anchoring will be provided as part of the individual business cases for those specific opportunities.

### ***Professional & Regulatory Reviews***

The above railway upgrade plan has been reviewed by the SRY Director -Engineering, Gary Smith, P.Eng. and by the British Columbia Safety Authority Manager Railway Safety, Eric Samuelson. Included as Appendix C are letters from both individuals confirming upon their review that, in their opinions, with completion of the planned work the railway will meet or exceed all regulatory and safety requirements, including risks identified in the Hatch Mott MacDonald study entitled *Evaluation of the E&N Railway Corridor: Baseline Reference Report (appended hereto as Appendix A)*.

### ***Environmental Assessment***

All work to be completed under this plan is classified as maintenance activity that is commonly performed on an annual basis by Canadian and North American railways. As such, all work is restricted to the track structure encompassing only the steel rail and fittings, wooden ties, and clear crushed rock ballast section of an existing railway track structure. No "out-of-face" replacement or new construction is to be completed under this plan. As such, the proposed upgrade work is not subject to environmental assessment under the Environmental Assessment Act. No activity is to be conducted under this plan that will have any potential for adverse impact to the environment and/or fisheries.

### ***Impact on Aboriginal Rights & Treaties***

All work to be completed under this plan relates to common railway maintenance activity restricted to the railway track structure and railway right-of-way owned by the Island Corridor Foundation. The planned upgrade work is to be performed on behalf of the 13 First Nations resident to Vancouver Island, as signatories to the ICF and thereby owners of the Vancouver Island Rail Corridor and the railway track structure. All work is restricted to the railway right-of-way and track structure encompassing only the steel rail and fittings, wooden ties, and clear crushed rock ballast section of the existing railway track structure. As such, there is no known impact on aboriginal rights and treaties that will result from the execution of this railway upgrade plan.



## ***Procurement and Contract Award Process***

All procurement of services and materials for work to be completed under this plan is to be conducted on a fair and competitive basis. Competent qualified rail contractors and suppliers will be invited to bid on the planned work and contracts for the required services and materials will be awarded on a transparent basis consistent with the Agreement on Internal Trade.

## ***Governance***

### ***Island Corridor Foundation***

The project proponent and owner of the Vancouver Island Rail Corridor is the Island Corridor Foundation (ICF). The ICF is a charitable foundation formed in 2004 under provincial charter and comprises a partnership of 13 First Nations, 5 regional districts and 14 municipal governments on Vancouver Island. In 2006, the ICF entered into an operating agreement with Southern Railway of Vancouver Island to provide rail services on the corridor. Day to day operations with the ICF is conducted by its Executive Director, Graham Bruce. Mr. Bruce reports to a board of directors representing the signatory First Nations, regional districts, and local municipal governments.

### ***Southern Railway of Vancouver Island Limited***

Southern Railway of Vancouver Island Limited (SVI) commenced operation on July 1, 2006 as an operating company to operate, on behalf of the ICF, the rail line located on the Vancouver Island Rail Corridor. SVI is a subsidiary of Southern Railway of British Columbia Limited.

### ***Southern Railway of British Columbia Limited***

Southern Railway of British Columbia Limited (SRY) has a long history and extensive experience as a regional railway in the BC Lower Mainland. SRY was formed in 1988 as result of privatization of the former BC Hydro Rail, the Rail Division of BC Hydro and Power Authority (formerly BC Electric Railway, which commenced operation in 1896). In 1994, SRY was purchased by Washington Corporation, based in Missoula, Montana. Washington Corporation also owns Montana Rail Link, a major regional railway in Montana in addition to other interests in international construction, development, heavy equipment, mining, and environmental consulting and remediation. Other local interests in British Columbia include Seaspan Marine Corporation and Vancouver Shipyards based in North Vancouver, Seaspan Ferries Corporation based in Delta, and Victoria Shipyards based in Esquimalt.

SRY and its affiliated companies have an extensive history and track record of completing capital projects on time and on budget. All project expenditures are budgeted, procured and approved through a rigorous internal purchasing and approval process overseen by respective Controllers with SRY and SVI. All expenditures are approved through pre-established approval limits up to, and including the President of SRY & SVI, Frank Butzelaar. Mr. Butzelaar reports to a consolidated board of directors that oversees both SRY and SVI.

SRY has recent experience with the Annacis Rail Marine Terminal (ARMT). This jointly funded project between SRY and the Transport Canada was as an integral part of the federal government Gateway Short-Sea Shipping Initiative. The project met all federal funding requirements and was completed on time and on budget. ARMT was commissioned in service January 1, 2010.

***Project Schedule***

The proposed project schedule, commencing upon confirmation of total funding requirement, is detailed in chart on the following page.

The project schedule is based on production rates obtained in consultation with railway construction industry representatives, as follows:

	<u>Total Required Construction Period</u>
➤ Bridge Remediation - Immediate Essential Repairs	= 3 Months
➤ Rail Joint Replacement - 80 pair/day = 112 working days	= 5 Months
➤ Tie Renewals - 1200 ties/day (6 days per week)	= 4 Months
➤ Re-Ballasting / Surfacing - 1 mile/day (6 days per week)	= 8 Months

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Activity	Month											
	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
Procure Bridge Remediation Services & Materials												
Procure Rail Joint & Other Steel Track Material												
Hire & Train Personnel - Rail Joint Program												
Procure Tie Renewal & Surfacing Services												
Procure Track and Switch Ties												
Bridge Remediation												
Procure Ballast Material												
Rail Joint Renewal												
Tie Renewal Program												
Re-Ballasting & Surfacing Program												

\*Note: Subject to adjustment based on required funding approvals

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**APPENDIX A**

**BC Ministry of Transportation & Infrastructure  
Evaluation of the E&N Railway Corridor: Baseline  
Reference Report**

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BC Ministry of Transportation and Infrastructure

# Evaluation of the E & N Railway Corridor: Baseline Reference Report



FINAL



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## EXECUTIVE SUMMARY

The Island Corridor Foundation (ICF) is the owner of the historic Esquimalt and Nanaimo (E & N) Railway on Vancouver Island. Currently, the Railway is operated and maintained by Southern Railway Vancouver Island (SRVI) between Victoria and Courtenay. There is an out-of-service leg between Parksville and Port Alberni that was previously operated by RailAmerica.

The British Columbia Ministry of Transportation and Infrastructure (BC MoT) commissioned this study to support the investigation and identification of business plan options to ensure the long term viability of operating and maintaining the E & N Railway Corridor. The ICF has been engaged in this study as the owners of the railway.

Hatch Mott MacDonald (HMM) was engaged to review and validate past facility assessment reports, carry out a site visit including an inspection of the operating trackage and provide advice on railway maintenance and Capital costs to support specific business plans developed by IBI. This report includes an overview of the current Railway condition.

The existing traffic is a twice daily passenger service between Victoria and Courtenay and a small volume of freight (less than 1,000 car loads) mainly between Duncan and Courtenay.

### Rail Corridor Condition Assessment

The track was inspected by hi-rail vehicle (highway truck with convertible steel wheels for rail travel) on June 15-17, 2009 from Victoria to Courtenay including the Wellcox spur and yard. Southern Railway Vancouver Island supervisors were interviewed. They shared their extensive experience and records of the long term maintenance history of the infrastructure and current issues. The track from Parksville to Port Alberni was too overgrown with vegetation to allow a hi-rail vehicle inspection.

The Railway condition is considered not to be in compliance with BC Safety Authority Railway Regulations and Rules Respecting Track Safety (Part 30) for Common Carrier Railways in the following areas:

- Vegetation growth in the ballast section and crossing approaches
- Clusters of decayed ties and decayed ties under the rail joints
- Worn, loose rail joints and frozen bolts

In brief, the track structure is in poor to fair condition. Automatic crossing signal conditions are deteriorating. Current Capital and maintenance resources are inadequate to safely maintain the track. Over the last several years, maintenance has included some vegetation control and the use of Holland Trackstar testing equipment to identify the worst decayed tie clusters.

Significant Capital investment has been deferred for the last several decades except where funded by road authorities at crossings for railway realignment to accommodate the construction of the Island highway; and to replace a burned bridge. In particular, tie replacements have not been at a sustaining level.

Without a significant on-going investment in ties and rail joint maintenance, the line will become inoperable. Other Capital requirements include bridge repair and crossing protection replacement.



## Baseline Improvements & Reconfiguration Options

The rail corridor condition assessment indicated a pressing need for repair and increased maintenance of the corridor if only to support existing usage. These improvements are covered by the associated business plan options for maintaining existing freight and VIA Rail services.

Options for reconfiguration of the corridor and rail facilities follow the business plans identified in the course of this study. These include commuter rail service between Victoria and Langford; maintaining freight service between Duncan and Courtenay; reopening freight service between Parksville and Port Alberni; and developing passenger and tourist services between Victoria and Courtenay as well as vintage rail excursions from Port Alberni.

## Cost Estimates

Conceptual capital cost estimates have been developed for each of the business plan options developed through this project. These estimates cover capital expenditures over a period of five years as applicable to each configuration option. No allowances have been included for operation costs.

## Environmental Overview

Review of documents provided by the ICF as well as web-based search indicates that there has been a very limited environmental study undertaken to support business plan initiatives and complete due diligence investigations. It is recognised that each of these corridor business plan alternatives (or overall combination of alternatives considered as a whole) would likely pose differing constraints and opportunities for the surrounding communities and the natural environment. Therefore environmental assessments would have to be carried out to support the regulatory processes required for any specific business plan option.

It is assumed that all of the business plan options will not be initiated at the same time. From the business plan options under consideration there are two which would likely require an environmental assessment: the Victoria-Langford Commuter Rail option and the Alberni-Parksville line re-commissioning. Although the Commuter Rail option falls below the BCEAA 20km threshold for mandatory assessment, the potential for socio-economic impacts warrants a voluntary review. The Alberni-Parksville segment of the corridor has not been in use since 2002 and re-opening this rail service may trigger the provincial EA process if the project was considered "new" and not a modification to an existing facility.

The other business plan options do not appear to require any significant infrastructure (e.g., re-build stations) nor would materially increase rail traffic in the short term. Therefore we would expect that there would be little (e.g., municipal permitting for stations), or in the case of repair and maintenance, no environmental assessment certification required.

# 1. BACKGROUND AND OBJECTIVES

This Report presents the Baseline Reference Update undertaken as part of the Evaluation of the Esquimalt and Nanaimo (E & N) Railway Corridor on Vancouver Island. This is one of a series of technical reports covering the freight, passenger, and tourism markets, the feasibility of commuter rail, and an update of railway corridor conditions and potential improvement costs.

The British Columbia Ministry of Transportation and Infrastructure (BC Mot) commissioned this study to support investigation and identification of business plan options to ensure the long term viability of operating and maintaining the Esquimalt & Nanaimo (E & N) Railway Corridor.

The E & N Railway Corridor was previously owned by Canadian Pacific Railway and RailAmerica before being transferred to the Inland Corridor Foundation (ICF) in 2006. The corridor extends from Victoria to Courtenay and from Parksville to Port Alberni. In addition, there is a short leg from North Cowichan to Lake Cowichan.

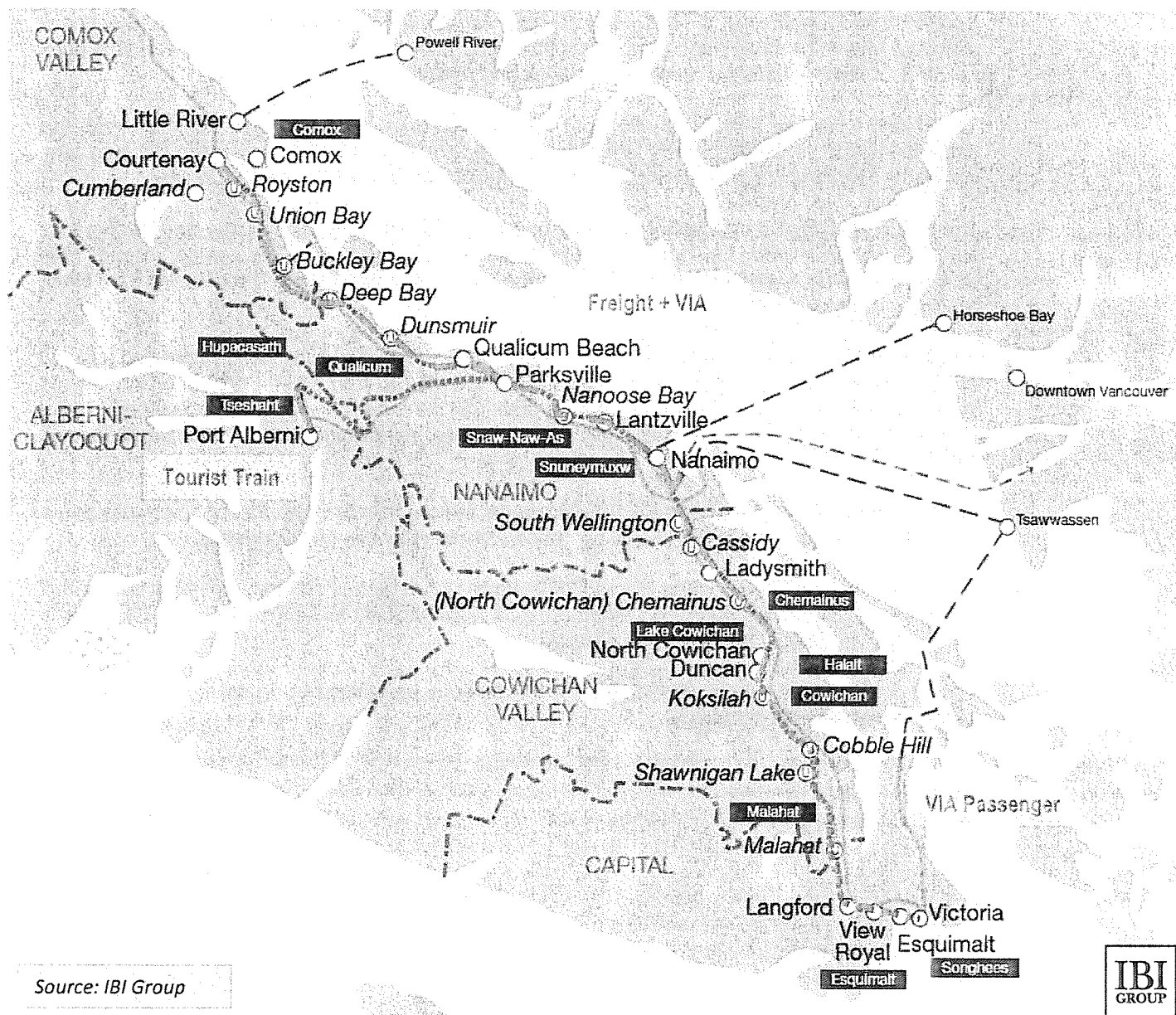
Since its construction in the late 1800s, the E & N Railway has been continuously operated as a rail transportation corridor, with the exception of the Parksville to Port Alberni portion which ceased freight operation in 2002. Today the freight operation of the railway is managed by Southern Rail of Vancouver Island (SRVI). VIA Rail provides a scheduled rail passenger service between Victoria and Courtenay.

The existing rail traffic is a twice daily VIA passenger service between Victoria and Courtenay and a small volume of freight (less than 1,000 car loads) between Duncan and Courtenay.

In addition approximately 6 miles of the Port Alberni Subdivision is currently operated as a small steam train excursion between Port Alberni (mile 39) and historic McLean's Mill (mile 33). This is operated by the Alberni Pacific Railway group.

**Exhibit 1** shows the railway alignment and the portions associated with passenger, freight and tourist train operations in 2009-10.

Exhibit 1: E & N Railway Corridor – Current Operation



## 1.1 Study Team

The assessment of the railway facilities was carried out by a team of experienced professionals. IBI Group was the prime consultant to manage, coordinate and compile information from other consultants for this Baseline Reference Study.

Hatch Mott MacDonald (HMM), railway infrastructure experts, reviewed and validated past facility assessment reports, carried out site visits and determined elements necessary for railway maintenance and to support specific business plans. HMM was assisted by Anthony Steadman Associates on cost estimates. Hatch Ltd. provided environmental overview input into this study.

In addition, the condition assessment of the existing facilities was supported by information provided by following organizations involved in the current railway operation:

- Island Corridor Foundation
- Southern Railway of Vancouver Island
- Seaspan

The assessment made use of information from previous studies undertaken by IBI, Southern Railway Vancouver Island and DRE Transportation Inc. The reports from these studies are listed in Appendix A, in addition to the inspection team.

## 1.2 Report Structure

The Baseline Reference Report covers review of past railway facilities assessment studies, observations as to the validity of such assessments information for business plan development; provides recommendations for future assessments; summarizes data to support potential business plans identified under this project; and provides an environmental overview including anticipated regulatory process for expansion of corridor railway operations / development.

The report includes the following main sections:

- Background and Objectives
- Facilities Assessment Approach
- Corridor Condition Assessment
- Baseline Improvements
- Reconfiguration Options
- Cost Estimates
- Environmental Overview

## 2. FACILITIES ASSESSMENT APPROACH

As part of the valuation of the E & N Railway Corridor, an assessment of the present condition of the railway's infrastructure is required as summarized below. This assessment is required to contain sufficient information to enable an order of magnitude determination of the time and costs to upgrade the existing railway to a level that complies with legislated safety requirements appropriate to carry future traffic requirements under the contemplated business plans. These plans are described separately from this Baseline Reference Report and include forecasts for freight and passenger movements.

### 2.1 Assessment Scope & Criteria

The primary basis in preparing the updated baseline infrastructure condition assessment will be the asset evaluation documents used to support the Canadian Pacific Railway's donation of its property and improvements to the ICF. Appraisal studies related to the valuation of these assets were carried out during 2003 and 2005. These studies also included assessment of the condition of track, signals and associated railway facilities such as bridges and culverts. The study findings are documented in IBI reports dated January 2004 covering the E & N Railroad corridor; and the January 2006 report covering the RailAmerica corridor. These documents consist of policy papers, land and improvement evaluations, track condition and geotechnical reports, rail and track replacement cost assessments, grade crossing signal valuations, and bridge and culvert condition assessments.

Further information regarding facilities condition is documented in the Property Appraisal Report concerning the E & N Railway Stations prepared by Ray Baker Appraisals Inc. for Canadian Pacific Railway 2004, and E & N Infrastructure Capital Plan prepared for ICF by DRE Transportation Solutions Inc. June 2006.

In addition, a "Limited Phase 1 Environmental Site Assessment E & N Railway" report prepared by Jacques Whitford Environment Ltd. (report dated December 2003) was reviewed. No reference documents were provided or discovered for any environmental study of the RailAmerica corridor.

The facilities covered by the assessment were prescribed by MoT to include:

1. Victoria and Port Alberni Subdivisions
2. Wellcox Yard and barge slip
3. All passenger stations
4. All industrial spurs and sidings now serviced by the railway
5. Nanaimo offices and workshops
6. All bridges and trestles
7. All grade crossings including pedestrian crossings

It is noted that the previous evaluation studies referenced above did not cover items 2, 3, 4 and 5 noted above, or any pedestrian crossings. Consequently the level of assessment of these facilities has been limited to within the rail corridor inspection carried out under this study. The assessment was also supported by discussions with facility operations personnel.

The assessment of the physical plant and right-of-way was requested by BC Mot to address the following elements:

- Roadbed, including drainage, vegetation growth
- Track geometry of the main track, including gauge, alignment, curvature, curve elevation and surface
- Track component evaluation, including condition of rail, track ties, rail joints, other rail fastenings, track ballast, and turnouts (switches, frogs, etc)
- Bridges, trestles, tunnels, culverts & similar structures, including condition, ability to carry traffic
- Yard tracks, including overall condition and layout
- Industrial sidings & spurs (either owned or operated on), including condition of both track and loading / unloading facilities
- Communications equipment, including condition of radios and other communications equipment
- Fencing, including condition and adequacy
- Barge ramp, including condition of track, structures and mechanical equipment
- Grade crossings, including condition of sight lines and crossing surfaces
- Grade crossing protection, including type and condition of protection and advanced warning signs
- Wire crossings, including clearances and conditions of supporting structures
- Yard and main track clearances, including clearance between tracks, in bridges, tunnels, overpasses, structures and buildings, and signage condition and location
- Passenger stations, including condition, clearances, protection and signage, adequacy of occupation provisions, fire protection, location and adequacy of ingress / egress locations
- Work shops and offices, including adequacy and general condition

Some of the above parameters noted above are outside the level of effort assigned to this project. For example, determination of load capacity of bridges warrants archive search for original design drawings (or extensive field measurements), detailed site inspections, materials sampling and testing, together with engineering analyses. Where foundations are located on soils or at river crossings geotechnical investigation can also be expected. Such investigations are likely to be warranted to implement some business plan options.

## 2.2 Reference Documents

To provide the basis for the Canadian Pacific Railway's donation of its property and improvements to the ICF, appraisal studies related to the valuation of these assets were carried out during 2003 and 2005. These studies also included a screening level assessment of the condition of track, signals and associated railway facilities such as bridges and culverts. The HMM review of these study documents in conjunction with other reports and together with the site overview, confirms the validity of use of these reports for this project. The reference documents reviewed for this Baseline Reference Report are listed in Appendix A.

## 2.3 Methodology

This assessment comprises of five primary components:

- Assessment of the existing evaluation data provided by BC MoT and the ICF as to general completeness and suitability for use on the project. These assessments include the primary condition data on which Baseline Reference Report assessment has been based. The reports comprise the IBI report dated January 2004 covering the E & N Railroad corridor; the IBI report dated January 2006 covering the RailAmerica corridor, and other reports listed in Appendix A.
- The environmental overview made use of a "Limited Phase 1 Environmental Site Assessment E & N Railway" report prepared by Jacques Whitford Environment Ltd. (Report dated December 2003), as well as vegetation and pest management reports. No reference environmental documents were provided by BC Mot or ICF, nor following a web search appear to exist, for the RailAmerica corridor.
- Site assessment of existing facilities not covered by the previous evaluation studies. This assessment was carried out at a screening level appropriate to support the development of the business plans.
- Compliance overview of the rail infrastructure with current practice and the British Columbia's railway safety legislation.
- Compilation of cost data to support the financial components of the business plans.

The assessment of the rail corridor and associated facilities did not include any geotechnical review, determination of facility seismic resistance or for vulnerability to settlement from past mining operations along the corridor.

### 3. RAIL CORRIDOR CONDITION ASSESSMENT

Southern Railway Vancouver Island supervision staff was interviewed and then the line was inspected by hi-rail vehicle from June 15th to 17th, 2009. SRVI staff shared their extensive experience and records of the long term maintenance history of the infrastructure and current issues. The track was inspected from Victoria to Courtenay including the Wellcox spur and yard. The track from Parksville to Port Alberni was inaccessible to hi-rail due to vegetation growth. As a result site review was limited from several crossings driven to by road.

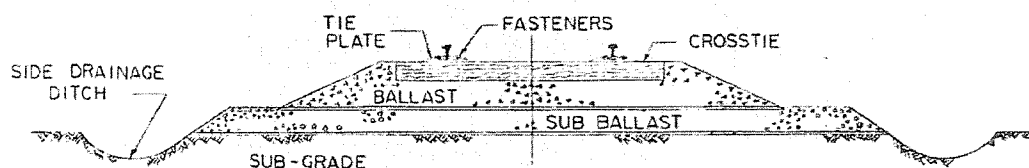
The team inspector's findings and suggestions were communicated verbally to E & N Track Maintenance Supervisors Al Kutaj and Bryon Reed. This report draws extensively on their comments and 28 year history with the Railway in "track and structures" maintenance.

Site review of signal facilities was conducted by Mr. Bohmert on July 23, 2009 with the assistance of Don McGregor, General Manager and Marvin Beveridge and Kevin Epele, Signals and Communications Maintainers of the Southern Railway of Vancouver Island. Site visits covered the signal maintenance facility in Nanaimo, representative crossing signal installations between Nanaimo and Victoria, and a number of unsignalled crossings in the Langford-Victoria corridor were examined. The latter in the context of a potential commuter rail service. The rock fall hazard areas near mileage 16 were also studied to assess the location for a possible slide detector fence installation.

The observations from the site review and discussions with Southern Rail staff, together from review of the reference Valuation Study reports are noted below

#### 3.1 Roadbed

A typical cross-section of railway track is illustrated below. The purpose of a free draining ballast section and clear ditches is water drainage. A mud-fouled, vegetation laden and water-logged ballast section will not support train loading. The effects of poor drainage include poor ride quality and accelerated deterioration of the wooden cross-ties. Control of vegetation is central to maintaining safe track.



Typical Track Cross Section

A continuing challenge facing SRVI maintenance managers is the extent of vegetation in the ballast section and right-of-way. BC Safety Authority Railway Regulations and Rules Respecting Track Safety (Part 30) for Common Carrier Railways (The Regulations) state:



## *I. Drainage*

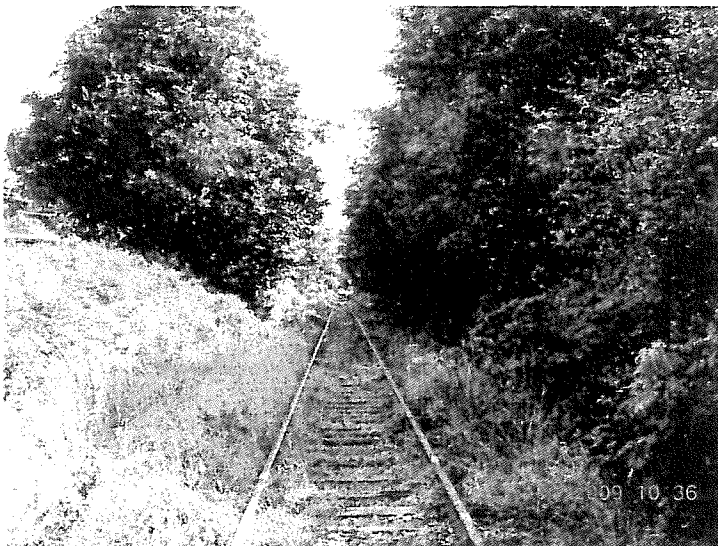
Each drainage or other water carrying facility under or immediately adjacent to the roadbed must be maintained and kept free of obstruction, to accommodate expected water flow for the area concerned.

## *II. Vegetation*

Vegetation on railway property which is on or immediately adjacent to roadbed must be controlled so that it does not:

- a. become a fire hazard to track-carrying structures;
- b. obstruct visibility of railway signs and signals;
- c. interfere with railway employees performing normal track side duties;
- d. prevent proper functioning of signal and communication lines; or
- e. prevent railway employees from visually inspecting moving equipment from their normal duty stations.

The existing vegetation conditions are considered to be in contravention to the above rules. In particular, the density of vegetation prevents Track Inspectors from viewing the condition of joints and fastenings; and, foliage on the rails has interfered with the signal shunt which activates crossing signals upon the approach of a train.



**Boundary between treated and non-treated sections. Extensive growth hides the condition of joint bars, tie plates and ties.**

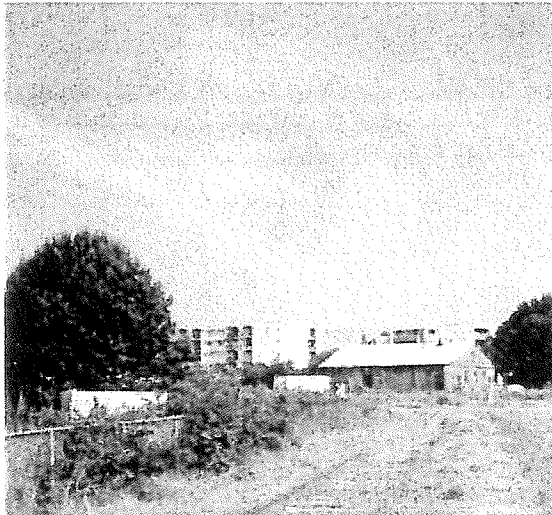
**The vegetation traps water in the ballast section and limits drainage in the ditches.**



**Near Courtenay looking north**

- Showing start of re-growth in the sprayed area and a non-spray area
- Note: obscured crossing sightlines due to brush
- Note trees at a leaning angle in proximity to the track

Since 2006, the SRVI has developed and is implementing a Pest Management Plan (PMP). The PMP uses herbicides combined with mechanical methods of brush control. The current vegetation condition appears much improved from an inspection carried out in 2006 but is still not considered adequate. The herbicide used, "Vantage", has no impact on pre-emergent weeds so effectiveness is very dependant on the timing of the spraying to plant life cycle. Generally, very good progress is being made wherever it has been employed. About 10% - 15% of the trackage is in non-treatment zones and other means should be employed.



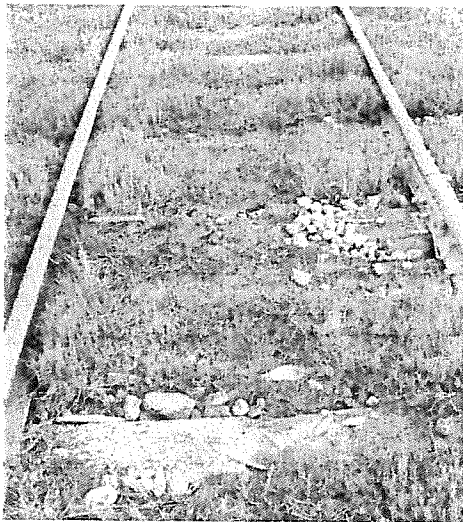
**Victoria Yard:**  
Note effectiveness of herbicide on existing plants directly sprayed in the ballast section but no effect on plants that were pre-emergent in their growth cycle at time of application.

Brush removal is required to restore and maintain crossing sightlines to standard. There is legal hazard to the railway in the instance of a crossing accident where required sightlines have not been maintained for visibility of the signs and / or signals or for a vehicle looking down the track for an approaching train.

Brush removal is also required beneath bridges. A priority would be any bridges with timber trestle approaches. The Railway's bridges should be fire guarded. Brake shoe sparking, maintenance welding or cutting, trespasser smoking and adjacent forest fire have all been ignition sources to brush that have consumed railway bridges by fire in British Columbia. A mulcher / chipper should be employed to avoid leaving drying branches.

There should be a continuing effort for the pre-emptive removal of "danger trees". The removal of some "danger trees" on the crests of slopes will avoid wind-fall or jacking loose of rock debris. Historically, the VIA Dayliner has been damaged several times by impact with fallen trees. The priorities are trees on the side and crests of rock slopes or in areas where adjacent forest has been removed leaving a thin screen of high trees susceptible to wind-throw.

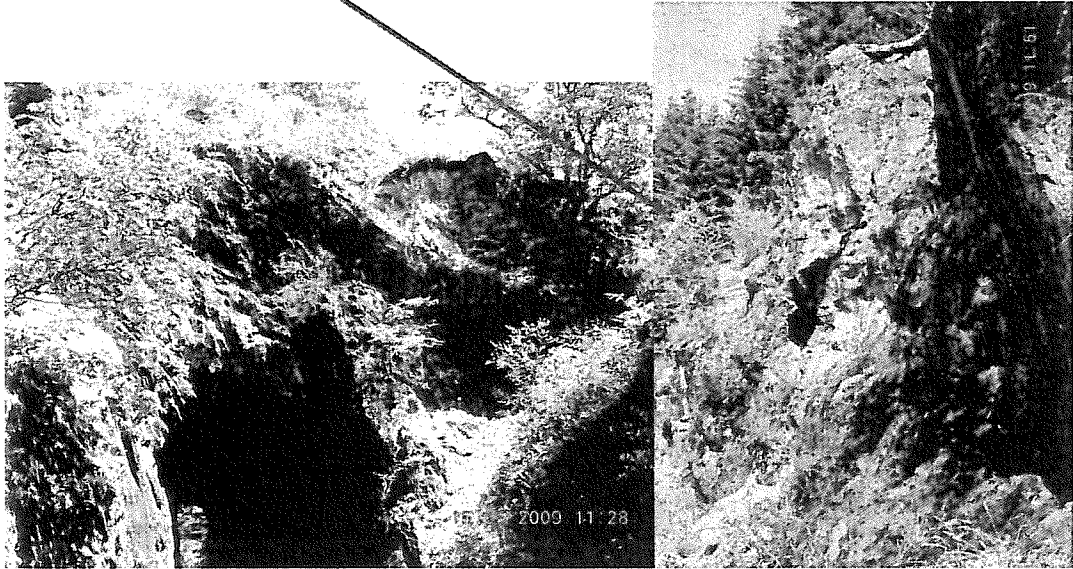
Wherever the vegetation has been cleared, over-all the drainage of the sub-grade is fair, given the pit run ballast in general use. In wetter areas, the vegetation blocks the ditches with resultant pumping of ties at rail joints and poor tie condition.



Natural spring just north of Nanaimo with poor drainage typical wherever vegetation is growing from standing water.

Efforts should be made to obtain the CP file on Golder's reports of past inspections cited in the 2003 EarthTech Geotechnical report. Inspection and re-rating of the rock cuts is required. This will form the basis for with rock slope hazard risk mitigation plan.

Active rock faces with freshly fallen material in the ditches and significant cracking between the blocks M.21.7



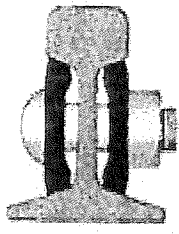
It was noted that trains are instructed to stop short of potential rock fall sites at Mile 15.6, 15.7, 16.2 and 16.3

### 3.2 Track Structure

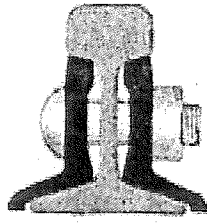
#### 3.2.1 RAIL JOINTS

The purpose of a rail joint is to connect the rails together so that they form a “continuous girder” that deflects under load similarly to the rails it joins. A rail joint should prevent relative vertical and lateral movement of the rail ends but should allow longitudinal expansion and contraction of the joint for temperature. Joint maintenance includes regular lubrication and torquing of bolts.

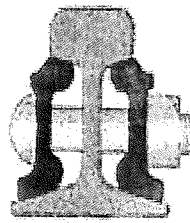
Poor joint condition is responsible for the rough ride on the Budd cars. The bulk of the rail joints on the E & N are in poor condition and not in compliance with the Regulations. The full-toe angle bar design pre-dates the use of tie plates; the bars have holes for spiking the bar directly to the tie. The bars can't be used with a double shoulder tie plate. It is the opinion of the SRVI Maintenance staff that there are thousands of full toe angle bars that are worn in the fishing surfaces (contact zones under the head and on the rail base); no longer have an interference fit with the standard oval neck track bolt; and, have the bolts rusted and seized with the bars loose. This leads to a pounding down of the ties under the joints, accelerated tie deterioration and accelerated wear on the fishing surfaces.



**Splice Bar**



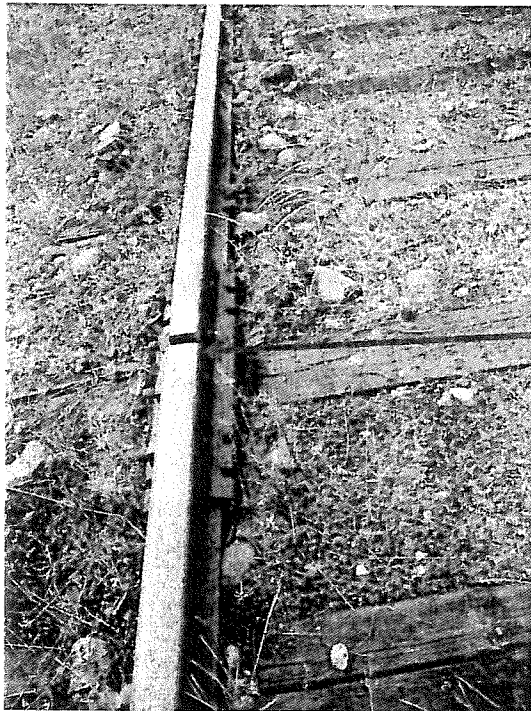
**Full Toe Angle Bar**



**Toeless Joint Bar**

Three types of joint bars in service on E & N Railway.

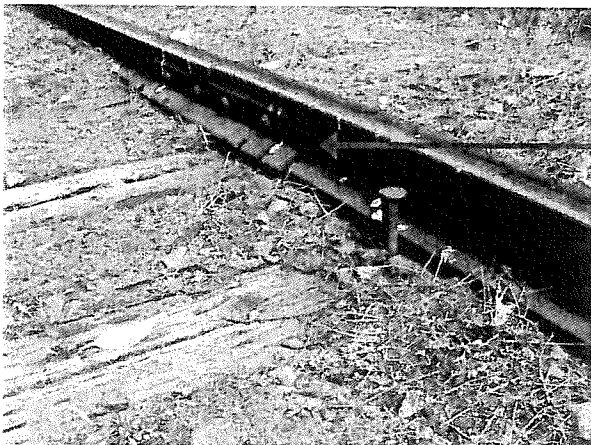
Also, many other joints are "frozen" with the bolts rusted in place. This leaves the track susceptible to buckling because the rail ends cannot slide to relieve internal temperature stresses.



Typical low joint Wellcox spur.

Some bolts spin freely in the bars with the nut rusted in place.

Note: loose plate and 1" gap between the rail and tie with no tie plate.



Typical low joint.

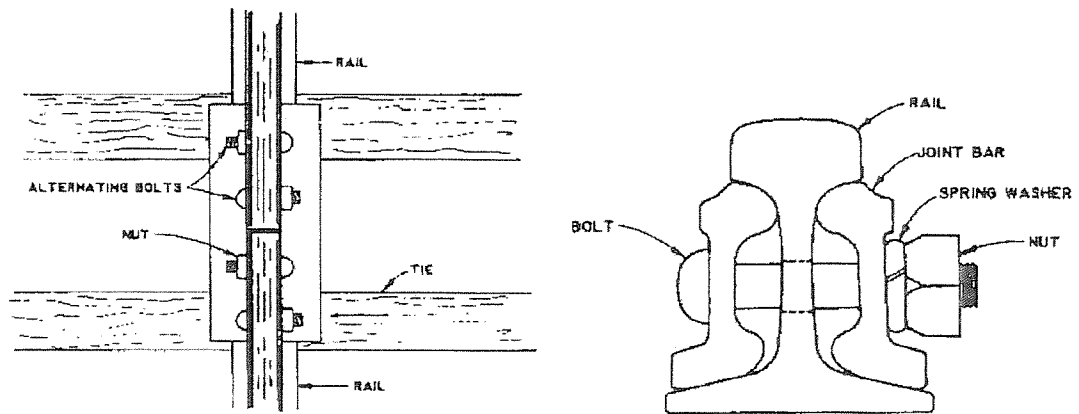
Note that even good ties will not hold surface if the joint bars are loose.

1" gap between the rail and tie.

Bolts were rusted tight but joint could be moved laterally and vertically with small pressure from a foot.

Correction of the worst joint conditions should be performed prior to any major tie program. If the joint bars are not tight, then newly tamped track will not maintain level surface at the joints. They will rapidly pound down.

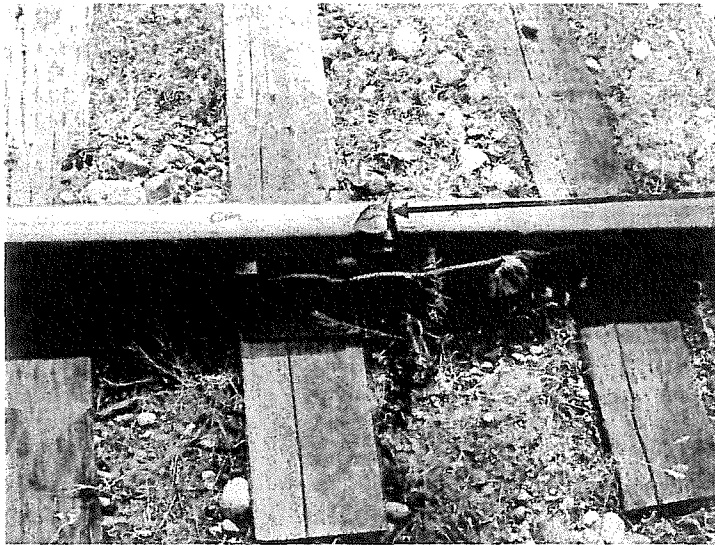
The preferred joint would have toeless bars to allow for double shoulder tie plates under the joint. The bolts would use spring washers. Inquiries to track material suppliers revealed that second hand toeless bars and double shoulder tie plates are in relatively short supply. The recent premium value in the steel market has resulted in the scrap disposal of much of the inventory and substantial price increases in the small remaining stock. If considerable lead time was available, suppliers might be able to source from track that comes on the market to be dismantled. A final alternative to second hand bars would be the purchase of new bars.



Additional work would include a careful measurement of a sufficient sampling of existing toe angle bars to understand the level of wear on the fishing surfaces and as-worn dimensions of the bolt eye-holes. One source of the problem may be an incompatibility of the joint bar to properly conform to the differing rail cross-sections on the E & N. It is possible that alternate design in the oval neck of the track bolts may provide an interference fit with the worn eye-hole on the full-toe bars. Also, it may be possible to get a tight joint on worn eye-holes by using a square head bolt in place of the standard round head track bolt. (Use a jig or second person on a wrench).

The long standing nature of the joint problem has led to the development of rail end batter on some joints. A battered joint will not maintain surface due to the additional dynamic impact. In severe cases, the rail-end batter may develop cracks leading to a broken rail. Normal repair of batter would be to build it up by welding the rail end and then grind / slot grind. In locations where the rail is surface bent or kinked, it should be removed and cropped for re-use.

A walking inventory of the bar / bolts /rail condition and type of all the joints needs to be performed. For the purpose of this report, it is estimated that there are 10,000 joints with full toe angle bars that should be changed. As part of any Capital program, every joint will need to be serviced, bars inspected for cracking and greased and new bolts with spring washers installed.



Battered joint partially corrected by rail-end welding on one rail.

### 3.2.2 TRACK TIES

A cross-tie constrains the rails in position under the repeated loading of the trains. The tie holds the rails a fixed distance apart (track gauge), so that vehicle wheels track properly. The ties transmit the train loads through the ballast section to the sub-grade. The ties must have the bearing capacity to maintain the rails at a level "surface" to avoid vehicle rocking or instability. The ballast type, tie spacing, tie cross-section sizes and tie species are chosen to ensure the expected train loadings are safely supported at the lowest life-cycle cost.

As ties rot, additional stress is put on adjacent ties, particularly at loose rail joints. The eventual result is a loss of track gauge and track surface leading to slower train speeds and a higher derailment risk.

It was noted that the main track is currently restricted to 20 mph for freight trains between Parksville and Courtenay account poor tie conditions.

BCSA Regulations are:

- TC Class 2 track: Passenger train speed up to 30 mph
- TC Class 3 track: Passenger train speed up to 60 mph

For the E & N tie spacing of 2800 ties per mile

1. Class 2 requires approximately 40% non-defective ties and one good tie within 24" of a joint
2. Class 3 requires approximately 50% non- defective ties and one good tie within 18" of a joint
3. Ties are defective when they will not support the tie plate / rail; will not hold spikes; are cut through more than 40% of the thickness; or broken through.

Insufficient tie replacement has been performed to address the issue of poor joint ties. The track does not currently comply with Regulatory safety standards due to decayed tie clusters and poor joint ties.

Comprehensive records of prior tie installations were not available. It was estimated that 2,000 ties were installed in 2008, 1,500 ties in 2007, 5,000 ties in 2006; that 2,500 ties / year were installed

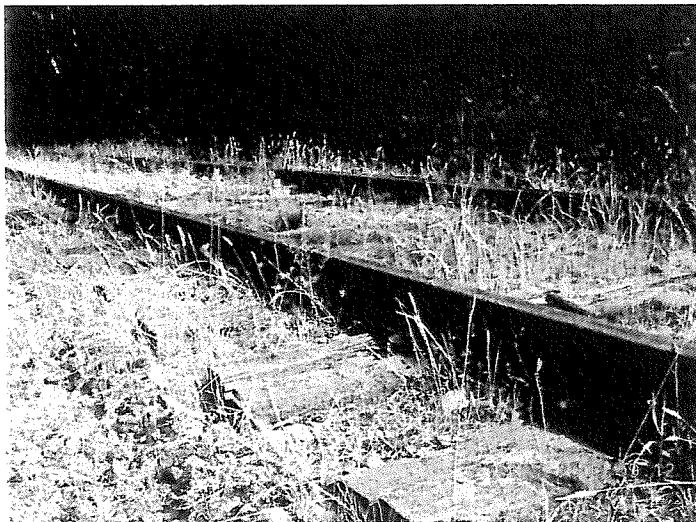
2001 – 2005; 7,000 ties in 2000 and 12,000 ties in 1999; many of which were on the Port Alberni Sub. About 60,000 ties total in the prior two decades. This is a replacement rate of about 3,300 ties per year over a period of 30 years.

During the inspection, reference was made to two previous spot tie counts; one done by E & N supervisors and one by A & B rail in the 2003 Earth Tech report (Miles 69 - 95 were not inspected by Earth Tech). In the 2006 inspection, correlation between the two counts was generally good but tie counts were generally heavier, particularly near Duncan, just north of Parksville and near Courtenay. The tie conditions are generally 20% to 35% defective with areas in Miles 42, 96 and 138 over 50%.

Information on the tie spacing varies. It is noted in several reports as being 2880 per mile or 22". Re-spacing for missing ties has occurred over time and a count of 2,800 per mile on average is more likely. This is a reasonable spacing for the light loadings on the line. Tie spacing should be tightened in the sharper curves. Tie spacing should be confirmed in total tie per mile counts to be done with the defective tie marking.

For distances: 139.7 miles of main track, 3.2 miles Wellcox spur, 2 miles of yard / siding; less 0.8 miles of bridges and 1.2 miles of recent revisions = 142.9 miles or approximately 400,000 total ties. Treated ties under light axle loads can be expected to last 30 to 35 years prior to rotting. Some reduction in life should be expected in higher degree curves and where one good tie is required to support several adjacent decayed ties. To keep the E & N track on a maintenance cycle for rot, a replacement level of approximately 12,000 ties per year is required.

There has been a substantial capital deficit in tie replacement over the last 30 years and an immediate near term investment is required to break up clusters and replace poor ties under the joints. Defective ties in track total approximately 140,000. More critically, due to the age of the existing ties, approximately 260,000 ties can be expected to reach their service life due to rot in the next 15 to 20 years. Significant on-going investment will be required.



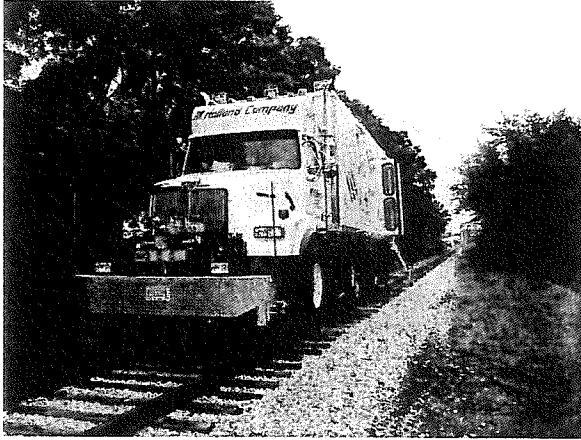
Example of cluster of more than 50% defective ties and no good ties at a joint in Class 3 track near Parksville.

Tie type selection is a function of annual tonnage and axle loading expected over the service life; presently a #2 tie is adequate for most locations. For increased traffic, #1 ties should be used on the sharper curves.

SRVI has been employing Holland Trackstar testing equipment to measure track geometry and tie restraint strength. This equipment measures alignment, cross-level and gauge and reports track defect exceptions to the Regulations. It is extremely difficult to provide good surface and cross-level because of the poor tie and joint condition. The joints will not "stay up" due to batter. Poor tie



condition precludes out-of-face surface; the track would pull apart due to poor ties if it was lifted for tamping. However, the annual use of Holland Trackstar equipment to load test for tie weakness has enabled track forces to focus the limited ties to markedly improve the track gauge particularly on the Malahat curves. Rental of this test equipment is expensive for a short-line railway but is providing good value and improved track safety.



Holland TrackStar (for illustration of equipment – not on E & N).

SRVI has used local non-treated yellow cedar ties as replacements for track ties and bridge ties. These ties are produced on Vancouver Island and currently in use on the Englewood Railway and Southern Railway of BC. There has been insufficient track experience to develop an expected average tie life but initial indications from SRY is that ties installed 10 years ago are still in good condition.

Current pricing is higher than a treated tie but there is some off-set on the cost of disposal once ties are removed because a treated tie must be disposed of as “special waste”. The yellow cedar ties are significantly lighter than a standard tie but this should not be an issue in a low tonnage line. Where yellow cedar was recently used for bridge ties on two bridges, several concerns should be addressed. End splitting was apparent and perhaps end plates should be used during seasoning. Also, most of the hook-bolts were loose. This indicates that the tie continued to season after installation and shrank. If there is an intention to proceed to large volume of yellow cedar ties, the purchase specifications should address the issue of seasoning and splitting for both track and bridge ties. Also, the ties on these bridges were not dapped leaving lateral restraint solely to the hook-bolts; it is strongly recommended that this design be reconsidered on future bridge ties.

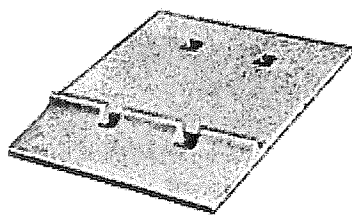


Untreated yellow cedar ties in stockpile.

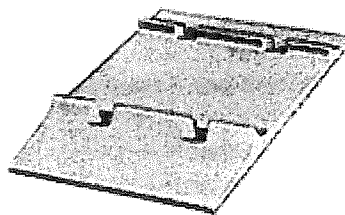
The ties weather to grey in track.

### 3.2.3 TIE PLATES

Before about 1920, rail was commonly spiked directly to the ties. As train weights increased, it was found that the area of the tie directly under the rail wore rapidly and spikes sheared off. Canted, single shoulder tie plates were developed to provide a wear surface with a lip (shoulder) to support the rail under lateral loads. Tie plates markedly increased the life of wood ties by providing a bearing / wear surface for the rail. As rail car axle loads increased again in the 50's / 60's, larger area double shoulder plates were developed to supply a "seat" for the rail, improve spike life and give more bearing area. The tie plates on E & N are typically single shoulder plates about 60% the size of the double shoulder tie plates in normal branch line railway use. There are many instances of missing and broken plates. It would be preferable to replace the existing plates with second-hand double shoulder plates during the tie change program on all ties being changed out. This will pay for itself in tie life, particularly on curves where freight trains operate. New spikes would be used with a per plate spiking pattern of 2 on tangents, 3 on curves to 6 degrees and 4 on curves 6 degrees and over.

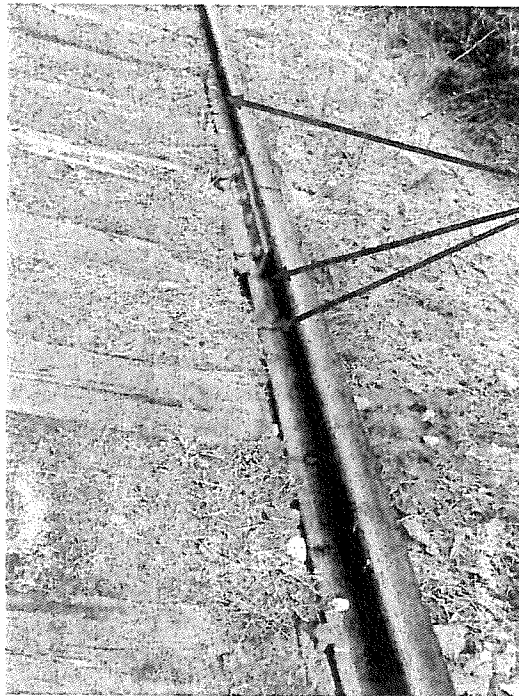


Single Shoulder



Double Shoulder

Typically single shoulder plates on E & N; should upgrade to double shoulder tie plates when ties are changed.

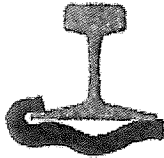


Typical missing and / or broken plates.

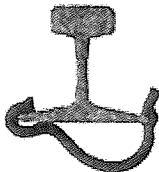
**3.2.4 RAIL ANCHORS**

Rail anchors provide a restraining connection between the rail and the tie. Locomotive tractive forces and braking forces will cause rail to shift longitudinally. This will cause the ties to skew, rail joints to close and potentially lead to track buckling or kinking. Rail anchors are applied to fix the rail in place. In most areas of the E & N, the anchoring pattern is not adequate or non-existent. The anchors (mostly Hook and Shoe anchors, such as exist) are not tight to the ties. There is no evidence of rail creep under the existing Dayliner traffic. If it is intended to operate commuter traffic and increase freight on the southern section of the Railway, a box anchor pattern on every fourth tie should be established on the Malahat hill for commuter operation and every third tie wherever the freight train operates. It is most cost-effective to apply these anchors with the tie crew prior to the surfacing as the pit run ballast will have been knocked away from the anchor bearing area at the edge of the new ties by the change-out operation. Note that anchors would go onto a mix of old and new ties on an every fourth tie pattern. A measured survey of existing worn rail base widths is needed to ensure the anchors are manufactured or purchased with a proper fit. Unit Anchor will properly fit anchors to provided rail samples.

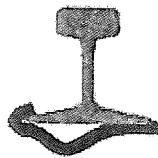
Channel Lock Drive-on



Unit Wrench



Unit Drive-on



Some examples of currently available anchors.

### 3.2.5 TRACK BALLAST

Ballast is normally a select crushed rock placed on the sub-grade under and between the track ties to:

- Firmly support and restrain the track under the dynamic loads of trains
- Prevent track buckling from thermal stresses induced in the rails by changing temperature.
- Provide drainage of the track.
- Distribute the rail loads to prevent overstressing and failing the sub-grade.

The existing ballast is contaminated pit run ballast with a proportion of large round rock (2" to 4"). Surfacing equipment lifts and aligns the track, where required, and packs ballast under and around the ties to produce a safe, smooth riding track. The issue on E & N Railway is that severely rotted ties will disintegrate under the forces from the tamper tools and brooming.

Any surfacing program should include crushed rock at a rate of 480 to 600 cubic yards per mile to replace shoulder cut level to improve drainage, ballast lost by tie change-out, to fill skeleton areas and to provide sufficient material to smooth-out the joints. On a winter program, it should be possible to rent ballast cars from CPR or CN with MK / control flow doors. SRVI currently sources crushed rock near Mile 110.

### 3.2.6 RAIL CONDITION

The main track rail is predominantly a mix of 129.4 miles of 80lb. and 85lb. short bolted rail with about 10.6 miles of 100lb. (rail is described by weight in pounds per yard). The 80 / 85lb. rail is not suitable for a heavier axle loading than currently carried. Recent ultrasonic inspections of the rail from Victoria to Parksville were reviewed; 2006 - 2008. They were predominately Bolt Hole defects with some Vertical Split Head and Split Webs all of which would be expected in older bolted rail. The frequency of less than 0.3 defects / mile tested is not unusual.

The E & N track is not CTC equipped (track circuits with signal light control) so a broken rail will only be detected by track inspection, train report or if the break is inside the approach circuits of a crossing.

Rail supplied for replacement of defective rails should have been recently tested. Rail removed for detail fractures, transverse defects or head web separations should not be cropped and reinstalled. With regular testing and joint maintenance, the existing rail will be adequate for the present service. Any increase in tonnage would require more frequent testing to stay ahead of defect growth. If there is any intention to operate a commuter service or increase tonnage such as Coal service, the 80 / 85lb. rail in those areas should be replaced.

### 3.2.7 TURNOUTS

The turnouts are in fair to good condition. Mostly 9lb. – 85lb. mixed material with some new 115lb. upgrades paid for during road relocation work. No exceptions were noted in gauge or point adjustment. Most frogs could use grinding. Most turnouts could use some tie replacement. Speed through turnouts on SRVI is limited to 10 mph.

## 3.3 Bridges and Culverts

None of the bridges between Victoria and Courtenay showed obvious signs of distress. The Port Alberni spur was inaccessible to hi-rail vehicle thus the bridges on this leg were not inspected. The

notes from the inspections performed in 1999, the 2006 AMEC report and the 2003 McLeman report were briefly reviewed. They are comprehensive reports but their detailed inspections on the larger structures were limited by time and budget available; so there are significant potential unknowns as detailed in those reports. Recent inspections by SRVI personnel have been visual and limited to areas of the bridges that were safely accessible. Two bridge decks and some pile cap work on the trestle M.1.4 Wellcox spur have been done since the 2006 inspection.

It is noted that there are many bridges along the corridor and notwithstanding the large expense of repairing or replacing these structures, the current information is dated and limited in depth of study. Therefore it is recommended that detailed inspections by bridge professionals should be performed including drilling of timber piling, scour condition of piers and abutments, cleaning of debris and inspection of steelwork. Inspection of the steelwork will require specialized lifting and climbing equipment. Cleaning of debris packed into the crevasses of the steel work to allow inspection and measurement of corrosion is not a small issue. A number of the bridges are of unique design and there would be considerable expense in "reverse engineering" the bridges, if necessary to calculate capacity and remaining life for increased axle loading.

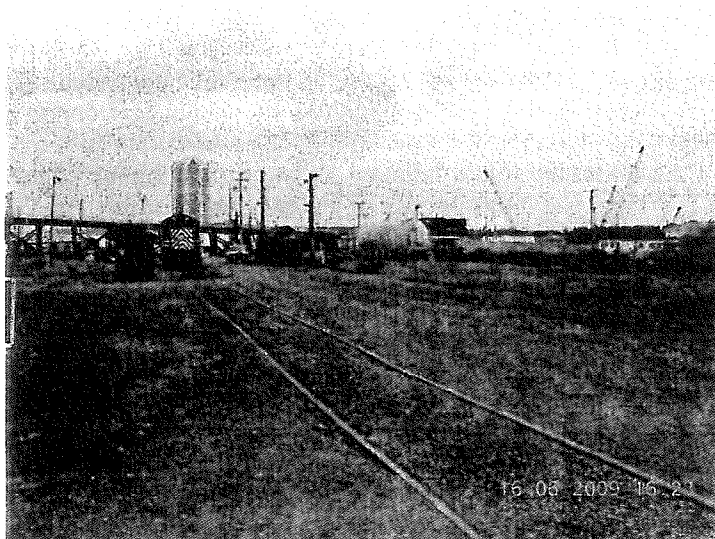
There are speed restrictions of 10 mph on bridges at M. 14.9, M.39.3, M.64.4, M.110.7

It is reported that there are some low clearances on bridges that cross highways. As such these structures are vulnerable to damage from road vehicle impacts (e.g. bridge crossing over Shaunessy Road).

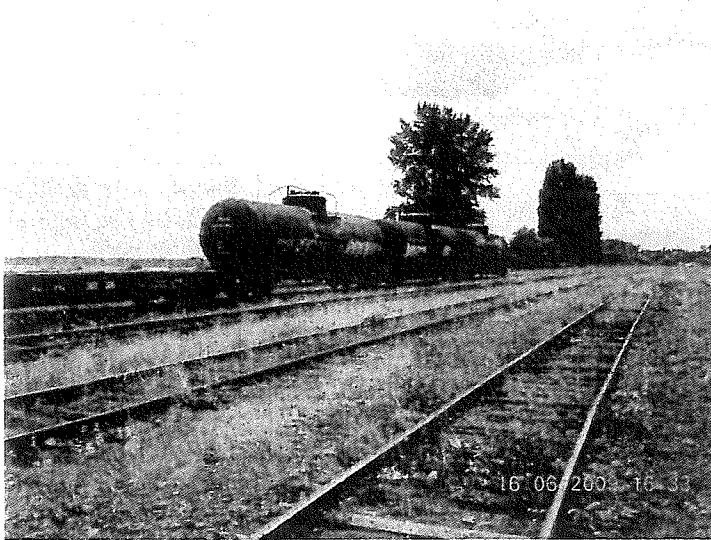
A thorough inspection of the culverts was done by McLeman in 2003. Little of the recommended work has been performed (40 recommended replacements over a 5 year period and extensive cleaning). An updated inspection of all culverts should be done. The McLeman report can be used as a basis for the approximate Capital work estimate now required. There is a 10mph speed restriction over the culvert at M.114.95.

### 3.4 Yard Condition

The major yard is Wellcox yard in Nanaimo. The E & N yards and sidings that are required for current use are maintained for track safety. Some yard trackage has been taken out of service and speeds have been reduced to 5mph on shop tracks. The wye at Parksville is out of service. As with the main track, decayed tie and poor joint conditions in the yards are serious issues.



**Wellcox Yard  
Locomotive Spur  
Note Ties and OTM  
buried in the gravel.**



Wellcox Yard  
Storage tracks.

### 3.5 Communications

Communications are by radio and cell phone. There are 2 repeater towers for the radios. The south repeater covers Victoria to Nanaimo; the north repeater covers Nanaimo to Parksville. Personnel can call from either repeater to the Rail Traffic Controller but cannot call to each other when on different repeaters. The equipment is relatively modern; 8 years old, and is properly maintained.

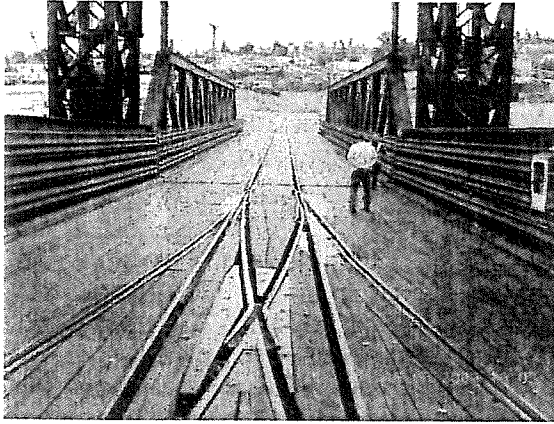
### 3.6 Fencing

There is very little livestock fencing. The length was estimated in the order of 2 miles and it is in fair to good condition. This presented a risk estimated as less than 1 call per year for escaped livestock.

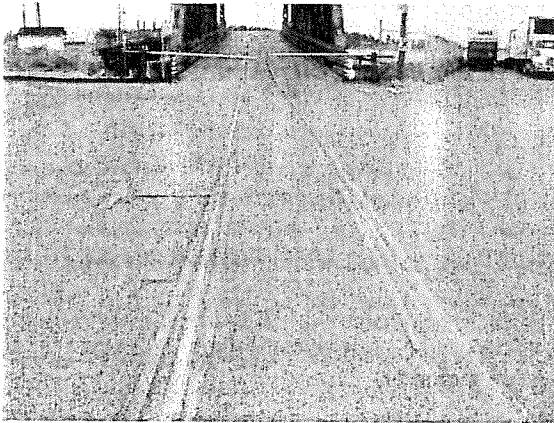
### 3.7 Barge Ramp

The Barge ramp located in Wellcox yard is very active for trailer loading and is used approximately weekly for rail car delivery. The yard trackage servicing the barge ramp is in safe but poor condition due to deteriorated ties. The deck of the ramp is being well maintained both for timber for the trucks and the switches and rails for the rail cars. SRVI personnel did not advise of any mechanical concerns with the ramp mechanism.

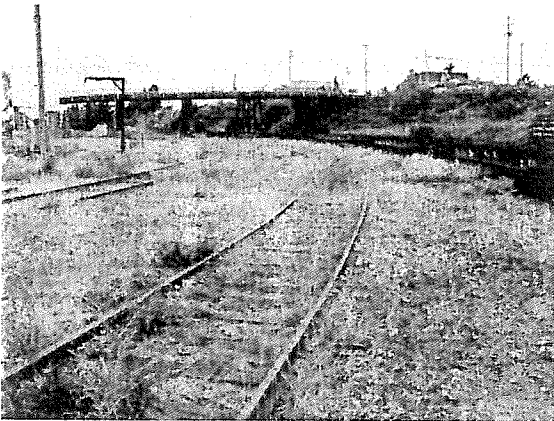
The barge ramp is owned and operated by Seaspan.



Barge ramp looking towards the rail car loading yard.



Barge ramp looking from the rail car loading yard.



Rail car loading yard for the barge service.

### 3.8 Crossings

There are approximately 93 signalled crossings between Victoria and Courtenay. The equipment in some of these installations has reached its service life. Parts are no longer supported by the original manufacturers. The condition inventory performed in 2005 by Quality Signal Construction Inc. is a good base line for estimating immediate and future requirements. This subject is discussed in detail in section 3.14.

### 3.9 Wire Crossings and Clearances

There are numerous wire crossings; most frequently at or near the automatic signals at highway crossings. SRVI maintains a list of Railway restricted clearances which are typically through-truss bridges, tunnels and rock cuts. SRVI recently moved dimensional loads for delivery to Duncan.

### 3.10 Passenger Stations, Shops and Offices

The RJ Baker appraisal of July 2004 is a good guide to passenger station condition. The exception is that the station at Nanaimo has burned down.

Typically the stations are not equipped with platforms. This impedes efficient boarding and disembarking of passengers. Provision for upgrade of the stations has been included in the cost estimates (refer to Appendix B).

There is an issue with some of the VIA station shelters. They are becoming laterally unstable due to rot and deterioration in the pile supports coupled with a large heavy roof.

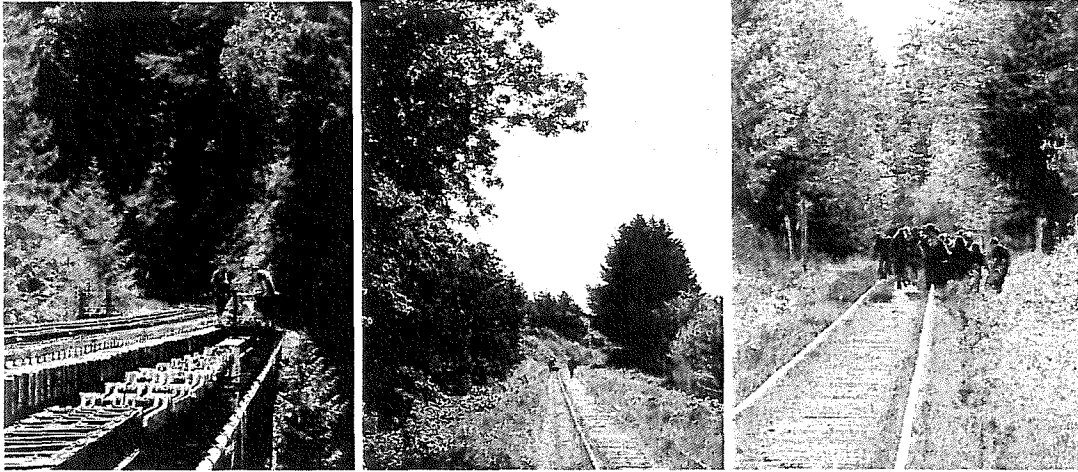


**Station Platform at 27.9  
Shawingan Lake  
with deteriorated  
supports.**

Mechanical work is done on shop tracks or by mobile yard repair. There is no covered mechanical work area in Wellcox Yard. Major locomotive work is sent off-island. SRVI has an office building in Wellcox yard for management staff that is also used for vehicle maintenance and signals storage. It did not appear in need of immediate repairs.



### 3.11 Trespasser Issues



During the two most recent consultant inspections (2006/2009), there were numerous instances of trespassers on the right of way: Recreational trails lead to bridges without signage or walkways; there are frequent dog walkers; and, children use the right of way as a short cut. This use poses a safety risk to the trespassers and a liability risk to the Railway. Injury damage awards have been high, particularly for long term debilitating injuries. Railway actions that would mitigate the hazard and support a "due diligence defence" would include signage, fencing, education, prosecution and construction of walkway trails separate from the ballast section.

### 3.12 Operating Speed Constraints

As mentioned above speed restrictions are in force at various locations along the corridor. These are documented in the SRVI and VIA Rail operating timetables, and cover a variety of constraints including track curvature and super elevation, at-grade crossings, rock fall hazard areas, sightline limitations, as well as bridge and track condition. As a consequence only limited operating speed improvements are possible through increased repair and maintenance. Major capital expenditure, including land acquisition would be required for railroad realignment and bridge replacement to gain any significant increase in overall speed restrictions.

### 3.13 Operating Load Restrictions

The Railway has been operating with a freight car load limitation of 263,000lb. This is less than the typical mainland freight car load of 286,000lb. Given the need for significant Capital just to repair and maintain the present railway infrastructure along the corridor, it is considered fiscally improbable to upgrade the trackbed, replace the 80lb. / 85lb. rail, and replace or strengthen the numerous bridges in order to increase the operating load capacity. Therefore, this aspect has not been considered further in this assessment.

## 3.14 Signals Condition Assessment

### 3.14.1 EXISTING SIGNALS OVERVIEW

The E & N railway has a total of 104 signaled grade crossings between Victoria and Courtenay. There are pair of train control signals on the approaches to the Johnson Street Bridge which are interlocked with the bridge opening mechanism. The signal plant on the E & N is typical of a low traffic branch line. The E & N is not equipped with a Central Traffic Control (CTC) system. There are no wayside defect detection systems such as Hot Box Detectors or Wheel Impact Load Detectors and there are no Automatic Equipment Identification Readers.

The crossing warning devices are standard railway flashing light warning signals and bell, with some crossings also equipped with gates. The train detection equipment spans several generations of signal technology. The oldest crossings use DC track circuits and DC relays. Beginning in the 1970s crossings began to be equipped with audio frequency track circuits and then some with older model motion sensors. The newest crossings are equipped with modern motion sensors or constant warning time devices.

The DC relays used for DC track circuits are still manufactured, and spares are still available. DC relays must be tested regularly to comply with Transport Canada requirements. SRVI representatives advised that the relays on the E & N are being tested on a 4 year cycle and are currently in compliance. However, the oldest electronic equipment, including the Harmon AFTAC audio frequency track circuits and the Harmon MD-II motion detectors is obsolete and no longer supported by the manufacturer. Spare parts can no longer be purchased.

Crossing sight lines are poor at many of the crossings. In some cases sight lines are so restricted that motorists have to be almost on the track before they can see an oncoming train. In urban areas of Nanaimo and Victoria the right of way is narrow and buildings often block sight lines. In more rural areas uncontrolled vegetation growth on the right of way is blocking sight lines.

Track conditions can affect the operation of crossing signal systems. On the E & N railway there are two particular areas of concern, rusty rail and fouled ballast. Rusty rail can cause poor shunting and train detection. Inconsistent warning times and unreliable pre-emption operation can result. Lighter rolling stock such as passenger trains or Rail Diesel Cars are especially likely to suffer from poor shunting. In the worst case, crossings may fail to provide sufficient warning time in advance of a train. Fouled ballast drains poorly and will remain saturated with water in wet weather. This will cause track circuits to "leak" excessive current from rail to rail. This can cause nuisance operation of crossings when no trains are present, especially at motion sensor or constant warning time equipped crossings. The problem is made worse by road salt in the winter. These problems are likely to occur to some degree at almost all the crossings on the E & N.

### 3.14.2 CHANGES SINCE VALUATION ASSESSMENT

A corridor valuation assessment survey of all crossing signal installations was performed in 2005 by Quality Signal Construction. In the 4 years since this survey approximately 10 new crossing signal systems have been installed. A few of the older crossings have been upgraded. The upgrades include new train detection equipment, typically GETS PMD-3 motion detectors, as well as new batteries and chargers. Other than these noted changes, the survey by Quality Signal Construction is still a good reference for the state of the signal plant.

### 3.14.3 EQUIPMENT CONDITION AND MAINTENANCE

The majority of the crossing installations have been maintained in fair to good condition. The equipment cases are generally clean and tidy. Batteries are generally clean, free of corrosion and electrolyte levels topped up. Cable connections appeared to be tight and secure. There were no signs of rodent entrance or activity. Track connections and bonds were in generally good condition. The crossing cases all had up to date wiring drawings. There were no immediate safety issues related to equipment maintenance noted.

Many of the older steel equipment cases are showing signs of rusting especially at the floor level and around doorsills. Steel cases require constant maintenance including rust removal and painting. Hoods and backgrounds of crossing warning signals also showed signs of rusting at many of the older locations. Newer equipment cases are made of aluminum and newer signals have polyethylene hoods and backgrounds and are immune to rust problems.

While the crossing equipment is generally well maintained, in many cases it has reached the end of its useful service life and needs to be upgraded or replaced.

### 3.14.4 REQUIRED UPGRADES

An ongoing program of crossing upgrades is required to keep the plant in working condition. There appears to have been some good progress in this direction in the last few years.

First priority should be to replace the oldest motion detectors (the MD-II units) and the AFTAC audio frequency track circuit equipment. This equipment is no longer supported by the manufacturer and spare parts are no longer available. As these are replaced, new spares become available to maintain the remaining old equipment. However, as the electronic components age, even unused spares will become unreliable. This equipment should be replaced with new modern constant warning time or motion sensor equipment such as the GE HXP-3 or PMD-3 units.

The older GCP-660 constant warning time units should be the next priority for replacement. These are older units and are known for poor performance in rusty rail conditions and for inconsistent pre-emption warning times. This equipment should also be replaced with new modern constant warning time or motion sensor equipment such as the GE HXP-3 or PMD-3 units.

In parallel with the upgrades of train detection equipment, the oldest standby battery plants should be upgraded. A number of the crossings were still equipped with Lead Acid batteries, which would have been installed over 25 year ago. There were a small number of crossings still equipped with old-style steel-cased NiCad cells which are at least 30 years old. Given an expected service life of 15 to 20 years, the oldest batteries in service are unlikely to meet current standby power time requirements. Batteries and battery chargers should be replaced with new NiCad cells and modern constant current chargers.

In Nanaimo between about mileage 70 to mileage 74 there are a number of crossings in close proximity and the approach circuits overlap. These crossings are interconnected with underground signal cable so that track relays from multiple crossings can be combined to provide sufficiently long approach circuits. This underground cable has reached the end of its service life and will gradually begin to break down. By replacing the train detection equipment at these crossings with new motion detector or constant warning equipment, the approach circuits can be overlapped on the track and the underground signal cable can be removed from service. In addition, new train detection equipment will allow the removal of all the insulated rail joints at these crossings.

### 3.14.5 ROCK FALL HAZARD AREAS

There is a rockfall hazard area between about mileage 15.6 and mileage 16.3. This area was visited to investigate the possibility of installing slide fences or rockfall detectors. There are four separate hazard areas ranging from 100 to 200 feet in length. These areas are remote, and access to AC power will be difficult.

It should be noted that detector systems are generally installed in rockfall hazard areas where other means of mitigation are not feasible. Detector systems have a high installation cost; a standard railway slide detection fence can cost as much as \$300 per running foot. Maintenance costs can also be high since a signal maintainer must be called out to fix broken detector wires each time a slide fence is tripped.

It may be premature to consider installing slide detection fences if the rockfall hazard in this area could be mitigated by employing more traditional rock slope stability measures such as scaling, rock anchors, shotcrete and rock mesh. In this respect a detailed assessment by a rock slope geotechnical engineer is recommended prior to developing alternative hazard mitigation plans.

### 3.14.6 POTENTIAL COMMUTER RAIL CORRIDOR VICTORIA TO LANGFORD

A business plan option provides for commuter rail service in the Victoria-Langford corridor. The site review covered all the existing crossings, both signaled and unsignalled, in the proposed corridor from mileage 0 to mileage 10.6. The 24 crossings in the potential commuter rail corridor are shown in the table below. Proposed upgrades are also shown. As a baseline the proposed upgrades are the installation of warning signals and gates at all crossings not already so equipped. It is noted that the upgrades listed below are conceptual and require further assessment before any implementation. The cost estimate includes provision for upgrades at those locations marked below with an asterisk.

Mileage	Road Name	Existing Warning System	Proposed Upgrade:
0.37	*Tye Rd	Flashing Lights	Add Gates
0.57	*Sitkum Rd	Flashing Lights and Gates	--
0.77	Catherine St	Flashing Lights and Gates	--
0.83	*Mary St	Crossbucks and Stop Sign	Flashing Lights and Gates
0.88	*Russel St	Crossbucks and Stop Sign	Flashing Lights and Gates
0.95	*Esquimalt Rd	Flashing Lights	Add Gates
1.10	*Wilson Rd	Flashing Lights	Add Gates
1.57	*Devonshire Rd	Crossbucks and Stop Sign	Flashing Lights and Gates
1.75	*Lampson Rd	Flashing Lights	Add Gates
2.14	*Hutchinson Ave	Crossbucks and Stop Sign	Flashing Lights and Gates
2.29	*Intervale Ave	Crossbucks and Stop Sign	Flashing Lights and Gates
2.53	Admirals Rd	Flashing Lights	Add Gates
3.13	*Maple Bank Rd	Crossbucks and Stop Sign	Flashing Lights and Gates
3.37	*Thomas Rd	Crossbucks and Stop Sign	Flashing Lights and Gates
3.65	*Hallowell Rd	Crossbucks and Stop Sign	Flashing Lights and Gates
4.81	*Burnett Rd	Flashing Lights	Add Gates
5.03	Kislingbury (Gated private Xing)	Crossbucks and Stop Sign	Flashing Lights and Gates
5.63	*PJ McEany (driveway)	N/A	Flashing Lights and Gates
6.90	*Adkins Rd	Flashing Lights	Add Gates
7.90	Goldstream Ave	Flashing Lights	Add Gates
8.30	Peatt Ave	Flashing Lights and Gates	--
8.52	Jacklin Rd	Flashing Lights and Gates	--
9.30	*Pedestrian Xing	Crossbucks	Flashing Lights and Gates
10.30	*Westshore Parkway (Future)	n/a	Flashing Lights and Gates

A number of the unsignalled crossings in this corridor will likely need to be upgraded with crossing warning signals and gates when commuter rail service is initiated. A number of existing crossings that are equipped with flashing lights and bell may also require the addition of gates.

Before a commuter rail service is initiated a Detailed Safety Assessment as per the Transport Canada RTD-10 guidelines should be performed for each crossing. Many factors are considered in the Transport Canada guidelines to determine whether a public crossing needs warning lights or warning lights and gates. These include the number of tracks, the volumes of road and rail traffic,

the maximum railway operating speed, the presence of sidewalks and proximity to other road intersections with traffic signals. Once the detailed assessment has been completed, it may be that upgrading all the roads to flashing lights and gates is not required.

There are a number of smaller road crossings in close proximity between mileage 0.5 and mileage 0.95. It may be possible to rationalize the road network and close some of these crossings.

### 3.15 Condition Assessment Summary

In brief, the track structure is in poor to fair condition. Automatic crossing signal conditions are deteriorating. Current Capital and maintenance resources are inadequate to safely maintain the track. Maintenance personnel are doing the best job possible given the limited resources. Over the last several years, this has included some good progress on vegetation control and the use of Holland Trackstar testing equipment to identify the worst decayed tie clusters.

Significant Capital investments have been deferred for the last three decades except where funded by road authorities at crossings; at two revisions for the construction of the Island highway and to replace a burned bridge. In particular, tie replacements and joint repairs have not been at a sustaining level.

The Railway is not considered to be in compliance with Transport Canada Rules Respecting Track Safety in the following areas:

- Vegetation growth in the ballast section and crossing sightlines
- Clusters of decayed ties and decayed ties under the rail joints
- Worn, loose rail joints and frozen bolts

Without a significant on-going investment in ties and rail joints, the Railway will become inoperable. Other urgent Capital requirements include bridge repair and crossing protection replacement.

## 4. BASELINE IMPROVEMENTS

### 4.1 Immediate maintenance and rehabilitation

The rail corridor condition assessment indicated a pressing need for repair and increased maintenance of the corridor if only to support existing services. These baseline improvements are covered by the associated business plan options for maintaining existing freight and VIA Rail services.

### 4.2 Recommendations for detailed assessment studies

The scope of services under this study does not provide for detailed assessment of the facilities, consequently the deterioration noted herein should be considered as indicative rather than definitive. It is recommended that before any significant capital expenditure is committed that detailed condition assessments be carried out to determine a definitive action plan and budget. In particular the following detailed assessments should be considered:

- Sight-line Assessment: review sightlines at all crossings and remove obstructions to acceptable standards
- Bridge Condition Assessment: follow-on past studies for priorities for detailed assessment and repairs
- Stations and Shelters Assessment: initial focus on heritage stations to be retained and restored, and the structural integrity of passenger shelters
- Rock Slope Hazard Assessment: build on past investigations and develop a detailed hazard mitigation plan
- Arborist Assessment: assess ailing or damaged trees and wind throw hazard areas and identify priorities for removal of hazard trees
- Corridor wide drainage and flood potential assessment.

## 5. RECONFIGURATION OPTIONS

Options for reconfiguration of the corridor and rail facilities follow the business plans identified in the course of this study. These include commuter rail service between Victoria and Langford; maintaining freight service between Duncan and Courtenay; reopening freight service between Parksville and Port Alberni; and developing passenger and tourist services between Victoria and Courtenay, as well as vintage rail excursions from Port Alberni.

## 6. COST ESTIMATES

Conceptual capital cost estimates have been prepared for each of the business plan options developed through this project. These estimates cover capital expenditures over a period of five years as applicable to each configuration option. No allowances have been included for operation costs.

The various business plan options and associated estimated total cost are:

- Victoria to Langford Commuter Rail Option - \$73 million
- Corridor Rehabilitation Victoria to Westhills - \$11.8 million
- Corridor Rehabilitation Westhills to Duncan - \$17.2 million
- Corridor Rehabilitation Duncan to Courtenay - \$51.4 million
- Corridor Rehabilitation Parksville to Port Alberni (Port Alberni Spur) - \$25.7 million
- Stations Rehabilitation Victoria to Courtenay - \$17.2 million

It is noted that the cost estimates are strictly conceptual and are provided to assist MoT's identification of individual business plans to advance for further study. The data supporting each estimate is from various sources and differing levels of investigation and should be also considered conceptual. Further investigation and determination of corridor condition, in particular bridges and the Parksville to Port Alberni leg, is required to support implementation of any business plan.

The basis for each estimate is included in Appendix B.



## 7. ENVIRONMENTAL OVERVIEW

Hatch Mott MacDonald provided an indication of the future environmental assessment requirements associated with the development of all or parts of the Vancouver Island Railway corridor for:

- Freight;
- Passenger (long haul);
- Seasonal (and / or ecotourism); and,
- Commuter Rail (short haul) opportunities.

In summary, the preliminary business plan options provided include:

- Improve the basic condition of the corridor assets by restoring this infrastructure to a minimum standard;
- Add Commuter Rail (short haul) Service in the Victoria sector;
- Expand VIA Long Haul Passenger Service;
- Reinstate the seasonal (ecotourism) service on the Port Alberni segment only; and,
- Seek ways to increase Freight movement on the overall rail network in the medium to longer term, and reinstate freight service on the Port Alberni segment in the near term.

It is recognised that each of these corridor business plan alternatives (or overall combination of alternatives considered as a whole) would likely pose differing constraints and opportunities for the surrounding communities and the natural environment.

### 7.1 Assessment Scope & Criteria

The scope of the environmental component of this study is to:

- Review readily available existing environmental baseline information associated with the E & N Railway corridor;
- Identify the likely key issues (Environmental and Social Impact Assessment baseline or component studies content) to be addressed during the project definition and evaluation phases of the retained business plan options;
- Determine the probable environmental regulatory requirements (ESIA regimes and process steps) that will be applicable to the retained corridor development alternatives (business plan options);
- Estimate the likely duration to complete the environmental regulatory requirements; and,
- Review the preliminary findings with the Client and if appropriate at this early planning stage, seek the views of relevant regulatory representatives (i.e. discuss potential options with a representative from the BC Environmental Assessment Office).

The approach to the environmental overview of the Project is summarized below.

- Review the available environmental data provided;
- Review the business plan options provided by the IBI group to be retained for the next phase of the project study program;
- Determine the requirements for likely additional baseline data collection necessary to support the implementation of the retained business plan options;
- Assess the probable regulatory requirement for Environmental and Social Impact Assessment (ESIA) and the likely overall environmental regulatory process timeline for the retained business plan. Consider if other Federal and / or Provincial environmental regulatory processes, such as from MoE or DFO necessitate evaluations and the probable scope and timing of such studies; and,
- Preparation of this Baseline Reference Report.

## 7.2 Review of Available Environmental Data & Gap Identification

A review of the readily available environmental and related reports produced for the Island Corridor Foundation and others was undertaken to gain an appreciation of the current state of knowledge of the study zone. The results of this review are provided below.

### 7.2.1 PROJECT SPECIFIC REFERENCE DOCUMENTS

The Jacques Whitford Environmental Limited (JWEL) "Phase 1 audit" (2003), Streamline Environmental Consulting Ltd "E & N Railway Pest Management Plan" (2005), and the College Transportation Consulting Inc. "Socio-Economic Assessment" (2007) are project specific "Social and Environmental" background documents made available to the project team by BC Mot and ICF. The latter report provides a recent Socio-Economic profile of the corridor and arguments for maintaining the corridor intact. The (Vegetation) Pest Management Plan provides a summary environmental description of the corridor, environmental sensitivities to alternative vegetation maintenance techniques.

As part of the 2003 / 2004 valuation assessment, Jacques Whitford Environmental Limited (JWEL) was engaged by the Vancouver Island Railway to carry out a Phase 1 Environmental Site Assessment of the E & N Railway portion of the Victoria Subdivision and the abandoned Lake Cowichan Subdivision, Vancouver Island right-of-way. The remaining sections of the Southern Railway of Vancouver Island were owned by RailAmerica, through a subsidiary E & N Railway Company (1998) Ltd. (ENR98). No environmental screening studies appear to have been carried out for this ENR98 corridor from the Wellcox Spur in Nanaimo to Parksville and the east-west line from Nanaimo to Port Alberni.

This initial audit of a portion of the overall corridor, now somewhat dated (5+ years), provides a preliminary indication of the condition of the assets surveyed and the then identified potential hazards.

During the course of this referenced site assessment, a log of areas of potential environmental concern was generated with the majority of findings considered typical for railway facilities similar to this operation. Eighteen (18) sites on the ROW (three of which are documented spill sites) and twenty-two (22) sites adjoining the ROW were identified as having a potential environmental concern subject to more detailed further evaluation. Not all buildings within the project right-of-way were accessible during the site investigation and, therefore, were not investigated; four (4) locations were classified as being of "moderate concern"; and no sampling of suspected hazardous materials or possible contamination sites were undertaken as part of the mandate. Given the age of the

buildings that were available for investigation the potential for asbestos-containing materials (ACMs), polychlorinated biphenyls (PCBs), urea formaldehyde foam insulation (UFFI), lead, and ozone depleting substances (ODS) exists. Recommendations were offered for more detailed analysis of suspect building materials and particular sites prior to any future modification of these facilities or locations.

Other reference documents provided by BC Mot with an environmental component include:

- a) The Data Inventory Report (Resource Users Database) which provides an accounting of the location of watercourse crossings and wells (potable water), adjacent assets such as parks, agricultural land, First Nations lands, watersheds as well as an initial listing of known stakeholders along the corridor. This information was gathered in 2006 and was used to support the Pest (Vegetation) Management Plan; and,
- b) Weed Burner Report 2008 (and an application for Government funding to the SDTC) illustrate potential use of an evolving track vegetation removal technology utilizing steam supplemented with mechanical removal in lieu of the use of herbicides.

#### 7.2.2 OTHER AVAILABLE REFERENCE DOCUMENTS

Although not yet identified, other background information may exist for this rail corridor and if made available, should be reviewed in order to identify potential gaps in baseline data that would be the subject of future work as the project advances beyond the business planning stage.

Since a comprehensive set of Social and Environmental baseline data, specific to the region, was not available as part of the project background information, a brief review of a sampling of public data sites to identify possible relevant information was conducted. The initial findings are summarized below.

#### 7.2.3 CANADIAN ENVIRONMENTAL ASSESSMENT AGENCY

A search for Environmental Assessments of similar Railway projects in BC revealed that Environmental Assessments within existing railway right-of-ways is generally not required or undertaken. However, a reference was found to a proposed trail that would be interconnected with (part of) the E & N Railway corridor:

"Capital Regional District (CRD) proposes to construct a multi-use path alongside the existing Esquimalt & Nanaimo Railway (E & N Rail) corridor. This path would encroach on the Esquimalt Graving Dock property by a width of 4 meters to allow for the construction of a retaining wall and new security fencing. The operations associated with this path will be for recreational purposes. Under section 5 of the Canadian Environmental Assessment Act, an environmental assessment is required in relation to this project because Public Works and Government Services Canada may provide federal lands for the purpose of enabling this project to be carried out."<sup>1</sup>

The terms of reference agreed on this short section of the corridor will provide an indication of the stakeholder assessment requirements triggered along the corridor in general, given the number of agencies involved.

#### 7.2.4 BC ENVIRONMENTAL ASSESSMENT OFFICE

No Provincially controlled Environmental and Social Impact Assessment's (ESIA) of railway projects were found. The Delta Port Third Berth Project (Railway track component) is an exception and

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<sup>1</sup> See: [http://www.ceaa-acee.gc.ca/050/details-eng.cfm?CEAR\\_ID=46214](http://www.ceaa-acee.gc.ca/050/details-eng.cfm?CEAR_ID=46214)

provides some useful guidance on the scope (screening and terms of reference) of an ESIA of a rail corridor.<sup>2</sup>

#### 7.2.5 THE ISLAND CORRIDOR FOUNDATION (ICF) WEBSITE

The Island Corridor Foundation has made a significant contribution by compiling supporting documents and links on their Website. Under the Community tab, for example, a number of documents identify work in progress, or links to related sites where relevant information can be found. This will be a valuable reference point for an Environmental and Social Assessment of the short-listed project development opportunities to be evaluated collectively. However, the information currently contained on the ICF site does not provide a complete or up to date profile of the entire corridor.<sup>3</sup>

New West Hills community introduces the E & N Railway adjacent Bike and Pedestrian path to Victoria which I believe is related to the CEAA Environmental Assessment above.<sup>4</sup>

Sagehill development and Kensington Point in the Comox Valley are listed on the Island Corridor Foundation Website as other communities attached to the corridor. These are other potential social assets and attractions associated with the corridor.<sup>5</sup>

#### 7.2.6 STAKEHOLDER WORKSHOPS

A Stakeholder Workshop held in Nanaimo on June 9, 2009 provided some additional comments on sources of relevant Growth Management and Environmental information which could be investigated as part of a future study program. These suggestions are documented in the IBI report associated with the workshop and public outreach.

This workshop identified the need for a good understanding of the projected population growth adjacent to the railway corridor and the community plans and various developments already underway to manage or accommodate this growth. Workshop participants reminded the study team of the requirement to consult with affected First Nations and to identify the potential heritage and economic opportunities introduced as a result of future investment in the contiguous right-of-way, spur lines and intermodal connections. The workshop participants raised some specific concerns with respect to the existing condition of some of the railway assets, such as: the loss of the Nanaimo station due to fire; use of chemicals to control vegetation within the corridor; and, the need for a thorough rationalization of necessary railway crossings and the maintenance of drainage systems.

#### 7.2.7 GAP IDENTIFICATION

With the exception of the high level screening study conducted by Jacques Whitford in 2003 on the CP Rail Corridor, no other investigations appear to have been carried out or documented to support implementation of the business plans noted in Section 7.3. Consequently, it should be assumed that the preparation of baseline social and environmental studies of the potentially affected study zones and receptors will be needed to support the evaluation of any retained business plan options.

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<sup>2</sup> See: [http://a100.gov.bc.ca/appsdata/epic/html/deploy/epic\\_document\\_212\\_22382.html](http://a100.gov.bc.ca/appsdata/epic/html/deploy/epic_document_212_22382.html)

<sup>3</sup> See: <http://www.islandcorridorfoundation.ca/>

Regional Impact Study results awaited. See: <http://www.bamberton.com/>  
New Malahat Bus Service October 2008 (competition for ridership) - See:  
<http://www.bamberton.com/pdfs/100208-TC.pdf>

<sup>4</sup> <http://www.westhillsbc.com/vision> Look under "Our Vision" then Roads and Rail.

<sup>5</sup> <http://www.independentacademies.com/location> and <http://www.kensingtoncoastalpoint.com/index.html>

## 7.3 Environmental Review of Business Plan Options

The following conceptual business plan options were provided to the environment study team by the IBI Group on July 30, 2009<sup>6</sup>:

1. Improve condition of the existing track work within the corridor.  
This is not a separate option per se but is considered to be a minimum requirement to conserve the corridor in a functional / safe / operable condition.  
SRY capital plan would be to start with the Parksville to Duncan section (repair the ties and tracks first, and allow for moving to the higher strength rail).
2. Victoria-Langford Commuter Rail (short haul).  
The background for the Commuter rail option is included in the IBI Report "Evaluation of the E & N Railway Corridor: Commuter Rail". This option covers a Light Rail commuter service from downtown Victoria to a new terminal station at Westhills, Langford. The service would cover a length of 16.4 kilometers.
3. VIA (long haul) passenger service expansion.  
This option would require rolling stock, safety-related improvements to the track, passing locations and perhaps new platforms next to some of the stations. Assume this service would be between Courtenay and Victoria; would use the existing station locations and refurbish or rebuild stations; all work would be within the existing corridor; maintenance and improvement to existing operations only, not new facilities (including vegetation management, asset renewal, etc).
4. Port Alberni line Tourist train.  
Port Alberni contacts indicated they have some idea what it would cost them to obtain more rolling stock.
5. Increase freight movement within the corridor.  
Near to medium term: Port Alberni line freight service revival.

From this preliminary list of options there are two business plans which *may* require an environmental assessment: the Victoria-Langford Commuter Rail option and the Alberni-Parksville line re-commissioning (or reinstatement). The latter because this segment of the corridor has not been in use since 2002 and re-opening this segment for rail service may trigger the provincial EA process if the project was considered "new" and not a modification to an existing facility.

Under the BC Environmental Assessment Act (BCEAA), Reviewable Projects regulation (BC Reg. 370/2002), Part 8 – Transportation Projects, Section 2 Railways, modification to an existing project (Public Highway or Right of way used by the General Public) is subject to an Environmental Assessment when:

- a) the addition of one or more lines of track to an existing railway over a continuous distance of  $\geq 20$  km, or
- b) a railway designed to accommodate high-speed trains with a design speed of  $\geq 200$  km/hour.

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<sup>6</sup> It is noted that the set of business plan options introduced are conceptual and are subject to change. It is assumed that all of the business plan options will not be initiated at the same time and that initial implementation activities may be limited to performing basic improvements and maintenance to the corridor.

The Victoria-Langford Commuter Rail option (16.4km)

- Is under the BCEAA length threshold of 20km
- But BC EA certification very likely because of public interest and precedence of similar projects in the Lower Mainland
- CEAA possible if triggered, such as impact on federal owned land or federally funded.

The Alberni-Parksville line re-commissioning option, while it could be argued work to re-commission the line is regular maintenance; it may be regarded as a new project by BCEAA.

The other preliminary options do not appear to require any significant infrastructure (e.g., re-build stations) nor would these options materially increase rail traffic in the short term. Therefore there would be little (e.g., municipal permitting for stations), or no, in the case of repair and maintenance, environmental assessment certification required.

### 7.3.1 ENVIRONMENTAL ASSESSMENT OF THE OVERALL CORRIDOR PLANS

The Vancouver Island Rail Corridor Socio-Economic Assessment prepared by College Transportation Consulting Inc, dated July 2007 provides an indication of the overall value of the corridor and the range of future development opportunities. An earlier Light Rail Economic Opportunity Study, Victoria Transport Policy Institute (Dec 2002) is also referred too which begs the question:

*Should a Strategic Environmental Assessment (SEA) of the overall transportation value that the development of the ICF corridor could potentially bring be conducted before the individual projects (freight component, passenger travel etc) are considered?*

The Gateway program in the Greater Vancouver Region considered the question of the various modes of transport and movement of goods and people within a regional context. It is not clear from the readily available information if this type of holistic review of an integrated transportation plan for southern Vancouver Island has fully taken place or if the total value of the corridor and the contribution it can make to the overall transportation network has been taken into account.

Clearly defined stand-alone Projects are usually evaluated separately. However, under the principal of one project, one assessment there may be a requirement, from a regulatory perspective, to consider all modifications proposed to the corridor as an overall project.

If an Environmental Assessment was triggered due to:

- a specific business plan option exceeding a BCEAA regulation threshold;
- is ordered by the Provincial Minister of the Environment due to public concern;
- a CEAA requirement; or,
- the Client opts into the review process voluntarily

then the lead agency could conceivably propose that the Vancouver Island Railway Corridor be assessed as a whole. The lead agency under these conditions could choose not to limit their review to stand-alone project proposals within the corridor, such as the Alberni - Parksville line re-commissioning.

## 7.4 Environmental Regulatory Requirements

The objective of this section of the report is to identify the probable regulatory requirement for Environmental and Social Impact Assessment (ESIA) and the likely overall environmental certification timeline for each retained business plan option. In addition to the EA process requirements, retained business plan option projects may also be subjected to:

- a) Regional and municipal review for conformity with Community Plans, guidelines and bylaws;
- b) Ministry of Environment, Regional Districts and / or Municipalities permits for air emissions, water usage, etc;
- c) The BC Safety Authority would participate in the review of applicable Construction and Operating permits for particular aspects of the project. and;
- d) In certain instances, supplementary evaluation to determine compensation measures (e.g. Habitat replacement (HADD), Impacts and Benefits Agreements with affected First Nation groups etc).

In Canada, the Federal government and all Provinces have legislation requiring Environmental and Social Impact Assessment (ESIA) studies of projects to be submitted for review and approval before the physical works can be constructed when such projects meet threshold requirements (BCEAA) or trigger the CEAA. When a Comprehensive Assessment is required under CEAA for major projects raising public concerns, formal public hearings are normally held by or under the authority of a Review Panel. After the concept of a project has been authorised, its proponent must seek various operational permits, some of which are required before the commencement of construction while others are required before the commissioning of the undertaking.

Since a particular project may involve federal, provincial and regional/municipal powers, projects launched in a particular province may actually be subject to the federal and provincial processes, as well as regional/community planning provisions and local bylaws. In these cases, the resulting ESIA regime will have to meet the requirements of the federal and those of the provincial jurisdictions involved. When projects implicating more than one level of government jurisdiction are made public, the interested governments typically recognise the need for harmonisation of the implicated jurisdictional processes. British Columbia and the Federal Government entered into an agreement to harmonise their ESIA processes while maintaining departmental level independence. In practice this translates into the establishment of shared services (e.g. the Environmental Assessment Office functions as an implementation arm) and avoidance of certain duplication, while each government manages their distinct processes.

When a project requires authorisations from more than one government, having triggered their respective ESIA process, the proponent will have to establish continuous working relations with several departments. In British Columbia, a single project window approach is possible given the coordination function of the Environmental Assessment Office. At the Federal level the Canadian Environmental Assessment Agency are increasingly taking on a coordination role whereas previously, the proponent often maintained regular liaison with the lead agency and key departments (Fisheries and Oceans, Environment, Health, Transport, Natural Resources, and Indian Affairs).

Simply registering a new major project or linear development in British Columbia will also raise questions in connection to First Nations rights and their concerns need to be integrated into the ESIA terms of reference. Implicated governments have a duty to consult and accommodate affected First Nations groups. Under certain circumstances it is necessary for project proponents to negotiate a Memorandum of Agreement with implicated First Nations and participate in the development of an Impact and Benefits Agreement. In order to properly manage this process, project proponents and government lead agencies should coordinate any ESIA baseline studies

and First Nations consultations/negotiations and ensure the particular requirements of each are satisfied.

#### 7.4.1 THE CANADIAN FEDERAL ENVIRONMENTAL ASSESSMENT PROCESS

Projects subject to the Canadian Environmental Assessment Act (CEAA) are reviewed by the Federal government. Those having limited negative impacts are subject to the shorter Screening process whose steps can be completed in about 1 year from submission of a Screening Level Assessment Report.

In the unlikely case that an ICF project involves a new alignment with potentially significant impacts or one or more of the four duties described in step 2 below has to be exercised with respect to the project (or one of the project components), then the Comprehensive Environmental Assessment process may apply. More than one federal department may then determine they have to exercise their responsibility. In this particular situation, one of the federal departments would play a lead role in the management of the process.

- 1) Notification of the project is made to the Canadian Environmental Assessment Agency.
- 2) A federal authority determines an EA is required when:
  - The project or a component of the project is on federal land or requires the transfer of federal land under its authority.
    - ♦ *Examples: a project connecting facility is built in federal waters (e.g. a freight transfer dock), an access road would cross a federal park (e.g. a park and ride access associated with the project), and a maintenance or storage facility is proposed to be built on an abandoned federal site or other Crown Land.*
  - The project or one of its components requires a permit in virtue of an act or regulations under the responsibility of this federal authority.
    - ♦ *Example: a bridge would be built over a navigable river and consequently will require the authorization in accordance with the Navigable Waters Protection Act.*
  - The project or one of its components is launched by a federal minister or a federal agency.
  - This determination is based on documentation describing the project provided by the proponent at step 1. The responsible department is referred to as the responsible authority.
- 3) Identify other departments involved at the federal level:
  - The responsible authority identifies other federal agencies that may have an interest, or may be called upon to provide expert information.
- 4) Plan the environmental assessment:
  - Federal authority defines the scope of the project (all components, or only the rail line and stations, or only the facilities outside the corridor right-of-way, etc.);
  - Issuance of guidelines in addition to the terms of reference defined in the CEAA;
  - The Minister may refer immediately projects to an independent Review Panel when there is uncertainty regarding environmental effects or there is public concern regarding



the project. If such is the case the review panel will determine the environmental assessment guidelines to be followed by the proponent.

- 5) Proponent prepares the Environmental and Social Impact Assessment (ESIA) report:
  - Conducts field studies;
  - Proponent consults with affected parties and other stakeholders;
  - Identify and assess environmental effects and develops mitigation measures.
- 6) ESIA is made public.
- 7) Formal public review panel may be set-up if project raises concerns in communities:
  - Minister to appoint independent assessors;
  - Panel to hold consultation meetings;
  - Panel makes recommendations.
- 8) Review the assessment report:
  - The responsible authority reviews the ESIA;
  - Additional public input on the responsible authority internal report may be sought if no formal public review panel has been set-up.
- 9) All involved federal authorities make their decisions:
  - Based on the ESIA and their own findings, the Review Panel determines if the project has significant adverse effects and recommends further actions required;
  - Additional information may be requested if deemed necessary to make the decision;
  - If a federal authority concludes that negative effects are significant, it will not exercise its duty unless the authority judges the project to be essential.
- 10) Federal authority requests the proponent to implement mitigation and follow-up programs, as appropriate.

#### **7.4.2 THE BRITISH COLUMBIA ENVIRONMENTAL ASSESSMENT PROCESS**

The BC Environmental Assessment Process involves 12 key steps:

- 1) A proponent submits a proposal for a project to the Environmental Assessment Office (EAO).
- 2) The EAO determines whether the project is reviewable and how the review should be conducted.
- 3) EAO issues an order for the project review including:
  - what is to be assessed;
  - consultation requirements; and
  - the review process.
- 4) Draft Application Information Requirements (DAIR) that identify the structure, contents and environmental assessment studies scope of an application for an Environmental Assessment Certificate are usually developed by the proponent.
- 5) In developing the DAIR, the proponent:
  - consults with First Nations, government agencies, and the public to identify issues, impacts to

be assessed, and types of mitigation needed;  
- will provide opportunities for public comments on draft terms of reference; and  
- gets final sign-off from the EAO.

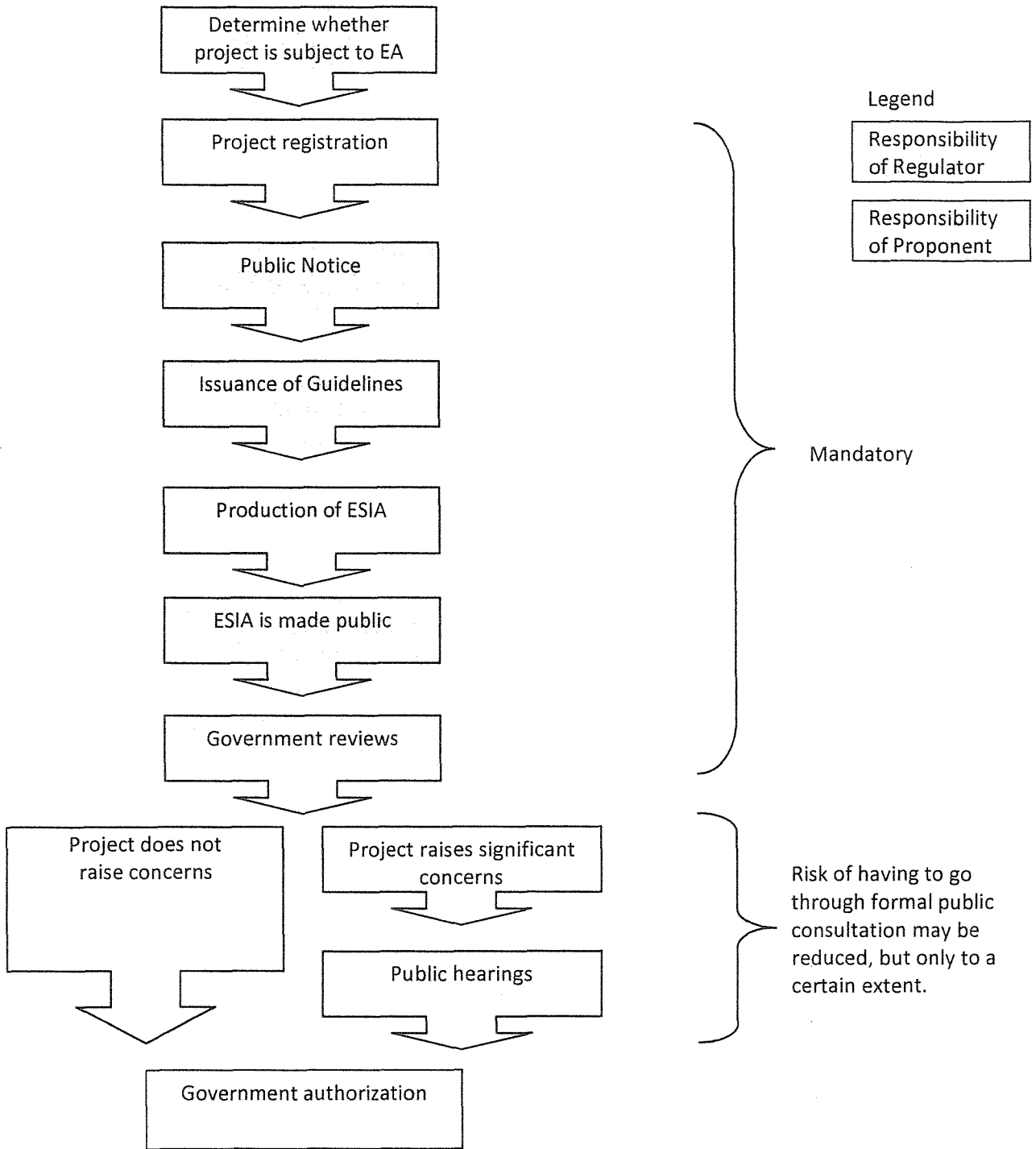
- 6) The proponent conducts studies and prepares an application in accordance with requirements in the terms of reference (DAIR).
- 7) The EAO accepts the application for review if it contains the information required by the terms of reference.
- 8) First Nations, government agencies, and the public are asked to review and comment on the application. There is usually a formal public comment period.
- 9) The proponent is given the opportunity to address issues identified by First Nations, government agencies, and the public.
- 10) The findings of the review are documented in an assessment report prepared by the EAO.
- 11) The assessment report is referred to two ministers for a decision on whether the project should be approved and an environmental assessment certificate issued.
- 12) If the project is approved, the proponent obtains any necessary permits and authorizations from permitting authorities (e.g. Federal, Provincial, Municipal and Regional).

#### **7.4.3 ENVIRONMENTAL ASSESSMENT PROCESS HARMONISATION**

The Canadian and BC Environmental Assessment processes are formally harmonized. The Canadian and BC authorities cooperate through the Environmental Assessment Office established by BC to issue one integrated set of guidelines and the proponent produces one environmental impact report which should cover the needs of both BC and Canadian authorities. The administrative review process, however, remains somewhat distinct as both the Canadian and BC authorities will analyse, comment, request additional information, and eventually authorize the project based on their individual sets of criteria and policies.

#### **7.4.4 COMMON CHARACTERISTICS OF THE CANADIAN AND BC EA PROCESSES**

The Canadian and British Columbia ESIA processes share some common characteristics. These features can be summarized as follows:



As the flow chart shows, the first step is to determine whether a project and / or one or more of its components are subject to the mandatory activities required by the applicable process or processes. Because the BC regulations use particular thresholds (capacity of selected equipment, length of commuter rail operations, location of facilities, etc) the assessment of the process to be followed can be influenced by decisions the proponent makes at the conceptual phase of the project.

The BC regulations refer to lists of undertakings to determine whether a project is subject or not to EA. These regulations also define the extent of the ESIA required. Whereas the Canadian Environmental Assessment Act (CEAA) uses a set of preconditions to be met before referring to similar lists. The CEAA process will be triggered only if at least one of the following pre-conditions is met:

- The project is on federal land or requires the transfer of federal land;
- A federal agency is providing specific financial assistance to the project;
- The project or one of its components requires a federal permit;
- The project is launched by a federal minister or a federal agency.

A good understanding of the above mentioned criteria may bring the Client to present to the authorities a concept that would limit the number of processes to be applied. In defining its project, the proponent would want to take into consideration that the federal process is the most arduous and procedural of the two mechanisms that could be applicable.

At this time it is assumed that there are no federally owned lands within the E & N Railway corridor. However this requires investigation and confirmation by ICF.

#### **7.4.5 INCLUDE ALL VIABLE OPTIONS IN THE ESIA**

The EA application should focus on the preferred project option and include a short chapter on other potentially viable alternatives that were considered and rejected with the rationale provided. In doing so, the Client would avoid having to demonstrate later that particular alternative projects are not suitable for the corridor. Moreover, such a methodology would be compliant with the spirit of guidelines issued normally for major projects.

#### **7.4.6 INVOLVING FIRST NATIONS GROUPS**

Ancestral land titles, settled or unsettled, translate into two requirements that should be incorporated into the project planning:

- The proponent has a duty to consult with First Nations, and mitigate and / or accommodate where possible.

Since First Nations have ancestral rights, a proponent must consult with the affected First Nations. These consultations should focus on the impacts the Project may have on the community, in terms of land use, protection of traditional and heritage sites, economic development, etc., and measures to be incorporated in the project to protect aboriginal rights and interests. If their ancestral lands (which are not classified as "Fee Simple") were to be used for the construction of the project, an Impacts and Benefits Agreement should be negotiated. This type of consultation and compensation is a minimal requirement.

- Governments have the obligation to consult and accommodate.

In 2002, the Taku River Tlingit First Nation and Haida Nation Supreme Court Decisions have ruled that governments must consult Aboriginal Nations when they have a formal claim on lands where a

new project utilizing natural resources is considered and might affect ancestral rights. During the consultation, the government must endeavour to find accommodations to conciliate development activities and Aboriginal claims. In practice, this obligation means, for example, that before issuing their environmental authorisations after their review of the ESIA, involved provincial and federal authorities will have to consult with First Nations and, if required, seek accommodation in the form of certain requirements affecting the construction or operation of the facility. Because this activity may induce delays to the project, liaison with government agencies is proposed at the inception of the ESIA process, and should be maintained throughout the ESIA approval process.

The above requirements are applicable to any major undertaking. The proposed ICF corridor project(s) may well prove to be of no concern or interest but they should be reviewed as early as possible in the project cycle with the affected First Nations groups.

#### 7.4.7 LESSONS LEARNED FROM SIMILAR PROJECTS

Discussions with colleagues involved in recent environmental assessments suggest that the project proponent may wish to demonstrate its willingness to:

- Develop a proactive communication and consultation process with all stakeholders right from the beginning of the process;
- Demonstrate the use of Best Available Technology (BAT) for mitigating impacts;
- Make reasonable effort to produce recent baseline data and a high quality ESIA;
- Demonstrate that several design or engineering preliminary decisions have been modified to accommodate environmental or social considerations (close collaboration between design, social/environmental and management teams);
- Show commitment to implementing a follow up program to monitor the effects;
- Involve stakeholders in the follow-up management programs.

### 7.5 The Business Plan Options and Associated Environmental Regulatory Processes

The individual business plan options noted in Section 7.3 contribute to the larger objectives of:-

- Developing and maintaining the overall corridor for the benefit of the Vancouver Island population
- Use of the corridor as part of the overall transportation network for Vancouver Island.
- Encouraging greater use of rail to move people and goods.

The Victoria-Langford Commuter Rail option and the Alberni-Parksville line re-commissioning option were reviewed to determine if they would likely trigger the federal and / or BC provincial environmental assessment process.

#### 7.5.1 VICTORIA-LANGFORD COMMUTER RAIL (SHORT HAUL) OPTION

The background for the Commuter Rail option is included in the IBI Report "Evaluation of the E & N Railway Corridor: Commuter Rail" dated June 2009. This option covers a Light Rail commuter service from downtown Victoria to a new terminal station at Westhills, Langford. The service would cover a length of 16.4 kilometres.

By way of comparison, other recent public transportation projects involving the federal, provincial, First Nations groups and the general public include the TransLink Millennium, Canada and the Evergreen Lines. These comparative projects are highlighted below:

**a) Millennium Line (March 1998 to March 2000)**

This SkyTrain compatible, design build project is approximately 20 km (+/-) in length and runs from Vancouver to Burnaby to New Westminster.

The Environmental Assessment was not technically harmonised but followed the CEAA and *Special Commission for Sky Train Review Process* and a derivative of the BCEAA process.

The project EA Certification was issued approximately 24 months from commencement of environmental management program.

The EA program cost \$2.0 million up to securement of the EA certificate and approximately \$5.7 million in total which included the environmental management throughout construction by the Owner's team and \$1 million worth of habitat compensation.

**b) Canada Line (January 2005 to March 2007)**

The Canada Line project is not SkyTrain compatible but links the Vancouver International Airport to Richmond and the downtown Waterfront station which is served by the Expo SkyTrain line, Seabus and West Coast Express. This project employed a design, build, finance, operate and maintain (DBFOM) contract approach and the project is approximately 19 km (+/-) in length.

The proponent opted in to the EA review process (below the reviewable project threshold) which was a harmonised BCEAA/CEAA process.

The project EA Certification was issued approximately 26 months from commencement of environmental management program.

The EA program cost: approximately \$2 million to secure the EA certificate and the environmental management during construction (by the DBFOM team) is estimated to have cost in the order of \$1 million dollars (the actual costs are not readily available).

**c) Evergreen Line (January 2009 to June 2010)**

The Evergreen Line is an active project, 11.2km in length, currently under development. It is a design build project that will run from Burnaby to Port Moody to Coquitlam and connect to the Millennium Line at Lougheed Station. It will be SkyTrain (Millennium and Expo Lines) compatible.

The proponent opted in to the Provincial EA review process (below the reviewable project threshold) and is technically excluded under the current CEAA requirements.

The EA certificate is planned to be obtained within an 18 month period from commencement of environmental management program

The EA program costs are estimated to be between \$1.6 to \$2 million to secure the EA certificate.

The EA program of the three comparable projects described above evaluated a range of social and environmental issues which may be directly induced by similar Commuter Rail developments within a 1km rail alignment buffer zone. The broad categories of issues typically addressed during the project pre-application period include an evaluation and mitigation (or enhancement) of potential project induced changes (+/-) to:

- First Nations heritage;
- Existing land use (archaeological, socio-economic, socio-community and any contaminated sites screening);
- Habitat values (arboreal, terrestrial wildlife and aquatic resources);
- Air quality, electromagnetic, noise and vibration (effects assessments); and,
- Occupational Health and Safety and project events risk assessment

The Victoria-Langford Commuter Rail option (16.4km) is under the BCEAA length threshold of 20km. Unless the project proponent opted into the EA review process or CEAA was triggered (land, funding ...) it is likely that the project would be exempted from both the BCEAA and CEAA. Under these circumstances any Social and Environmental studies would serve to improve the design of the project and reduce any residual impacts.

It is anticipated that a Draft Application Information Requirements (DAIR) – terms of reference – for a Victoria-Langford Commuter Rail project would identify the site specific issues to be addressed as part of the EA screening process.

#### **7.5.2 THE ALBERNI-PARKSVILLE LINE RE-COMMISSIONING OPTION**

The Alberni-Parksville line re-commissioning option may be regarded as a new project by BCEAA.

We will need to determine if the Alberni-Parksville segment of the corridor was formally retired as a railway operation or if 20 or more kilometres of rail line will need to be newly installed. Under these circumstances the BCEAA would likely be triggered.

#### **7.5.3 TYPICAL SCHEDULE TO COMPLETE AN ESIA OF THE RETAINED OPTIONS ABOVE**

The BCEAA process is divided into a) Pre-Application Phase which typically takes 1 to 1.5 years to complete; and, b) Project Review / Certification Phase which generally takes about 8 months to complete.

It is assumed that for the Business Plan options above could be performed within the typical BCEAA process durations.

# APPENDICES

**Appendix A – Reference Documents and Inspection Staff**

**Appendix B – Cost Estimate Details**



## APPENDIX A – REFERENCE DOCUMENTS

1. IBI Group E & N Railway Valuation Study CP Rail Corridor July 2004
2. Ray Baker Appraisals Inc. Property Appraisal Report Concerning The E & N Railway Stations, July 26 2004
3. IBI Group E & N Railway Valuation Study RailAmerica Corridor January 2006
4. DRE Transportation Solutions Inc. E & N Railway Infrastructure Capital Plan, August 8 2006
5. Jacques Whitford Environment Limited Phase I Environmental Site Assessment, Esquimalt & Nanaimo Railway, Portion of the Victoria Subdivision and the Abandoned Lake Cowichan Subdivision, Vancouver Island, BC, December 18 2003
6. Polster Environmental Services Ltd., Vegetation Management Concepts: Esquimalt & Nanaimo Railway Island Corridor Foundation, January 2007
7. Streamline Environmental Consulting Ltd. A Review of Alternative Vegetation Control Techniques for the E & N Railway, May 31 2006
8. Streamline Environmental Consulting Ltd. E & N Railway Pest Management Plan, September 2005
9. SVI Rail Link Letter dated 15 July 2009 regarding Railway Infrastructure Assessment – Draft Report June 2009

Senior Project Engineer Norman Hooper, P. Eng. of HMM was engaged to review available documentation on the current condition of the main track, yards and related infrastructure and confirm the present condition of track through a physical inspection of the system. Mr. Hooper is a former Vice-President Maintenance and Chief Engineer with BC Rail and has had experience in the construction and maintenance of a 1440km long railway that included 3 subdivisions with very similar track conditions to the E & N Railway. He is familiar with the operation and maintenance of diesel passenger equipment similar to the VIA Dayliner. Mr. Hooper had performed a similar inspection for ICF in 2006, so he was familiar with the track and personnel.

Railway signal facilities were reviewed on site by Peter Bohmert P. Eng. Senior Engineer, Rail Systems of Hatch Mott MacDonald.

## APPENDIX B – COST ESTIMATE DETAILS

## Evaluation of the E & N Railway Corridor – Appendix B

### Victoria to Langford Commuter Rail Option – Basis of Conceptual Cost Estimate

The background for the Commuter rail option is included in the IBI Report “Evaluation of the E & N Railway Corridor: Commuter Rail” drafted in 2009 and completed in 2010.

#### 1. Configuration Summary

This option covers a Light Rail commuter service from downtown Victoria to a new terminal station at Westhills, Langford. The service covers a length of 16.4 kilometres.

The commuter service infrastructure will utilize the existing single track rail corridor as much as practical. New passing tracks are proposed to accommodate vehicle headway operation of approximately 30 minutes. Two terminal and four new intermediate stations are proposed along the alignment. The existing stations within this area will be removed. A maintenance facility together with an operations centre will be located within the commuter corridor. The facility will include provision for fleet storage of four LRT vehicles. The vehicles, similar to the Ottawa O-Train, will be low floor DMU three-car consists.

No provision has been included for an extended commuter rail service beyond the proposed Westhills Station to Duncan.

This cost basis assumes a conventional design-bid-build project delivery with an implementation period of five years leading up to start of operation. No operations costs are included in the estimate.

#### 2. Rehabilitation of Existing Corridor

##### 2.1 Trackwork

The existing track comprises 80lb. and 85lb. rail on timber ties. Past and recent site assessments indicate that the trackwork and ballast are only in fair condition and in need of rehabilitation. The estimate provides for retention of the existing rail, initial repair and replacement of rail joints, ties, tie plates and anchors, as well as an annual allowance for maintenance and repair through the 5 year coverage of the estimate. No allowances have been included for necessary tie replacement and track repair beyond the 5 year coverage of the estimate.

Although beneficial to ride comfort and maintenance, no provision has been made for the capital investment for upgrade of the track to continuously welded rail.

##### 2.2 Rockfall Stabilization

Towards the northern end of the commuter service the corridor enters locations of rock cut. An allowance has been included for initial site investigation and stabilization together with an annual allowance for inspection and rock slope maintenance. Since the known areas of higher risk rock slope instability are located outside of the commuter services, no provision has been included for a rockfall annunciation system for this option.

##### 2.3 Vegetation Control & Hazard Tree Removal

Site assessments indicate that vegetation control is at a less than desirable standard to protect the integrity of the road bed and ties. Also vegetation control is required to maintain sightlines for vehicle operators and for the public, such as at grade crossings.

In addition, it was observed that some trees flanking the corridor present hazards to vehicle operation, either due poor condition, proximity to the track or at increased risk to wind-throw from adjacent property developments.

Cost allowance includes for initial vegetation and hazard tree removal, followed by an annual maintenance allowance.

## **2.4 Signals**

No allowance has been included for upgrade of existing signals, other than for crossing upgrades noted below.

## **2.5 Culverts**

Past culvert inspections indicate that the majority of culverts through the commuter service area are in good condition. However, four culverts are noted to be in poor condition and require replacement. Cost allowance has been included for these replacements.

## **2.6 Bridges**

There are eight bridges located within the commuter service area and all require repair to varying degrees. Allowance has been included for these repairs as well as for annual inspection and maintenance. No allowance has been included for longer term capital expenditure for major repairs or replacement. To mitigate such risk a detailed bridge inspection program is recommended every 10 years. An initial such inspection has been included in the estimate.

## **2.7 Existing Stations**

Allowance has been included for removal of existing stations at Victoria, Palmer and Langford. It is noted that although the Langford Station is relatively new its configuration does not lend itself to commuter rail operation.

## **3. New Facilities**

### **3.1 Property Acquisition**

No allowance has been included for the purchase or compensation costs for property acquisition or right-of-way or easements to accommodate the new facilities noted below. It is assumed that such property impacts will be addressed by the ICF.

### **3.2 Environmental Remediation**

The Jacques Whitford Environment Ltd. Phase 1 Environmental Site Assessment report dated December 2003, identified four sites with low levels of concern for contamination, together with the expected residual contamination typical for a railway corridor such as creosote leachate from ties. These typical railroad contaminations were also noted to be of low concern. Notwithstanding these findings, but considering that the phase 1 site assessment was carried out at a screening level, a limited allowance has been provided in the estimate to mitigate the risks of environmental remediation should that be required, in particular for construction of the new facilities.

### **3.3 Passing Tracks**

Four new sidings are proposed to be constructed and one existing siding will be rebuilt. Which together with two existing sidings, will provide the necessary passing tracks to manage two-way LRT vehicle operation on the single main track

### **3.4 Tail Tracks**

Allowance has been included for a tail track at or close to each terminal station. This provides for flexibility in the commuter rail operation. For conceptual cost estimates the tail track assumes the same configuration as a passing track.

### **3.5 Signals & Grade Crossings**

For public and LRT vehicle safety allowance has been included for upgrading 16 existing rail crossings along the commuter corridor. Of these 13 will be equipped with new gate, and three locations will be improved with new signals (flashing lights).

### **3.6 Stations**

Two terminal and four new intermediate stations are proposed along the alignment. It is noted that although Atkins Station and Westhills Station may be deferred, allowance has been included for these two stations.

Typically stations will be open facilities with partial roofs to provide some weather shelter to commuters. No public washrooms will be provided. However a washroom for operational staff is assumed to be provided at the terminal stations. No fare machines or vending machines will be provided at the stations. Platform lighting will be provided together with maintenance power. Security systems will be limited to CCTV coverage of the platform. It is assumed that an emergency phone / panic button will be provided as well.

Although it is anticipated that commuter transportation transfer provisions will be provided at each station to varying degrees, such as Park & Ride, Kiss & Ride and bus transfer, no allowance has been included for the facilities to accommodate such provisions.

The new terminal station in Victoria is expected to be located east of the proposed new Johnson Street Bridge. Because of space constraints the storage / tail track will be located west of the bridge. Construction of the new bridge is assumed to be completed prior to construction of the commuter rail facilities.

### **3.7 Corridor Fencing**

A nominal allowance for fencing has been included in the estimate to cover incidental replacement of existing fencing impacted by new construction. No allowance has been included for fencing the commuter rail corridor or for securing stations. It is assumed that adjacent developments, including trails, will be responsible for fencing to suit their risk management policies as appropriate.

### **3.8 Maintenance & Operations Facility**

Allowance has been made for a facility for light maintenance and storage of the LRT vehicles, as well as an operations office. The maintenance building will be able to accommodate one vehicle equipped with an in-pit wheel lathe as well as parts storage and equipment for light duty maintenance.

The facility will have adequate storage tracks for the fleet of four vehicles. An external car wash rack will be provided.

An office will be provided for operations personnel. A separate office, locker room and lunch room will be provided for maintenance personnel.

The facility will be secured by perimeter fencing. CCTV cameras will assist with security supervision. Parking for personnel and visitors will be located within the secured area.

No allowance has been included for off-site heavy maintenance, since this is unlikely during the initial operation.

A location for the Maintenance and Operations Facility has yet to be determined.

## **4. Systems**

### **4.1 Train Control & Communications System**

PTC (positive train control system) has been allowed for to provide for mixed VIA/LRT rail use

### **4.2 Fare Collection**

Allowance has been made for fare machines to be located within each LRT vehicle. No fare machines will be provided at the stations. It is assumed that commuter rail tickets and monthly fare cards will be integrated with existing bus service provisions. No costs have been included for the latter.

## **5. Vehicles**

The estimate provides for a fleet of four LRT vehicles similar to the Ottawa O-Train (Bombardier Talent model BR642). These are low floor diesel multiple unit trains (DMUs) in three-car consists. The vehicles will be under manual operation.

Allowance has been made for a limited amount of spare parts and consumables associated with light maintenance to cover the first 5 years of operation.

## **6. Project Delivery**

This cost basis assumes a conventional design-bid-build project delivery with procurement strategy to suit separate contracts for rehabilitation and trackwork, buildings, vehicles and systems.

## **7. Schedule**

The estimate assumes an implementation period of five years leading up to start of operation as broadly outlined below.

- Year 1. Planning, detailed public consultation, environmental permitting process, conceptual design, identification of property acquisition, base topographic and cadastral survey.
- Year 2. Detailed design, property / ROW acquisition, vehicle procurement and construction tendering. Initial rehabilitation of existing corridor.
- Year 3 and 4. Construction and vehicles manufacture, systems procurement, and ongoing repair and maintenance of existing corridor.
- Year 5. Certification, commissioning and training, and ongoing maintenance of corridor and facilities.

## **8. Commissioning and Training**

No allowance has been included for commissioning and training of operation and maintenance personnel. It is assumed that the commuter rail system will be integrated within BC Transit.



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## **LABOUR MARKET SECTOR SOLUTIONS:** Program Information and Funding Application - 2011/12

### **FOR MORE INFORMATION**

Please contact:

Director of Partnerships and Productivity

PO Box 9190 Stn Prov Govt

Victoria BC V8W 9E6

Tel: 250 387-6661

E-mail: [LabourMarketPartnerships@gov.bc.ca](mailto:LabourMarketPartnerships@gov.bc.ca)

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## 1. ABOUT THE PROGRAM

Funded under the Canada-British Columbia Labour Market Agreement, the Labour Market Sector Solutions program is one part of the Ministry's approach to enhancing British Columbia's labour market, as outlined in the *Canada Starts Here: The BC Jobs Plan*. By providing support to sectors and employers experiencing changing labour market conditions, the Labour Market Sector Solutions program will help address needs by providing training to eligible individuals.

The objective of the Program is to invest in the skills development of eligible Participants, thereby assisting Sectors/industries, employers, and workers to address identified labour market imbalances.

The Program seeks to combine the knowledge, expertise and resources of Sector based organizations who understand the labour market/human resource needs of employers with Qualified Service Providers who can efficiently deliver training opportunities for a targeted population of workers.

Sector organizations are invited to apply for funding to deliver training that will address sector-specific needs. The application form can be found in Appendix A and detailed information about eligible Applicants, activities and Participants can be found in sections below.

As this initiative is funded under the Canada-British Columbia Labour Market Agreement, the target population for this Program is individuals who meet the Participant eligibility criteria (See Participant Eligibility).

The deadline for receiving applications is Tuesday January 31, 2012, 4:30 pm Pacific Time ("Closing Time").

A subsequent call for applications may be announced depending on funding availability.

### Examples of Programs Eligible for Funding:

- A Sector/Industry Based Organization working in cooperation with a public post secondary institution undertakes a training program for eligible unemployed workers to prepare them for work in a particular high-demand occupation within a geographic area.
- A Sector/Industry Based Organization wants to provide training to eligible low-skilled employees of businesses within their Sector related to a new piece of equipment/technology or work process. The organization applies for funding in collaboration with a Qualified Service Provider who will deliver the training program.

- A Sector/Industry Based Organization has identified a lack of skilled workers in a particular occupation. The organization applies for funding to provide training to a group of eligible low-skilled employed individuals so that they can receive certification within a high-demand Sector in a specific geographic area.

## 2. EVALUATION CRITERIA

All proposals must meet the following mandatory criteria:

- 1) the proposal must be:
  - submitted using the **Application Form** set out in Appendix A;
  - in **English or French**;
  - **sent by e-mail or facsimile or delivered by hand or courier** to the e-mail or physical address or fax number set out in section 6; and
  - **received before the specified Closing Time.**
- 2) the **Applicant must be a Sector/Industry Based Organization** (See Applicant Eligibility).
- 3) all proposals must name a **Qualified Service Provider** (even if the Applicant proposes being the Qualified Service Provider). However, the Ministry may provide guidance on the suitability of, and reserves the right to reject the use of, any named Qualified Service Provider.

Proposals that do not meet all the above mandatory criteria will be rejected without further consideration.

Proposals submitted by e-mail will not be considered to have been received unless the Applicant has received a confirmation of receipt message in reply. Please contact Ministry staff if you have not received a confirmation of receipt within one business day following submission of your proposal.

Proposals that meet all of the above mandatory criteria will then be assessed against the following **evaluation criteria**:

- the Applicant has provided a clear indication of a high, local labour market need. The Applicant's provision of letters of support, internal and external research or other quantitative or qualitative evidence will assist the Ministry to evaluate this criteria;
- the Applicant has clearly demonstrated and provided reasonable justification that the proposed training will address the identified labour market need;
- the suitability, in the opinion of the Ministry, of the Qualified Service Provider(s) identified or available to deliver the proposed training program(s);

- the Applicant has clearly demonstrated or provided a reasonable indication that there are a sufficient number of eligible Participants to justify the delivery of the training program;
- the extent to which the proposed training program duplicates, or may duplicate, other existing programs for which Participants may be eligible;
- the requested funding amount and the reasonableness of the project budget based on the type and extent of training proposed;
- ✓ the degree to which the proposed training will benefit the industry or Sector as a whole rather than creating a competitive advantage for a single business or group of businesses;
- the likelihood that the proposed training will lead to Participant employment, if the project is focused on eligible Unemployed Individuals;
- whether the proposed training will lead to Participants obtaining industry recognized certification or credentials; and
- the Sector and geographic location and scope of the project.

If you are not certain if your organization qualifies as a Sector/Industry Based Organization, or whether you are able to meet any of the evaluation criteria, please contact Ministry staff to seek clarification **before** proceeding with a proposal. Contact information can be found at the end of this document.

**PLEASE NOTE:**

- Each individual Sector organization can submit only one application.
- Submitting an application is not a guarantee of funding. Funding is subject to approval and availability of funds.
- The Ministry reserves the right to consider and make funding decisions based on overall considerations of geographic representation and Sector distribution.
- Priority may be given to Sectors identified in the *Canada Starts Here: The BC Jobs Plan*.

Applications will be reviewed and funding decisions will be made by Ministry staff. A Program Advisor may contact you to discuss your application and obtain any additional information required.

### **3. PROGRAM REQUIREMENTS**

#### ***A. Program Principles***

Projects funded through the Program must:

- be submitted by a Sector/Industry Based Organization;
- be delivered by a Qualified Service Provider;
- not duplicate other existing programs;

and wherever possible:

- lead to employment, if the proposed project is focused on eligible Unemployed Individuals; and
- lead to Participants obtaining industry recognized certification or credentials.

***B. Program Duration, Budget and Maximum Funding***

All projects must, without exception, be completed by no later than March 31, 2014, regardless of start date or any project renewal or delay. The maximum amount of funding available for any single project is \$500,000.

Unless an Applicant does not request it, projects will be provided an automatic administration allowance of 10% as part of the maximum project funding. Applicants must include the administration allowance as part of their project budget and within the total amount of funding requested. This administration allowance is intended to be used to defray general organizational management and administration costs such as overhead, costs of general services (e.g. accounting) and the salaries of employees not directly involved in Participant training activities. The administration allowance is not to be used for infrastructure or the purchase of capital assets.

Examples of project costs which are ineligible for funding include, but are not limited to, costs associated with:

- any project or organizational administrative or overhead costs beyond the 10% administration allowance;
- infrastructure development or enhancement (“bricks-and-mortar” or organizational);
- IT systems development; and
- capital items such as equipment and furniture.

If a project is deemed by the Ministry, in its sole discretion, to be successful and an ongoing need can be demonstrated, there may be an opportunity to renew the project for an additional term, subject to available funding and the above Program end date.

***C. Applicant Eligibility***

**ONLY** Sector/Industry Based Organizations are eligible to apply for funding under the Program **AND** they must do so in connection with a Qualified Service Provider. If an Applicant also meets the definition of “Qualified Service Provider”, then they may propose to act as both the Contractor and the Qualified Service Provider, subject to Ministry approval.

In addition, in order to apply for funding, an Applicant must be:

- a legal entity that is entitled to operate and has operated in British Columbia for at least one year prior to submitting a proposal;
- if registered, in good standing with BC Corporate registry; and

- be capable of assuming, both legally and operationally, all of the Contractor roles and responsibilities outlined below.

#### ***D. Contractor Roles and Responsibilities***

Once an application has been accepted, the funding and the parameters of the project have been finalized and a Contract signed, the Applicant will become a Contractor. Contractors will be responsible for Contract administration and management but not for activities related to the direct delivery of Services to eligible Participants unless the Contractor is also the Qualified Service Provider. Contractor responsibilities are those set-out in the Contract, which include, but are not limited to:

- ensuring overall project compliance with the terms and conditions of the Contract;
- financial administration and management;
- Participant recruitment and project marketing; and
- ensuring all reporting requirements are met.

#### ***E. Qualified Service Provider Roles and Responsibilities***

Qualified Service Providers will be responsible for undertaking project activities related to the direct delivery of Services/training to eligible Participants but not for Contract administration and management unless the Qualified Service Provider is also the Contractor. Qualified Service Provider responsibilities include, but are not limited to:

- Participant recruitment and project marketing;
- ensuring Participant eligibility criteria are met;
- coordination and delivery of project activities; and
- adhering to the reporting requirements.

#### ***F. Participant Eligibility***

Before approving an individual for participation in a project, Service Providers must verify whether or not the individual qualifies as a Participant. Only individuals who qualify as a Participant can be funded through the Program.\*

Projects must provide training activities to one or both of the following types of Participants:

- a) Unemployed, Non-EI Individuals; or
- b) Employed, Low-Skilled Individuals.

All Participants must:

- be legally entitled to work in Canada;
- be living in British Columbia;

- not be a student (i.e. enrolled in high school or enrolled in post secondary training); and
- at the time the training is to take place, not be participating in another LMA funded program.

\*NOTE: Individuals *who do not meet eligibility criteria* may participate in a training program that forms part of the project, at their own expense. The number of individuals *who do not meet eligibility criteria* cannot exceed 50% of total number of participants served. The admission of individuals who do not qualify as eligible Participants into Program training projects will be at the discretion of Contractors and Service Providers and may be subject to Ministry approval. Determination of the incremental costs (e.g. tuition, books, supplies, etc.) associated with providing training to non-eligible participants is the responsibility of the Contractors and Service Providers and must not be paid for with Program funds.

### ***G. Project Activity Eligibility***

Projects must be designed to address an identified labour market issue. Projects will consist of activities that provide training to eligible Participants. Project activities must take place in British Columbia. All training activities will be formal, structured and delivered by Qualified Service Providers. Wherever possible, projects for Unemployed Individuals should lead to ongoing employment.

Ineligible activities include, but are not limited to:

- training normally provided by suppliers or manufacturers;
- training delivered outside of British Columbia;
- activities/services that represent a duplication of activities or services already/currently available at the time the proposal is submitted (e.g. Employment Assistance Services - [www.labourmarketservices.gov.bc.ca](http://www.labourmarketservices.gov.bc.ca));
- training provided by an employer or employer's staff (in the case of projects that are focused on Employed, Low-Skilled Individuals); and
- training that is not related to an identified labour market issue.

### ***H. Expected Outcomes (Results)***

The Program is designed to support provincial economic growth by ensuring the availability of a skilled workforce. It is expected that, through the funded projects, the Program will achieve the following outcomes:

- for Unemployed Individuals – labour market attachment or re-attachment;
- for Employed, Low-Skilled Individuals – acquisition of skills and credentials relevant to the current and future labour markets, improved workplace productivity and competitiveness, and increased/strengthened attachment to their employer or employment; and
- for Sectors/industries – improved ability/capacity to address specific labour market issues/challenges.

#### 4. REPORTING REQUIREMENTS

The project activities and results will be documented through the use of the following forms (DRAFT versions of these forms are provided in Appendix C and final versions will be provided at the time of Contract completion):

- Activity Reports (see Appendix C);
- Participant Intake Forms (see Appendix C);
- Participant Exit Forms (see Appendix C);
- Financial Reconciliation Forms;
- a final activity report; and
- a final financial reconciliation report.

Activity Reports will be completed by the Service Provider and submitted by the Contractor to the Ministry. The Activity Reports will include details of project activities during the reporting period, including but not limited to information on Participants entering and exiting the project and a description of key activities (e.g. marketing activities, success stories, concerns/issues identified, etc.).

Participant Intake Forms are to be completed by each Participant within 30 days of their training start date and Participant Exit Forms are to be completed at the end of their participation in the training. The Contractor will collect from the Service Provider and will submit completed Participant Forms to the Ministry.

The Contractor must provide a completed and signed Financial Reconciliation Form to the Ministry in order to report the eligible costs incurred in the previous reporting period and trigger the payment of subsequent project funding in accordance with the Contract.

The Ministry will provide the Contractors with detailed procedures for completion and submission of these forms/reports. Frequency of submission (monthly or quarterly) will be established based on the nature of the project and upon mutual agreement.

#### 5. SUBMITTING AN APPLICATION

See Appendix A for the Application Form. An electronic version is available at: <http://www.aved.gov.bc.ca/sector-partnerships/welcome.htm>

The deadline for receiving applications in accordance with procedures set out in Section 2 is Tuesday January 31, 2012, 4:30 pm Pacific Time.

A Program Advisor may contact you to discuss your application and obtain any additional information required.

There are several key steps in the application process including:

- Eligibility assessment by the Applicant, including consultations with the Ministry if required;
- Drafting and submission of proposals;
- Review and evaluation of proposals by the Ministry;
- Negotiation of final program deliverables and budget;
- Ministry determination of funding for approved projects; and
- Completion of a Contract with successful Applicants.

## **6. ENQUIRIES AND CONTACT INFORMATION**

### **A. Enquiries**

All enquiries should be directed to the contact below. Information obtained from any other source is not official and should not be relied upon. Questions received within 5 days following the Closing Time will be answered only if time permits. Enquiries (not applications) will be accepted by telephone, mail, courier, e-mail or hand delivery.

### **B. Contact Details**

<b>Mail:</b> Partnerships and Productivity Unit Ministry of Jobs, Tourism and Innovation PO Box 9190 Stn Prov Govt. Victoria, BC V8W 9E6	<b>Courier/Hand Delivery:</b> 4 <sup>th</sup> Floor 835 Humboldt Street Victoria, BC V8V 4W8
<b>E-mail:</b> <a href="mailto:LabourMarketPartnerships@gov.bc.ca">LabourMarketPartnerships@gov.bc.ca</a>	<b>Facsimile:</b> 250-387-4788
	<b>Telephone:</b> 250-387-6661



## 7. DEFINITIONS

The following terms are used in this document and in the application:

- a) **"Applicant"** means a Sector/Industry Based Organization who submits an application for funding under the Program;
- b) **"Contract"** means a written agreement between the Province and the Applicant that is substantially similar to the Transfer Under Agreement attached as Schedule B;
- c) **"Contractor"** means a Sector/Industry Based Organization who enters into a written Contract with the Province;
- d) **"EI"** means Employment Insurance;
- e) **"Employed, Low-Skilled Individual"** means an individual:
  - 1) who is:
    - a) self employed; or
    - b) receiving, or entitled to receive, wages for work performed for an employer and who is subject to regular employment deductions; and
  - 2) who has no recognized post-secondary education (whether completed or merely attempted) towards a university degree and:
    - a) does not have a high school diploma or equivalent; or
    - b) has completed high school but who does not have any Recognized Certification;
- f) **"Full-time employment"** Persons who work in paid employment at a job or business that is full time (30 hours or more per week) in the context of an employer/employee relationship (does not include self employment). This includes those who have a job but are not at work due to temporary illness or disability, family or personal responsibilities, vacation, labour dispute or other reasons. (Excludes persons on layoff, between jobs, or those with a job to start at a future date);
- g) **"LMA"** means the Canada-British Columbia Labour Market Agreement;
- h) **"Ministry"** means the Ministry of Jobs, Tourism and Innovation;
- i) **"Non-EI Individual"** means an individual who:
  - 1) has not established an EI claim in the last three years; and
  - 2) has not established a maternity or parental EI claim in the past five years;and therefore is, or is otherwise:
  - i. not eligible for assistance under labour market programs provided by the Canada Employment Insurance Commission under Part II of the *Employment Insurance Act*; or

- ii. not eligible for assistance under any similar labour market programs provided by British Columbia which are funded by the Canada Employment Insurance Commission under a Labour Market Development Agreement entered into between Canada and British Columbia pursuant to Part II (section 63) of the *Employment Insurance Act*;
- j) **“Part-time employment”** Persons who work in paid employment that is **part time (less than 30 hours per week)** in the context of an employer/employee relationship (does not include self employment). This includes those who have a job but are not at work due to temporary illness or disability, family or personal responsibilities, vacation, labour dispute or other reasons. (Excludes persons on layoff, between jobs, or those with a job to start at a future date);
- k) **“Participant”** means an individual who meets the eligibility criteria and is approved to participate in the Program by the Service Provider;
- l) **“Participant Intake Form”** means the form to be completed by each Participant at the beginning of their participation in the Program and submitted to the Ministry by the Contractor;
- m) **“Participant Exit Form”** means the form to be completed by each Participant upon completion of their participation in the Program and submitted to the Ministry by the Contractor;
- n) **“Program”** means the Labour Market Sector Solutions initiative;
- o) **“Province”** means the Province of British Columbia;
- p) **“Qualified Service Provider”** or **“Service Provider”** is an organization, business, or public post secondary institution that has two or more years of recent experience delivering labour market programs or services. Recent experience is defined as experience within the past five (5) years;
- q) **“Recognized Certification”** or **“Certification”** means training where, upon successful completion, a person obtains a credential or is certified as being able to competently complete a job or task, as recognized by a sector, industry, or regulatory body. For example, a Class 1 Truck Driver’s License would be considered to be Recognized Certification. An individual is considered to have Recognized Certification even if they are not currently using that credential in the workforce or if they are pursuing another career path. Short term credential programs, such as FoodSafe, Workplace Safety, First Aid Level 1, Workplace Hazardous Materials Information System (WHMIS), Serving it Right and WorldHost training do not constitute a Recognized Certification;
- r) **“Sector”** means a sector of the Canadian economy as defined in the North American Industry Classification System (NAICS). For information about NAICS and a list of sectors, see [www.ic.gc.ca/eic/site/cis-sic.nsf/eng/h\\_00004.html](http://www.ic.gc.ca/eic/site/cis-sic.nsf/eng/h_00004.html);

- s) **“Sector/Industry Based Organization”** means an organization within British Columbia that is industry-led or industry-driven and whose primary purpose is to engage in industry specific advocacy, programming and other initiatives. **Note: this does not include organizations that support a wide variety of employers or Sectors, or that are dedicated to advancing the general economic development of British Columbia or a particular geographic area within British Columbia;**
- t) **“Self employed”** Persons who are working owners of an incorporated or un-incorporated business, farm, or professional practice, with or without paid help. The “un-incorporated” group includes self employed workers who do not own a business (such as babysitters and newspaper carriers). Self employed workers include unpaid family workers, i.e. persons who work without pay on a farm or in a business or professional practice owned and operated by another family member living in the same dwelling;
- u) **“Services”** means the services to be provided by the Service Provider; and
- v) **“Unemployed”** or **“Unemployed Individual”** means an individual who is not self-employed or working full-time or part-time.

**APPENDIX A – APPLICATION FORM**



**BRITISH  
COLUMBIA**

Ministry of Jobs,  
Tourism and  
Innovation



**Labour Market Sector Solutions  
Application for Funding**

**DEADLINE: Tuesday January 31, 2012, 4:30 pm Pacific Time.**

**A. Applicant Information**

Legal Name of Applicant:		
Applicant Mailing Address:		Name and Title of Contact Person:
		E-mail Address:
City:	Postal Code:	Phone Number:
Type of Organization (corporation, partnership, sole proprietor, etc):		
Number of Years Applicant Has Been in Operation in BC:		Incorporation/Registration Number in BC (if applicable):

**B. Project Summary: (attach additional pages if required – maximum 10 pages; 12 pt font; double-spaced)**

<p><b>Background</b></p> <p><i>Brief description of the need for the project, other stakeholders who have an interest in its completion and why the project is necessary and/or viable at this time.</i></p> <p><b>Purpose</b></p> <p><i>Clear statement of the labour market or training issue to be addressed (include relevant local/regional labour market information as evidence of the issue) and how this project will address or remedy issue(s) identified.</i></p>
---

**Applicant**

*Clear statement of mandate, applicable NAICS classification code, experience and expertise of sector organization that is the Applicant for funding.*

**Qualified Service Provider**

**Legal name of proposed Qualified Service Provider(s):** \_\_\_\_\_

*Type of organization, experience and expertise of proposed Qualified Service Provider who will be delivering labour market training programs or services.*

**Collaborators**

*Identify any other stakeholder or collaborators who will be involved in project activities.*

**Project Description**

*Describe the specific training activities to be undertaken and how they will remedy the identified labour market/training issue. Identify any certificates and /or credentials Participants may receive as a result of training activities.*

*Provide an overview of the plan to market the proposed training opportunity.*

*Provide proposed timelines for key project activities.*

*Provide estimated number and type of eligible Participants to be served.*

*What is the intended outcome(s) of the project? Wherever possible, projects for unemployed individuals should lead to ongoing employment.*

**Measurable Results**

*How are the activities of this project expected to impact individual Participants? the industry or sector?*

**Duration (all projects must be completed by March 31, 2014)**

*Proposed start date and end date.*

**Reporting Requirements**

*Briefly describe methods by which reporting requirements will be monitored and met.*

**C. Funding Request**

*See Appendix A-1 for more information about eligible costs*

<b>Eligible Costs</b>	<b>Amount Requested</b>
Training Purchase Costs (Qualified Service Provider)	
Staff Wages (direct project delivery)	
Staff Benefits (direct project delivery)	
Travel (direct project delivery)	
Materials/Supplies (direct project delivery)	
Marketing/Printing/Communication	
Rent/Utilities (directly required for Service Delivery)	
Other Costs (specify)	
<b>Training Sub-total</b>	
Participant Costs (specify)	
<b>Participant Sub-Total</b>	
<b>Administration Allowance (10% of combined Training Sub-Total and Participant Sub-Total)</b>	

**D. Certification by Applicant and Agreement**

On behalf of the above named applicant ("Applicant"), I hereby certify that I have read, understand and agree to abide by the conditions of the Program Information for the Labour Market Sector Solutions Program ("LMSS Program") as well as each of the following requirements, which I acknowledge must be met and maintained by the Applicant in order to be, and remain, eligible for funding:

- The Applicant would not otherwise undertake this training without financial assistance from the Province of British Columbia, Ministry of Jobs, Tourism and Innovation (the "Province") provided under the LMSS Program.
- The Applicant must provide the Province with completed Participant Intake Forms for each individual who participates in training under the LMSS Program ("Participant") by no later than 30 days following the start of the Participant's training. The Applicant must also provide completed Participant Exit Forms for each Participant by no later than 30 days following the completion of the Participant's training.
- Any funding provided as a result of this application must be applied only to the item(s) approved as part of this application. Any funds not so applied or any funds not used for approved purposes must be promptly repaid by the Applicant to the Province.
- Funding is subject to audit and verification by the Province. Receipts and/or proof of expenditure records must be kept and made available for review for a minimum of seven (7) years.

I, the undersigned, hereby certify that all of the information provided on behalf of the Applicant is true and complete to the best of my knowledge and belief. By signing below, on behalf of the Applicant, I certify, agree and commit that the Applicant does and will continue to comply with the above and any other terms and conditions relating to the LMSS Program.

Signature of Authorized Signing Authority:

Print Name and Title:

Date: (YYYY / MM / DD)

The deadline for applications is Tuesday January 31, 2012, 4:30 pm Pacific Time ("Closing Time").

Individual sector organizations can submit only one application.

An application is not a guarantee of funding. The Province reserves the right to consider and make funding decisions based on overall considerations of geographic representation and sector distribution. Priority may be given to sectors identified in the Canada Starts Here: The BC Jobs Plan.

This Application Form must be submitted by e-mail or facsimile or delivered by hand or courier, by no later than the Closing Time, to:

<b>Partnerships and Productivity Unit</b> <b>Ministry of Jobs, Tourism and Innovation</b>	<b><u>Courier or Hand Delivery:</u></b> 4 <sup>th</sup> Floor 835 Humboldt Street Victoria, BC V8V 4W8
<b><u>E-mail:</u></b> <a href="mailto:LabourMarketPartnerships@gov.bc.ca">LabourMarketPartnerships@gov.bc.ca</a>	<b><u>Facsimile:</u></b> 250-387-4788

Information collected in this application form is collected under the authority of Section 26(c) of the *Freedom of Information and Protection of Privacy Act* and is subject to all of the provisions of that Act. The information collected will be used for the administration of the Canada/BC Labour Market Agreement program for which you have applied. If you have any questions concerning the collection, use or disclosure of this information, please contact the Director of the Canada/BC Labour Market Agreement at (250) 952-0642.



## ***Application Form - Appendix A- 1 Eligible Costs***

Eligible project costs are limited to the following categories:

**Administration Allowance (10% - to be included within Maximum Funding Amount)** – the Contractor’s reasonable costs to administer their contract with the Province and their contract with a Qualified Service Provider. Administrative costs are related to the organization as a whole as opposed to expenses related to the delivery of services/activities to Participants. Contractors are able to use the administration allowance to defray costs such as general management costs. Examples include: costs of general services (such as accounting) and the salaries of employees not directly involved in Participant related activities.

**Direct Service Delivery Costs** – the reasonable expenses incurred by the Applicant, including those charged by a Qualified Service Provider, in delivering services to Participants, directly identifiable with project activities. Examples include:

- Staff wages and mandatory employment-related costs;
- Materials and supplies;
- Participant recruitment/marketing costs;
- Training purchase costs (e.g., tuition, registration fees, and purchase of training services from a Qualified Service Provider); and
- Other training related costs (e.g., books, manuals, and/or other study materials necessary for Participants to complete the training).

**Participant Costs** – targeted supports such as travel/transportation costs related to Participant travel to attend training.

Ineligible project costs include, but are not limited to, costs associated with:

- Infrastructure development or enhancement (“bricks-and-mortar” or organizational);
- IT systems development;
- Capital items such as equipment and furniture.

## APPENDIX B - CONTRACT FORM

By submission of a proposal, the Applicant agrees that should its proposal be successful, the Applicant will enter into an agreement with the Province on terms and conditions that are substantially similar to those contained in the following DRAFT Transfer Under Agreement and associated Schedules. Please refer to Appendix "C" [Forms] attached to the Program Application Form with respect to any forms indicated to be attached as Appendices to Schedule "A" of this DRAFT Transfer Under Agreement.

### TRANSFER UNDER AGREEMENT

THIS AGREEMENT dated for reference the \_\_\_ day of \_\_\_\_\_, 20\_\_

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA,  
represented by the Minister of Jobs, Tourism and Innovation  
(the "Province")

AND:

(the "Contractor")

The parties to this Agreement agree as follows:

#### SECTION 1 - DEFINITIONS

1.01 In this Agreement and any Schedules attached hereto, the following definitions apply:

- (a) "Applicant" means the entity applying for funding under the Program;
- (b) "Application Form" means the form Applicants must complete and submit to the Province in order to apply for Program funding;
- (c) "Approved Sub-Contractor" means any sub-contractor or Qualified Service Provider of the Contractor approved by the Ministry and identified in Schedule "C";
- (d) "Approved Training Activity" has the meaning ascribed thereto in Section 1 of Schedule "A";
- (e) "Award" has the meaning ascribed thereto in Section 1 of Schedule "B";
- (f) "Contact Information" means information to enable an individual at a place of business to be contacted and includes the name, position name or title, business telephone number, business address, business email or business fax number of the individual;
- (g) "Contract Price" means the maximum amount of funds, including any Award, payable by the Province to the Contractor for its provision of the Services and any expenses associated with its provision of the Services, all as set out in Schedule "B";
- (h) "Final Statistical Report" means the final report to be provided by the Contractor to the Province at the end of the Term, in a format to be agreed upon by the parties but which

will be substantially similar to the Statistical Report, a sample of which is attached as Appendix 6 to Schedule "A";

- (i) **"Financial Reconciliation Form"** means the monthly, quarterly or other report that contains the information set out in Section 6 of Schedule "A" and that is to be completed and provided by the Contractor to the Ministry during the Term, a sample of which is attached as Appendix 6 to Schedule "A";
- (j) **"Incorporated Material"** means material already in existence and owned by the Contractor or an Approved Sub-Contractor as of the beginning of the Term;
- (k) **"Materials"** means all findings, data, reports, documents, records and material, (both printed and electronic), whether complete or otherwise, that have been produced, received, compiled or acquired by, or provided by or on behalf of the Province to, the Contractor as a direct result of this Agreement, but does not include any Incorporated Material;
- (l) **"Ministry"** means the Province's Ministry of Jobs, Training and Innovation;
- (m) **"Monthly Activity Report"** means the report that contains the information set out in Section 6 of Schedule "A" and that is to be completed and provided monthly by the Contractor to the Ministry during the Term, a sample of which is attached as Appendix 6 to Schedule "A";
- (n) **"Statistical Report"** means the monthly, quarterly or other report that contains the information set out in Section 6 of Schedule "A" and that is to be completed and provided by the Contractor to the Ministry during the Term, a sample of which is attached as Appendix 6 to Schedule "A";
- (o) **"Overpayment"** means any amount provided by the Province to the Contractor that are not expended on eligible Program expenses as more fully described herein;
- (p) **"Participant"** means an individual who participates in an Approved Training Activity as a result of funding received through the Program;
- (q) **"Participant Intake Form"** means a form to be completed by each Participant at the beginning of their Approved Training Activity and submitted by the Contractor to the Ministry, a sample of which is attached as Appendix 6 to Schedule "A";
- (r) **"Participant Exit Form"** means the form to be completed by each Participant upon completion of their Approved Training Activity and submitted by the Contractor to the Ministry, a sample of which is attached as Appendix 6 to Schedule "A";
- (s) **"Participant Records"** means any printed or electronic information, record, form or other document that contains Personal Information about a Participant, including any completed Program Forms;
- (t) **"Personal Information"** means recorded information about an identifiable individual, other than Contact Information;
- (u) **"Program"** means the Ministry's Labour Market Sector Solutions initiative;
- (v) **"Program Forms"** means, collectively, any or all of the Application Form, the Participant Intake Form, the Participant Exit Form and the Financial Reconciliation Form, or any other forms or Reports used in association with the Program as determined by the Province from time to time;
- (w) **"Qualified Service Provider"** means either the Contractor (if approved by the Ministry) or the training organization or entity named as an Approved Sub-Contractor and sub-contracted by the Contractor to deliver Approved Training Activities to Participants;
- (x) **"Refund"** means any refund or remission of federal or provincial tax or duty available with respect to any items that the Province has paid for or agreed to pay for under this Agreement;
- (y) **"Reports"** means all reports required to be provided by the Contractor to the Province pursuant to this Agreement, including, but not limited to, copies of all completed Program Forms, Statistical Reports and the Final Statistical Report;

- (z) "Services" means the services to be performed or delivered by or on behalf of the Contractor under this Agreement as more particularly described in Schedule "A"; and
- (aa) "Term" means the duration of the Agreement as set out in Section 1 of Schedule "A".

## SECTION 2 - APPOINTMENT

2.01 The Province retains the Contractor to provide the Services during the Term.

## SECTION 3 - PAYMENT OF CONTRACT PRICE

- 3.01 Subject to the provisions of this Agreement, the Province will pay the Contract Price to the Contractor, in the amount and manner and at the times set out in Schedule "B" attached to this Agreement.
- 3.02 Notwithstanding any other provision of this Agreement, the payment of the Contract Price by the Province to the Contractor pursuant to this Agreement is subject to:
- (a) there being sufficient monies available in an appropriation, as defined in the *Financial Administration Act* ("FAA"), to enable the Province, in any fiscal year when any payment of money by the Province to the Contractor falls due pursuant to this Agreement, to make that payment; and
  - (b) Treasury Board, as defined in the FAA, not having controlled or limited, pursuant to the FAA, expenditure under any appropriation referred to in subparagraph (a) of this paragraph.
- 3.03 The Contractor must:
- (a) apply for any Refund or remission of federal or provincial tax or duty available with respect to any items that the Province has paid for or agreed to pay for under this Agreement; and
  - (b) on receipt of the Refund, remit same to the Province.
- 3.04 Paragraph 3.03 continues in force indefinitely, even after this Agreement expires or is terminated.
- 3.05 In order to receive full payment of the Contract Price, the Contractor must submit all required Reports along with written statements of account in a form satisfactory to the Province, both upon completion of the Services and at the other times described in this Agreement.
- 3.06 The Province may withhold from any payment due to the Contractor, including any portion of the Contract Price, an amount sufficient to indemnify the Province against any fees or other third party claims that have arisen in connection with the provision of the Services.
- 3.07 In accordance with the provisions contained in this Agreement, the Province may temporarily or permanently withhold from any payment due to the Contractor, including any portion of the Contract Price, an amount sufficient to offset any Overpayments.
- 3.08 Unless otherwise specified in this Agreement, all references to money are to Canadian dollars.

## SECTION 4 - REPRESENTATIONS AND WARRANTIES

- 4.01 The Contractor represents and warrants to the Province, with the intent that the Province will rely thereon in entering into this Agreement, that:
- (a) all information, statements, documents and Reports furnished or submitted by it to the Province in connection with this Agreement are, and will be, true and correct;
  - (b) it has no knowledge of any fact that materially adversely affects or, so far as it can foresee, might materially adversely affect, its properties, assets, condition (financial or otherwise), business or operations or its ability to fulfil its obligations under this Agreement;

- (c) if the Contractor is a corporation or society, it is registered and in good standing with BC Corporate Registry, or if it is a sole proprietor or a partnership, it is registered with the BC Corporate Registry;
- (d) it is not in breach of, or in default under, any law, statute or regulation of Canada or of the Province of British Columbia applicable to or binding on it or its operations; and
- (e) it has the legal capacity to enter into this Agreement and to carry out the transactions and provide the Services contemplated by this Agreement and all necessary proceedings have been taken and done to authorize the execution and delivery of this Agreement by the Contractor, and this Agreement has been legally and properly executed by the Contractor and is legally binding upon and enforceable against it.

4.02 All statements contained in any certificate, application, proposal or other document delivered by or on behalf of the Contractor to the Province under this Agreement or in connection with any of the transactions contemplated hereby will be deemed to be representations and warranties by the Contractor under this Agreement.

4.03 All representations, warranties, agreements and all other documents delivered by or on behalf of the Contractor to the Province are material and will have been relied upon by the Province and will continue in full force and effect during the continuation of this Agreement.

#### **SECTION 5 - RELATIONSHIP**

5.01 No partnership, joint venture, agency or other legal entity will be created by or will be deemed to be created by this Agreement or any actions of the parties pursuant to this Agreement.

5.02 The Contractor will be an independent contractor and not the servant, employee or agent of the Province.

5.03 The Contractor will not in any manner whatsoever commit or purport to commit the Province to the payment of money to any person, firm or corporation, without the Province's prior written consent.

5.04 The Province may from time to time, give instructions to the Contractor in relation to the carrying out of the Services, and the Contractor will comply with those instructions but will not be subject to the control of the Province regarding the manner in which those instructions are carried out except as specified in this Agreement or in the Program Information and Funding Application guide.

#### **SECTION 6 - CONTRACTOR'S OBLIGATIONS**

6.01 The Contractor will:

- (a) carry out the Services during the Term in accordance with the terms of this Agreement;
- (b) comply with the payment requirements set out in this Agreement, including all requirements and directions from the Province concerning the use, application, expenditure and repayment or set-off of the Contract Price;
- (c) comply with all applicable laws;
- (d) hire and retain only qualified staff and Approved Sub-Contractors, including Qualified Services Providers;
- (e) unless otherwise agreed to in writing by the parties, supply, at its own cost, all labour, materials and approvals necessary to carry out the Services; and
- (f) subject to obtaining the prior written approval of the Province concerning form, content and location, acknowledge the involvement of the Province and the federal government in funding the Program in all public communications related to its

provision of the Services, including press releases, published reports, brochures, public meetings and radio and television programs.

## SECTION 7 – RECORDS AND MATERIALS

7.01 The Contractor will:

- (a) establish and maintain accounting and administrative records with respect to the Program and its provision of the Services, in form and content satisfactory to the Province;
- (b) record and report statistics and other data in connection with the provision of the Services, as identified in this Agreement and its Schedules, in a form and content satisfactory to the Province;
- (c) permit the Province, for contract monitoring and audit purposes, at all reasonable times, upon reasonable notice, to enter any premises used by the Contractor to deliver the Services or keep any Materials, documents or records pertaining to the Services, in order for the Province to inspect, audit, examine, review and copy any findings, data, specifications, drawings, working papers, reports, surveys, spread sheets, evaluations, documents, databases and Materials (both printed and electronic), whether complete or not, that are produced, received or otherwise acquired by the Contractor as a result of this Agreement;
- (d) comply, and ensure the compliance of its Approved Sub-Contractors, with the provisions contained in the attached Privacy Protection Schedule "E";
- (e) ensure that the informed consent of all Participants is obtained for the Contractor or Qualified Service Provider to collect and provide the Province's employees or designates with access to their Participant Records for the purposes of service monitoring, evaluation, research and reporting.

7.02 The Parties agree that the Province does not have control, for the purpose of the *Freedom of Information and Protection of Privacy Act*, of the records held by the Contractor.

7.03 If a request for access to any of the Materials is received by the Contractor from a person other than the Province, and this Agreement does not require or authorize the Contractor to provide that access, or the Contractor is not otherwise required by law to provide the access, the Contractor must advise the person to make the request to the Province.

## SECTION 8 - STATEMENTS AND ACCOUNTING

8.01 Immediately upon the completion of the Term, the Contractor will provide to the Province a statement documenting the expenditure of the Contract Price under this Agreement and accounting for any and all Overpayments, in form and content satisfactory to the Province.

8.02 Immediately upon the completion of the Term, any Overpayments outstanding and not set-off by the Province in accordance with the provisions of paragraph 3.07 will become a debt owing to the Province by the Contractor and must be repaid to the Province within 10 business days.

8.03 For greater certainty, if an Approved Training Activity is not wholly completed by the end of the Term, any portion of the Award already provided to the Contractor for that Approved Training Activity that remains unexpended at the end of the Term will be deemed to be an Overpayment.

8.04 For greater certainty, any portion of an Award that the Contractor expends on items that are not eligible components of an Approved Training Activity will be deemed to be an Overpayment to the extent that such portion has already been provided to the Contractor.

8.05 Within 3 months of being requested to do so by the Province, the Contractor will provide to the Province audited financial statements for the Contractor's fiscal year covering any portion of the Term of this Agreement.

## SECTION 9 - CONFLICT OF INTEREST

- 9.01 The Contractor will not, during the Term of this Agreement, perform a service for or provide advice to any person or entity where the performance of such service or the provision of the advice may, in the reasonable opinion of the Province, give rise to a conflict of interest between the obligations of the Contractor to the Province under this Agreement and the obligations of the Contractor to such other person or entity.

## SECTION 10 - CONFIDENTIALITY

- 10.01 The Contractor will treat, and will cause its Approved Sub-Contractors to treat, as confidential the Materials, including the Participant Records and any information which comes to its knowledge as a result of this Agreement, except where disclosure is necessary for the Contractor to fulfil its obligations under this Agreement or as required by law.

## SECTION 11 - DEFAULT

- 11.01 Any of the following events will constitute an Event of Default, whether any such event(s) be voluntary, involuntary or result from the operation of law or any judgement or order of any court or administrative tribunal, namely:
- (a) the Contractor fails to comply with any provision of this Agreement;
  - (b) any representation or warranty made by the Contractor in entering and accepting this Agreement is or becomes untrue or incorrect;
  - (c) any information, statement, certificate, Report or other document furnished or submitted by or on behalf of the Contractor pursuant to or as a result of this Agreement is untrue or incorrect;
  - (d) the Contractor ceases, in the opinion of the Province, to operate;
  - (e) a change occurs with respect to any one or more of the properties, assets, conditions (financial or otherwise), business or operations of the Contractor which, in the opinion of the Province, materially adversely affects the ability of the Contractor to fulfil its obligations under this Agreement;
  - (f) an order is made or resolution is passed or a petition is filed for the liquidation or winding up of the Contractor;
  - (g) the Contractor becomes insolvent or commits an act of bankruptcy or makes an assignment for the benefit of its creditors or otherwise acknowledges its insolvency;
  - (h) a bankruptcy petition is filed or presented against, or a proposal under the *Bankruptcy and Insolvency Act* (Canada) is made by the Contractor;
  - (i) a receiver or receiver-manager of any property of the Contractor is appointed; or
  - (j) the Contractor permits any sum, which is not disputed to be due by it, to remain unpaid after legal proceedings have been commenced to enforce payment thereof.

## SECTION 12 - TERMINATION

- 12.01 Upon the occurrence of any Event of Default or at any time thereafter the Province may, notwithstanding any other provision of this Agreement, at its option, elect to do any one or more of the following:
- (a) upon giving 30 days written notice, terminate this Agreement, in which case the payment of the amount required under paragraph 12.03 of this Agreement will discharge the Province of all liability to the Contractor under this Agreement;
  - (b) require the Event of Default be remedied within a time period specified by the Province;
  - (c) suspend any instalment of the Contract Price or any amount that is due to the Contractor while the Event of Default continues;

- (d) waive the Event of Default;
  - (e) pursue any other remedy available at law or in equity.
- 12.02 The Province may also terminate this Agreement for convenience on 60 days written notice, in which case, the payment of the amount required under paragraph 12.03 of this Agreement will discharge the Province of all liability to the Contractor under this Agreement.
- 12.03 Subject to paragraph 8.02, where this Agreement is terminated for any reason prior to 100% completion of the Services, the Province will pay to the Contractor that portion of the Contract Price which is equal to the portion of the Services completed to the satisfaction of the Province prior to termination.

**SECTION 13 - DISPUTE RESOLUTION**

- 13.01 All disputes arising out of or in connection with this Agreement will be referred to and finally resolved by arbitration pursuant to the *Commercial Arbitration Act*.
- 13.02 The place of arbitration will be Victoria, British Columbia.

**SECTION 14 - INSURANCE AND INDEMNITY**

- 14.01 During the Term of this Agreement, the Contractor will provide, maintain and pay for insurance as specified in Schedule "D", which may be amended from time to time at the sole discretion of the Province.
- 14.02 The Contractor will indemnify and save harmless the Province, its employees and agents, from and against any and all losses, claims, damages, actions, causes of action, costs and expenses that the Province may sustain, incur, suffer or be put to at any time either before or after the expiration or termination of this Agreement, where the same or any of them are based upon, arise out of or occur, directly or indirectly, by reason of any act or omission of the Contractor, or of any agent, employee, officer, director or sub-contractor of the Contractor pursuant to this Agreement, excepting always liability arising out of the independent negligent acts of the Province.
- 14.03 In no event will the Province be liable to the Contractor or to any third party, including any Participants and sub-contractors (including Qualified Service Providers) of the Contractor, for any damages or losses of any kind arising from or in connection with the Program, the Services or this Agreement, including without limitation direct, special, indirect, consequential, punitive or exemplary damages, damages for lost profits or lost savings.

**SECTION 15 - ASSIGNMENT AND SUB-CONTRACTING**

- 15.01 The Contractor will not, without the prior written consent of the Province:
- (a) assign, either directly or indirectly, this Agreement or any right of the Contractor under this Agreement; or
  - (b) sub-contract any obligation of the Contractor under this Agreement, other than to any Approved Sub-Contractor(s) set out in Schedule "C" and only to the extent contemplated in Schedule "A".
- 15.02 No sub-contract entered into by the Contractor will relieve the Contractor from any of its obligations under this Agreement or impose upon the Province any obligation or liability arising from any such sub-contract.
- 15.03 This Agreement will be binding upon the Province and its assigns and the Contractor, the Contractor's successors and permitted assigns.
- 15.04 The Contractor will ensure that any Approved Sub-Contractor(s) agree in writing to be bound by provisions substantially similar to those contained in the attached Privacy Protection Schedule "E".



## SECTION 16 - OWNERSHIP

- 16.01 The Materials and any information, equipment or other property provided by the Province to the Contractor as a result of this Agreement will:
- (a) be the exclusive property of the Province; and
  - (b) forthwith be delivered by the Contractor to the Province on written notice to the Contractor requesting delivery of the same, whether such a notice is given before, upon, or after the expiration or sooner termination of this Agreement.
- 16.02 The Province exclusively owns all property and intellectual property rights in the Materials, including copyright, other than in any Incorporated Material.
- 16.03 Upon the Province's request, the Contractor will deliver documents satisfactory to the Province waiving in favour of the Province any moral rights which the Contractor (or its employees) or a sub-contractor (or its employees) may have in the Materials, and confirming the vesting in the Province of the copyright in the Materials, other than any Incorporated Material.
- 16.04 Upon any Incorporated Material being embedded or incorporated in the Materials, the Contractor will grant to the Province a non-exclusive, perpetual, irrevocable, royalty-free, worldwide license to use, reproduce, modify and distribute that Incorporated Material to the extent that it remains embedded or incorporated in the Materials.

## SECTION 17 - OTHER FUNDING

- 17.01 If the Contractor receives funding for or in respect of the Services from any person, firm, corporation or other government or governmental body, then the Contractor will immediately provide the Province with full and complete details thereof and such funding may be deemed to be an Overpayment.

## SECTION 18 - NOTICES

- 18.01 Any written communication from the Contractor to the Province, including Reports, must be mailed, personally delivered, faxed or electronically transmitted to the following address:
- Fax:  
Email:
- 18.02 Any written communication from the Province to the Contractor must be mailed, personally delivered, faxed or electronically transmitted to the following address:
- Fax:  
Email:
- 18.03 Any written communication from either party will be deemed to have been received by the other party on the 5<sup>th</sup> business day after mailing in British Columbia; on the date of personal delivery if personally delivered; or on the date of transmission if faxed or electronically transmitted, provided that a record of the transmission is retained by the sender.
- 18.04 Either party may, from time to time, notify the other party in writing of a change of address or delivery particulars and, following the receipt of such notice, the new address or delivery particulars will, for the purposes of paragraph 18.01 or 18.02 of this Agreement, be deemed to be the mailing address and delivery particulars of the party giving notice.

## **SECTION 19 - NON-WAIVER**

- 19.01 No term or condition of this Agreement and no breach by the Contractor of any such term or condition will be deemed to have been waived unless such waiver is in writing signed by the Province and the Contractor.
- 19.02 The written waiver by the Province of any breach by the Contractor of any term or condition of this Agreement will not be deemed to be a waiver of any other provision or any subsequent breach of the same or any other provision of this Agreement.

## **SECTION 20 - ENTIRE AGREEMENT**

- 20.01 This Agreement constitutes the entire Agreement between the parties with respect to the subject matter of this Agreement.

## **SECTION 21 - SURVIVAL OF PROVISIONS**

- 21.01 All of the provisions of this Agreement in favour of the Province and all of the rights and remedies of the Province, either at law or in equity, will survive any expiration or sooner termination of this Agreement.

## **SECTION 22 - MISCELLANEOUS**

- 22.01 This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.
- 22.02 The Schedules to this Agreement are an integral part of this Agreement as if set out at length in the body of this Agreement.
- 22.03 No amendment or modification to this Agreement will be effective unless it is in writing and duly executed by the parties.
- 22.04 Time and the uninterrupted provision of the Services are of importance in this Agreement. The Contractor will immediately contact the Province in the event that the Contractor is unable to provide the Services for any period during the Term. The Province reserves the right to engage other resources to provide the Services during any such periods and make claim for compensation for related costs against the Contractor.
- 22.05 If any provision of this Agreement or its application to any person or circumstance, is invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected or impaired thereby and will be enforceable to the extent permitted by law.
- 22.06 Nothing in this Agreement operates as a consent, permit, approval or authorization by the Government of the Province of British Columbia or any ministry or branch thereof to or for anything related to the Services that, by statute, the Contractor is required to obtain unless it is expressly stated herein to be such a consent, permit, approval or authorization.
- 22.07 Where the Contractor is a corporation, the Contractor warrants that the signatory has been duly authorized by the Contractor to execute this Agreement without corporate seal on behalf of the Contractor.
- 22.08 This Agreement may be executed by the parties in separate counterparts each of which when so executed and delivered shall be an original, and all such counterparts may be delivered by facsimile transmission and such transmission shall be considered an original.
- 22.09 For the purpose of paragraphs 22.10 and 22.11, an "Event of Force Majeure" includes, but is not limited to, acts of God, changes in the laws of Canada or the Province of British Columbia, governmental restrictions or control on imports, exports or foreign exchange, wars (declared or undeclared), fires, floods, storms, strikes (including illegal work stoppages or slowdowns), lockouts, labour shortages, freight embargoes and power failures or other cause beyond the reasonable control of a party, provided always that

lack of money, financing or credit will not be and will not be deemed to be an "Event of Force Majeure".

- 22.10 Subject to paragraph 22.11, neither party will be liable to the other for any delay, interruption or failure in the performance of their respective obligations if caused by an Event of Force Majeure, in which case the time period for the performance or completion of any such obligation will be automatically extended for the duration of the Event of Force Majeure except that such extension will not, in any event, exceed the end of the Term.
- 22.11 If an Event of Force Majeure occurs or is likely to occur, then the party directly affected will notify the other party forthwith, and will use commercially reasonable efforts to remove, curtail or contain the cause of the delay, interruption or failure and to resume, with the least possible delay, compliance with its obligations under this Agreement.
- 22.12 In this Agreement, unless the context requires otherwise, words importing the singular include the plural and *vice versa*.
- 22.13 The headings in this Agreement are inserted for convenience only and do not form part of this Agreement.
- 22.14 If there is a conflict between a provision in a Schedule to this Agreement and any other provision of this Agreement, the provision in the Schedule is inoperative to the extent of the conflict, unless the Schedule states that it operates despite a conflicting provision of this Agreement.

The parties hereto have executed this Agreement as of the day and year referenced above.

<p><b>SIGNED AND DELIVERED</b> on behalf of the Province by its duly authorized representative</p>	<p><b>SIGNED AND DELIVERED</b> on behalf of the Contractor (or by its authorized signatory or signatories if the Contractor is a corporation)</p>
<p>Signature (Authorized Representative of the Province)</p>	<p>Signature(s) Contractor or Authorized Representative of the Contractor)</p>
<p>X Print Name:</p>	<p>Print Name(s):</p>

**Schedule "A"**  
**Services**

[TO BE COMPLETED FOLLOWING IDENTIFICATION OF APPROVED PROJECTS]

- 1) The Contractor will provide the following services (collectively, the "Services") in furtherance of the Program during the period which begins on \_\_\_\_\_ and ends at 5:00 pm (Pacific Time) on \_\_\_\_\_ unless terminated earlier in accordance with the provisions of this Agreement (the "Term"):

**a) General Services**

**b) Training**

**c) Reporting**

- (i) Provide to the Ministry, on a \_\_\_\_\_ basis, the following:
- A. copies of the completed Program Forms received during the previous \_\_\_\_\_; and
  - B. a Statistical Report, both for the previous \_\_\_\_\_ and cumulative, in a format substantially similar to the sample provided as Appendix • to this Schedule, showing the following:
- (ii) Provide to the Ministry immediately at the end of the Term, the following:
- A. an accounting of all Program funds received;
  - B. an accounting of any Program funds that remain unused for Approved Training Activities, including Overpayments; and
  - C. the Final Statistical Report.

- 2) The Contractor will provide any other services that may be reasonably deemed to be ancillary to or necessary for the provision of any of the Services or other obligations of the Contractor set out in this Agreement; and

- 3) The Contractor will be responsible for ensuring the eligibility of potential Participants and training activities in accordance with the following criteria:

**a) To be eligible, an potential Participant must:**

(i)

**b) To be eligible, a training activity must:**

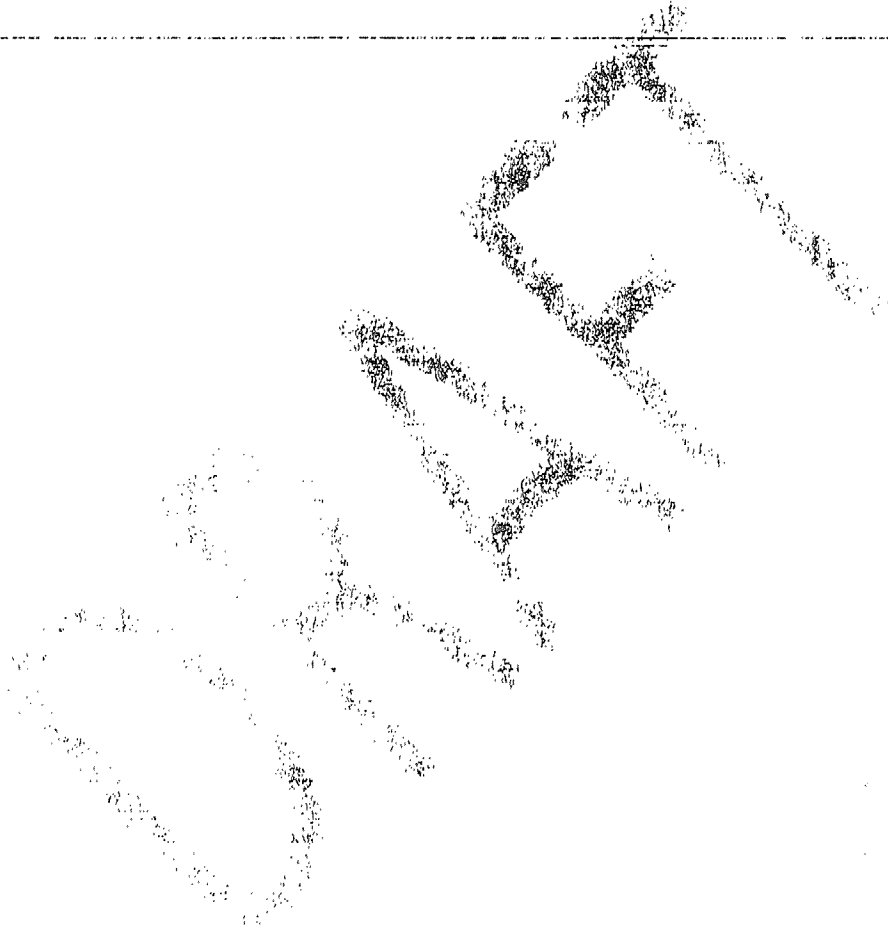
(i)

(collectively, the "Approved Training Activities").

- c) For greater certainty, the following are not Approved Training Activities eligible for Program funding:**

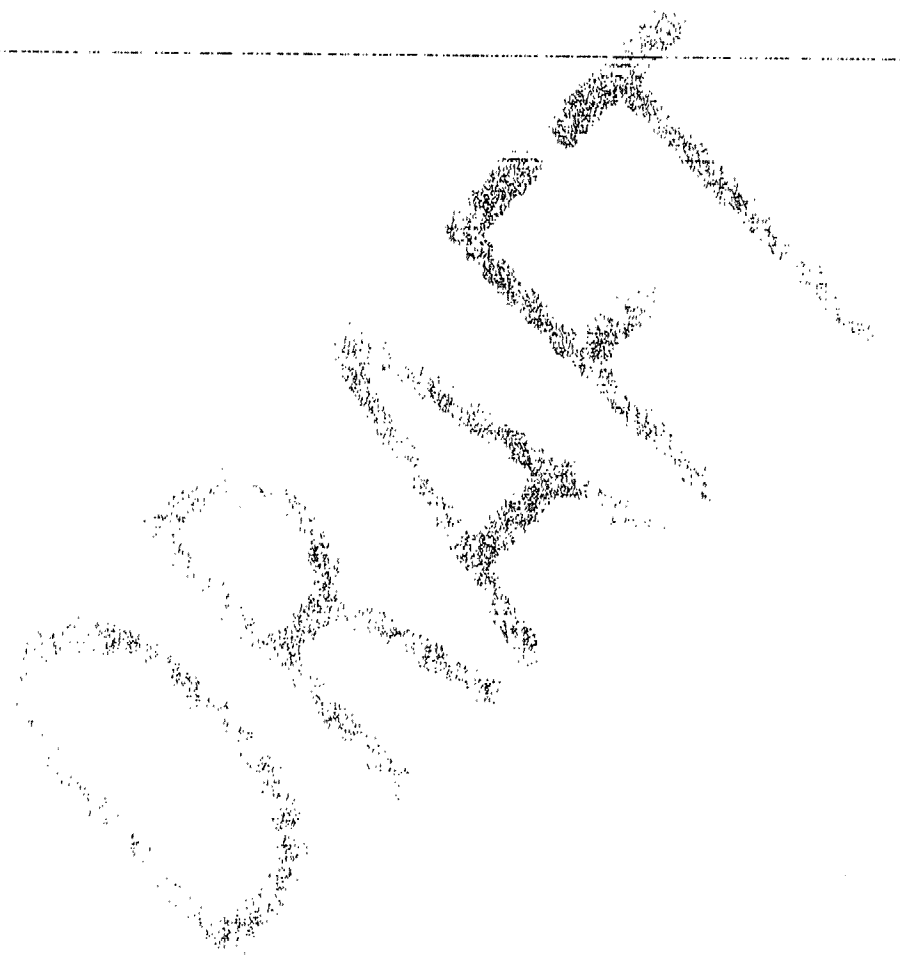
- training which does not meet one or more of the goals stated in Section • above

- *training undertaken prior to submission and approval of a funding application*
- *training normally provided by suppliers or manufacturers*
- *training that would be undertaken without funding assistance*
- *Participant wages, including "back-fill" wages*
- *capital items, equipment or furnishings*
- 



**Appendices to Schedule "A"  
Forms**

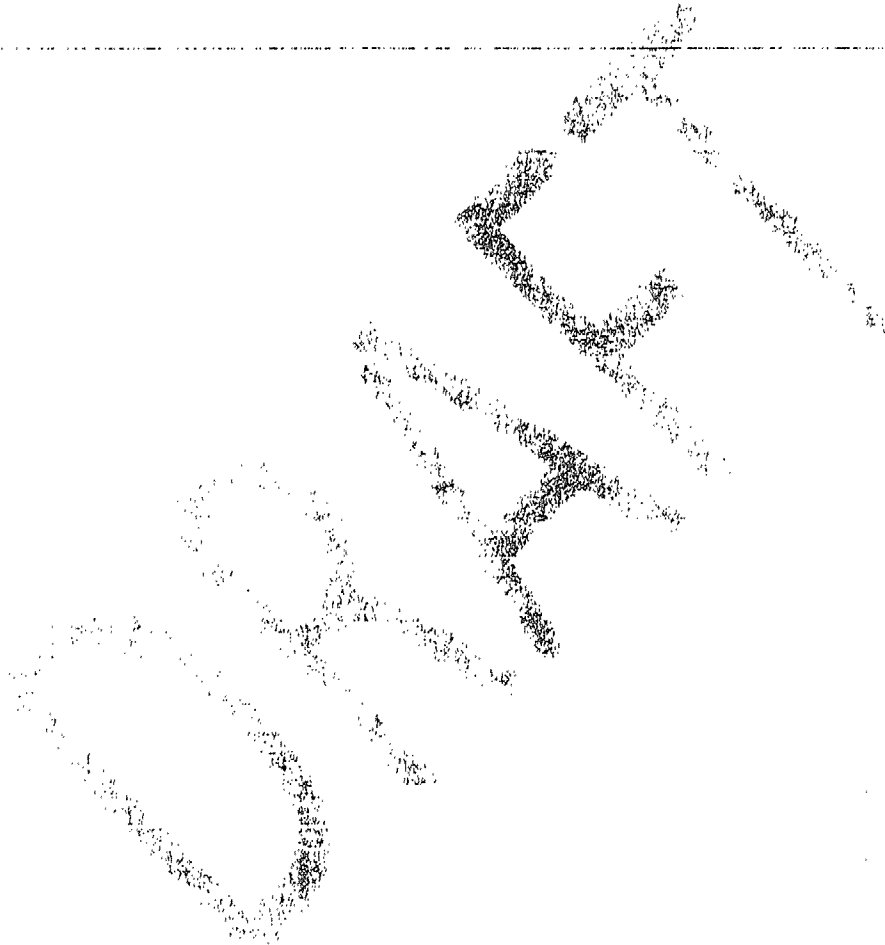
*[PLEASE SEE APPENDIX C [FORMS] TO THE PROGRAM APPLICATION FORM]*



**Schedule "B"**

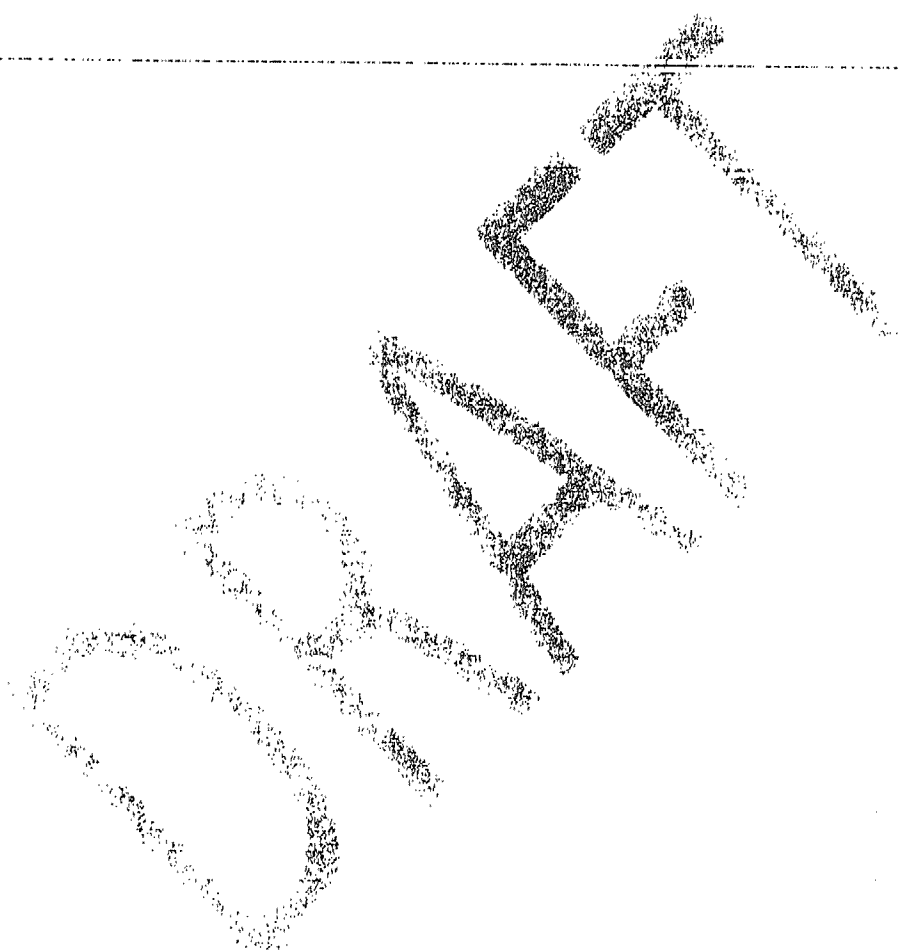
**Award, Contract Price and Payment Schedule**

*[TO BE COMPLETED FOLLOWING IDENTIFICATION OF APPROVED PROJECTS]*



**Schedule "C"**  
**Approved Sub-Contractors/Qualified Service Providers**

*[TO BE COMPLETED FOLLOWING IDENTIFICATION OF APPROVED PROJECTS]*





**Schedule "D"**  
**Insurance**

*[TO BE CONFIRMED BY THE PROVINCE'S RISK MANAGEMENT BRANCH]*

1. The Contractor must, without limiting their obligation or liabilities and at their own expense, purchase and maintain throughout the term of this Agreement the following insurances with insurers licensed in British Columbia:
  - (a) Workers Compensation Insurance;
  - (b) Commercial General Liability in an amount not less than \$2,000,000 inclusive per occurrence against bodily injury, personal injury and property damage and including liability assumed under this Agreement and this insurance must:
    - (i) include the Province as an additional insured;
    - (ii) be endorsed to provide the Province with 30 days' advance written notice of cancellation or material change, and
    - (iii) include a cross liability clause.
2. All insurance described in paragraph 1 of this Schedule must:
  - (a) be primary; and
  - (b) not require the sharing of any loss of any insurer of the Province.
3. The Contractor must provide to the Province when requested:
  - (a) evidence in the form of a completed Province of British Columbia Certificate of Insurance of all required insurance; or
  - (b) certified copies of required policies.
4. Notwithstanding paragraph 1(c) of this schedule, if in its sole discretion, the Province has approved in writing an alternative to the Professional Liability Insurance requirement set out in paragraph 1(c), then the Contractor will maintain throughout the term of this agreement, that alternative in accordance with the terms of the approval.

**Schedule "E"**  
**PRIVACY PROTECTION SCHEDULE**

This Schedule forms part of the Transfer Under Agreement between Her Majesty the Queen in Right of the Province of British Columbia represented by the Minister of Jobs, Tourism and Innovation (the "Province") and \_\_\_\_\_ (the "Contractor") bearing Contract Number \_\_\_\_\_ (the "Agreement")

**Definitions**

1. In this Schedule,
  - (a) "access" means disclosure by the provision of access;
  - (b) "Act" means the *Freedom of Information and Protection of Privacy Act* (British Columbia), as amended from time to time;
  - (c) "contact information" means information to enable an individual at a place of business to be contacted and includes the name, position name or title, business telephone number, business address, business email or business fax number of the individual;
  - (d) "personal information" means recorded information about an identifiable individual, other than contact information, collected or created by the Contractor as a result of the Agreement or any previous agreement between the Province and the Contractor dealing with the same subject matter as the Agreement but excluding any such information that, if this Schedule did not apply to it, would not be under the control of a public body" within the meaning of the Act.

**Purpose**

2. The purpose of this Schedule is to
  - (a) enable the Province to comply with its statutory obligations under the Act with respect to personal information; and
  - (b) ensure that, as a service provider, the Contractor is aware of and complies with its statutory obligations under the Act with respect to personal information.

**Collection of personal information**

3. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor may only collect or create personal information that is necessary for the performance of the Contractor's obligations, or the exercise of the Contractor's rights, under the Agreement.
4. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor must collect personal information directly from the individual the information is about.
5. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor must tell an individual from whom the Contractor collects personal information:
  - (a) the purpose for collecting it;
  - (b) the legal authority for collecting it; and
  - (c) the title, business address and business telephone number of the person designated by the Province to answer questions about the Contractor's collection of personal information.

**Accuracy of personal information**

6. The Contractor must make every reasonable effort to ensure the accuracy and completeness of any personal information to be used by the Contractor or the Province to make a decision that directly affects the individual the information is about.

**Requests for access to personal information**

7. If the Contractor receives a request for access to personal information from a person other than the Province, the Contractor must promptly advise the person to make the request to the Province unless the Agreement expressly requires the Contractor to provide such access and, if

the Province has advised the Contractor of the name or title and contact information of an official of the Province to whom such requests are to be made, the Contractor must also promptly provide that official's name or title and contact information to the person making the request.

**Correction of personal information**

8. Within 5 business days of receiving a written direction from the Province to correct or annotate any personal information, the Contractor must annotate or correct the information in accordance with the direction.
9. When issuing a written direction under section 8, the Province must advise the Contractor of the date the correction request to which the direction relates was received by the Province in order that the Contractor may comply with section 10.

10. Within 5 business days of correcting or annotating any personal information under section 8, the Contractor must provide the corrected or annotated information to any party to whom, within one year prior to the date the correction request was made to the Province, the Contractor disclosed the information being corrected or annotated.

11. If the Contractor receives a request for correction of personal information from a person other than the Province, the Contractor must promptly advise the person to make the request to the Province and, if the Province has advised the Contractor of the name or title and contact information of an official of the Province to whom such requests are to be made, the Contractor must also promptly provide that official's name or title and contact information to the person making the request.

**Protection of personal information**

12. The Contractor must protect personal information by making reasonable security arrangements against such risks as unauthorized access, collection, use, disclosure or disposal, including any expressly set out in the Agreement.

**Storage and access to personal information**

13. Unless the Province otherwise directs in writing, the Contractor must not store personal information outside Canada or permit access to personal information from outside Canada.

**Retention of personal information**

14. Unless the Agreement otherwise specifies, the Contractor must retain personal information until directed by the Province in writing to dispose of it or deliver it as specified in the direction.

**Use of personal information**

15. Unless the Province otherwise directs in writing, the Contractor may only use personal information if that use is for the performance of the Contractor's obligations, or the exercise of the Contractor's rights, under the Agreement.

**Disclosure of personal information**

16. Unless the Province otherwise directs in writing, the Contractor may only disclose personal information inside Canada to any person other than the Province if the disclosure is for the performance of the Contractor's obligations, or the exercise of the Contractor's rights, under the Agreement.

17. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor must not disclose personal information outside Canada.

#### **Notice of foreign demands for disclosure**

18. In addition to any obligation the Contractor may have to provide the notification contemplated by section 30.2 of the Act, if in relation to personal information in its custody or under its control the Contractor:
- (a) receives a foreign demand for disclosure;
  - (b) receives a request to disclose, produce or provide access that the Contractor knows or has reason to suspect is for the purpose of responding to a foreign demand for disclosure; or
  - (c) has reason to suspect that an unauthorized disclosure of personal information has occurred in response to a foreign demand for disclosure
- the Contractor must immediately notify the Province and, in so doing, provide the information described in section 30.2(3) of the Act. In this section, the phrases "foreign demand for disclosure" and "unauthorized disclosure of personal information" will bear the same meanings as in section 30.2 of the Act.

#### **Notice of unauthorized disclosure**

19. In addition to any obligation the Contractor may have to provide the notification contemplated by section 30.5 of the Act, if the Contractor knows that there has been an unauthorized disclosure of personal information in its custody or under its control, the Contractor must immediately notify the Province. In this section, the phrase "unauthorized disclosure of personal information" will bear the same meaning as in section 30.5 of the Act.

#### **Inspection of personal information**

20. In addition to any other rights of inspection the Province may have under the Agreement or under statute, the Province may, at any reasonable time and on reasonable notice to the Contractor, enter on the Contractor's premises to inspect any personal information in the possession of the Contractor or any of the Contractor's information management policies or practices relevant to its management of personal information or its compliance with this Schedule and the Contractor must permit, and provide reasonable assistance to, any such inspection.

#### **Compliance with the Act and directions**

21. The Contractor must, in relation to personal information, comply with:
- (a) the requirements of the Act or any similar legislation applicable to the Contractor as a service provider, including any applicable order of the commissioner under the Act; and
  - (b) any direction given by the Province under this Schedule.
22. The Contractor acknowledges that it is familiar with the requirements of the Act, or similar legislation, governing personal information that are applicable to it as a service provider.

#### **Notice of non-compliance**

23. If for any reason the Contractor does not comply, or anticipates that it will be unable to comply, with a provision in this Schedule in any respect, the Contractor must promptly notify the Province of the particulars of the non-compliance or anticipated non-compliance and what steps it proposes to take to address, or prevent recurrence of, the non-compliance or anticipated non-compliance.

#### **Termination of Agreement**

24. In addition to any other rights of termination which the Province may have under the Agreement or otherwise at law, the Province may, subject to any provisions in the Agreement establishing mandatory cure periods for defaults by the Contractor, terminate the Agreement by giving written notice of such termination to the Contractor, upon any failure of the Contractor to comply with this Schedule in a material respect.

**Interpretation**

25. In this Schedule, references to sections by number are to sections of this Schedule unless otherwise specified in this Schedule.
26. Any reference to the "Contractor" in this Schedule includes any sub-contractor or agent retained by the Contractor to perform obligations under the Agreement and the Contractor must ensure that any such sub-contractors and agents comply with this Schedule.
27. The obligations of the Contractor in this Schedule will survive the termination of the Agreement.
28. If a provision of the Agreement (including any direction given by the Province under this Schedule) conflicts with a requirement of the Act, or similar legislation, or an applicable order of the commissioner under the Act, the conflicting provision of the Agreement (or direction) will be inoperative to the extent of the conflict.
29. The Contractor must comply with the provisions of this Schedule despite any conflicting provision of this Agreement or, subject to section 30, the law of any jurisdiction outside Canada.
30. Nothing in this Schedule requires the Contractor to contravene the law of any jurisdiction outside Canada unless such contravention is required to comply with the Act.

## **APPENDIX C - FORMS**

DRAFT versions of the following forms are attached:

- Participant Intake Form
  - Participant Exit Form
  - Monthly Activity Report
-



BRITISH COLUMBIA

DRAFT

Canada/British Columbia Labour Market Agreement  
Participant Intake Form

Please print clearly and answer all questions on the form.  
If you have any questions about the form please ask program staff or see the definitions page attached. Thank you.

Name of Program: \_\_\_\_\_

Organization: \_\_\_\_\_

Your Name: \_\_\_\_\_  
First Name Middle Initial Last Name

Date of Birth: \_\_\_\_/\_\_\_\_/\_\_\_\_  
Day / Month / Year

Mailing Address: \_\_\_\_\_  
Street Address  
\_\_\_\_\_  
City / Town Postal Code

Email Address: \_\_\_\_\_

Phone Numbers: Home (\_\_\_\_) \_\_\_\_\_ Alternate (\_\_\_\_) \_\_\_\_\_

Community you live in (if different than your mailing address): \_\_\_\_\_

1. What is your first day with the program: \_\_\_\_/\_\_\_\_/\_\_\_\_  
Day / Month / Year

2. Gender:  Male  Female

3. Do you self-identify as an Aboriginal Person?  No  Yes

If yes, please check one:

- First Nations
- Métis
- Inuit

4. Are you an Immigrant?  No  Yes  
If yes, how many years have you been in Canada? \_\_\_\_\_ years.

5. Are you a Person with a Disability?  No  Yes

6. At the time of registration for this program, were you receiving Provincial Income Assistance?  
 No  Yes

7. What is the highest level of education you've attained: (please check one)  
 Less than high school  
 High School diploma or recognized equivalent  
 Some post-secondary  
 Non-university certificate or diploma such as a trades certificate  
 University - Bachelor's Degree  
 University - Above Bachelor's Degree

8. At the time of registration for this program, were you: (please check one)  
 Employed  
 Self Employed  
 Unemployed - On a temporary layoff and available for work  
 Unemployed - Have looked for work in the past 4 weeks  
 Unemployed - Available for work and have a new job to start within the next 4 weeks  
 Unemployed - Have NOT looked for work in the past 4 weeks

9. If you checked Employed or Self Employed for Question 8, how many hours do you typically work in a week?  
\_\_\_\_\_ hours

Would you prefer to work more hours?  No  Yes

10. What were your approximate gross earnings per hour at your most recent or current job (i.e. before taxes and deductions are taken)? This includes any tips and commissions.  
\$ \_\_\_\_\_ per hour

11. In which industry was your most recent or current job? \_\_\_\_\_

**My signature below means:**

- I have answered all questions on this form and certify that all information I have provided is complete and accurate.
- I understand the Province of British Columbia receives funding for this program from the federal government as a result of the Canada/BC Labour Market Agreement.
- I understand that information I have provided on this form or that has been collected about me during my participation in this program will be forwarded to the Ministry of Jobs, Tourism and Innovation who is the provincial oversight for British Columbia's allocation of the Canada/BC Labour Market Agreement.
- I understand the Ministry of Jobs, Tourism and Innovation is responsible for fulfilling reporting obligations associated with the Canada/BC Labour Market Agreement;



however, no personally identifiable information about me will be exchanged with the federal government to fulfil this requirement.

- I consent to being contacted by the Ministry of Jobs, Tourism and Innovation (or its agent) at intervals and up to 12 months after completion of my participation in this program for the purpose of program evaluation.

**Collection and Use of Information.** All information is collected pursuant to section 26(c) of the *Freedom of Information and Protection of Privacy Act*. The information provided will be used for administrative and evaluation purposes of this program. If you have any questions about the use of this information, contact the Director of the Labour Market Agreement, Ministry of Jobs, Tourism and Innovation, (250) 952-0642

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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

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**Definitions:**

**First Nations:** Officially called Indians in the Indian Act, this term refers to the indigenous peoples of North America located in what is now Canada, and their descendents, who are not Inuit or Métis.

**Métis:** Métis means a person who self-identifies as Métis, is of historic Métis Nation Ancestry and is accepted by the Métis Nation. Métis people identify themselves, and are recognized, as distinct from First Nations (Indian), Inuit or European descendants.

**Inuit:** The Inuit are the Aboriginal inhabitants of the North American Arctic.

**Immigrants:** Persons who were foreign born and have been permitted by immigration authorities to live in Canada permanently.

**Persons with Disabilities:** Persons who have difficulty with daily living activities or have a physical condition or other health problem that reduces the kind or amount of activities they can do.

**Less than High School:** Persons not recognized as having completed a high school diploma or recognized equivalent and who do not have diplomas or certificates recognized in the BC labour market.

**High School:** Persons who have completed a high school diploma or equivalent (e.g. General Equivalency Diploma).

**Some Post Secondary Education:** Persons who have some post secondary (i.e. post secondary program incomplete).

**Non university certificate or diploma such as a trades certificate:** Persons who have a non university certificate or diploma from a community college, school of nursing, etc. or a trades certificate or diploma from a vocational or apprenticeship training.

**University - Bachelors Degree:** Persons who have completed university and hold a bachelor's degree.

**University degree - Above Bachelor's Degree:** Persons who have completed university and hold a Master's degree or PHD.

**Employed - Full Time:** Persons who work in paid employment at a job or business that is **full time (30 hours or more per week)** in the context of an employer/employee relationship (Does not include self employment) This includes those who have a job but are not at work due to temporary illness or disability, family or personal responsibilities, vacation, labour dispute or other reasons. (Excludes persons on layoff, between jobs, or those with a job to start at a future date)

**Employed – Part Time:** Persons who work in paid employment that is **part time (less than 30 hours per week)** in the context of an employer/employee relationship. (Does not include self employment) This includes those who have a job but are not at work due to temporary illness or disability, family or personal responsibilities, vacation, labour dispute or other reasons. (Excludes persons on layoff, between jobs, or those with a job to start at a future date)

**Self Employed:** Persons who are working owners of an incorporated or un-incorporated business, farm, or professional practice, with or without paid help. The "un-incorporated" group includes self employed workers who do not own a business (such as babysitters and newspaper carriers). Self employed workers include unpaid family workers, i.e. persons who work without pay on a farm or in a business or professional practice owned and operated by another family member living in the same dwelling.

**Unemployed – On temporary layoff and available for work:** Persons who are not working full or part time, are on temporary layoff with an expectation of recall, and are available for work.

**Unemployed – Have looked for work in past 4 weeks:** Persons who are not working full or part time, have looked for work in the past 4 weeks, and are available for work.

**Unemployed – Available for work and have a new job to start within the next 4 weeks:** Persons who are not working full or part time, have a new job starting within the next 4 weeks, and are available for work.

**Unemployed – Have not looked for work in past 4 weeks:** Persons who were unwilling or unable to participate in the labour force and have not looked for work in the past 4 weeks. This includes individuals attending public school, attending private or public post-secondary institutions, stay at home parents or caregivers, incarcerated individuals, and discouraged job seekers (those who are unemployed and not actively seeking work as they believe no suitable work is available).

**Industry:** The category describing an organization's primary business activity. For example: mining, fishing, construction, etc.



BRITISH COLUMBIA

**DRAFT**

**Canada/British Columbia Labour Market Agreement  
Participant Exit Form**

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Please print clearly and answer all questions on the form.  
If you have any questions about the form please ask program staff.  
Thank you.

Name of Program: \_\_\_\_\_

Organization: \_\_\_\_\_

Your Name: \_\_\_\_\_  
First Name Middle Initial Last Name

Date of Birth: \_\_\_\_/\_\_\_\_/\_\_\_\_  
Day / Month / Year

Mailing Address: \_\_\_\_\_  
Street Address  
\_\_\_\_\_  
City / Town Postal Code

Email Address: \_\_\_\_\_

Phone Numbers: Home (\_\_\_\_) \_\_\_\_\_ Alternate (\_\_\_\_) \_\_\_\_\_

Community you live in (if different than your mailing address): \_\_\_\_\_

1. What is your last day with the program: \_\_\_\_/\_\_\_\_/\_\_\_\_  
Day / Month / Year

2. Are you satisfied with the program that you participated in?
- Yes
  - No

Comments:

3. Did you leave the program early (i.e. before completion)?
- Yes

No

4. Did your participation result in any training certificates (trade ticket, diploma, etc)?

Yes (please specify) \_\_\_\_\_

No

5. Now that you are leaving the program, what are your plans? (Please check one)

Return to/continue prior employment

Have recently found new employment

Seeking employment

Attending training, school, or another program

Other (please specify): \_\_\_\_\_

6. If you are working, starting new work, or seeking work, will you be self-employed?

Yes

No

7. If you are working or starting new work, how many hours per week do you expect to work?

\_\_\_\_\_ hours

8. What will your gross earnings be per hour at your new job (before taxes and deductions are taken)? This includes any tips and commissions.

\$\_\_\_\_\_ per hour

---

**My signature below means:**

- I have answered all questions on this form and certify that all information I have provided is complete and accurate
- I understand the Province of British Columbia receives funding for this program from the federal government as a result of the Canada/BC Labour Market Agreement.
- I understand that information I have provided on this form or that has been collected about me during my participation in this program will be forwarded to the Ministry of Jobs, Tourism and Innovation who is the provincial oversight for British Columbia's allocation of the Canada/BC Labour Market Agreement.
- I understand the Ministry of Jobs, Tourism and Innovation is responsible for fulfilling reporting obligations associated with the Canada/BC Labour Market Agreement; however, no personally identifiable information about me will be exchanged with the federal government to fulfil this requirement.
- I consent to being contacted by the Ministry of Jobs, Tourism and Innovation (or its agent) at intervals and up to 12 months after completion of my participation in this program for the purpose of program evaluation.

**Collection and Use of Information.** All information is collected pursuant to section 26(c) of the *Freedom of Information and Protection of Privacy Act*. The information provided will be used for administrative and evaluation purposes of this program. If you have any questions about the

Mile	Defective Tie Count	Good Ties	Estimate of Ties to be Installed	Remaining Poor Ties (post program)	Good Ties (post program)	Class 3 Compentent Tie Requirement	Post-Condition Ties Exceeding requirement
0	700	2180	471.19	228.81	2651.19	1353.85	1297
1	927	1953	623.99	303.01	2576.99	1353.85	1223
2	1038	1842	698.71	339.29	2540.71	1353.85	1187
3	918	1962	617.94	300.06	2579.94	1353.85	1226
4	949	1931	638.80	310.20	2569.80	1353.85	1216
5	348	2532	234.25	113.75	2766.25	1353.85	1412
6	1071	1809	720.92	350.08	2529.92	1353.85	1176
7	1098	1782	739.10	358.90	2521.10	1353.85	1167
8	841	2039	566.10	274.90	2605.10	1353.85	1251
9	1369	1511	921.52	447.48	2432.52	1353.85	1079
10	1234	1646	830.64	403.36	2476.64	1353.85	1123
11	1201	1679	808.43	392.57	2487.43	1353.85	1134
12	972	1908	654.28	317.72	2562.28	1353.85	1208
13	1169	1711	786.89	382.11	2497.89	1353.85	1144
14	958	1922	644.86	313.14	2566.86	1353.85	1213
15	991	1889	667.07	323.93	2556.07	1353.85	1202
16	784	2096	527.74	256.26	2623.74	1353.85	1270
17	1063	1817	715.54	347.46	2532.54	1353.85	1179
18	961	1919	646.88	314.12	2565.88	1353.85	1212
19	930	1950	626.01	303.99	2576.01	1353.85	1222
20	1056	1824	710.83	345.17	2534.83	1353.85	1181
21	1007	1873	677.84	329.16	2550.84	1353.85	1197
22	1450	1430	976.04	473.96	2406.04	1353.85	1052
23	1066	1814	717.56	348.44	2531.56	1353.85	1178
24	1100	1780	740.45	359.55	2520.45	1353.85	1167
25	1156	1724	778.14	377.86	2502.14	1353.85	1148
26	1196	1684	805.07	390.93	2489.07	1353.85	1135
27	1019	1861	685.92	333.08	2546.92	1353.85	1193
28	991	1889	667.07	323.93	2556.07	1353.85	1202
29	916	1964	616.59	299.41	2580.59	1353.85	1227
30	1146	1734	771.41	374.59	2505.41	1353.85	1152
31	962	1918	647.55	314.45	2565.55	1353.85	1212
32	792	2088	533.12	258.88	2621.12	1353.85	1267
33	889	1991	598.41	290.59	2589.41	1353.85	1236
34	1263	1617	850.17	412.83	2467.17	1353.85	1113
35	990	1890	666.40	323.60	2556.40	1353.85	1203
36	982	1898	661.02	320.98	2559.02	1353.85	1205
37	761	2119	512.25	248.75	2631.25	1353.85	1277
38	1038	1842	698.71	339.29	2540.71	1353.85	1187
39	1111	1769	747.85	363.15	2516.85	1353.85	1163
40	1127	1753	758.62	368.38	2511.62	1353.85	1158
41	1156	1724	778.14	377.86	2502.14	1353.85	1148
42	1045	1835	703.42	341.58	2538.42	1353.85	1185
43	742	2138	499.46	242.54	2637.46	1353.85	1284
44	860	2020	578.89	281.11	2598.89	1353.85	1245
45	802	2078	539.85	262.15	2617.85	1353.85	1264
46	1194	1686	803.72	390.28	2489.72	1353.85	1136
47	857	2023	576.87	280.13	2599.87	1353.85	1246
48	973	1907	654.96	318.04	2561.96	1353.85	1208

Mile	Defective Tie Count	Good Ties	Estimate of Ties to be Installed	Remaining Poor Ties (post program)	Good Ties (post program)	Class 3 Compentent Tie Requirement	Post-Condition Ties Exceeding requirement
49	883	1997	594.38	288.62	2591.38	1353.85	1238
50	941	1939	633.42	307.58	2572.42	1353.85	1219
51	1049	1831	706.12	342.88	2537.12	1353.85	1183
52	1310	1570	881.80	428.20	2451.80	1353.85	1098
53	1194	1686	803.72	390.28	2489.72	1353.85	1136
54	1136	1744	764.68	371.32	2508.68	1353.85	1155
55	1229	1651	827.28	401.72	2478.28	1353.85	1124
56	1218	1662	819.87	398.13	2481.87	1353.85	1128
57	1119	1761	753.23	365.77	2514.23	1353.85	1160
58	639	2241	430.13	208.87	2671.13	1353.85	1317
59	780	2100	525.04	254.96	2625.04	1353.85	1271
60	755	2125	508.21	246.79	2633.21	1353.85	1279
61	925	1955	622.65	302.35	2577.65	1353.85	1224
62	812	2068	546.58	265.42	2614.58	1353.85	1261
63	851	2029	572.84	278.16	2601.84	1353.85	1248
64	1007	1873	677.84	329.16	2550.84	1353.85	1197
65	1006	1874	677.17	328.83	2551.17	1353.85	1197
66	907	1973	610.53	296.47	2583.53	1353.85	1230
67	973	1907	654.96	318.04	2561.96	1353.85	1208
68	746	2134	502.16	243.84	2636.16	1353.85	1282
69	993	1887	668.42	324.58	2555.42	1353.85	1202
70	1028	1852	691.98	336.02	2543.98	1353.85	1190
71	879	2001	591.68	287.32	2592.68	1353.85	1239
72	842	2038	566.78	275.22	2604.78	1353.85	1251
73	926	1954	623.32	302.68	2577.32	1353.85	1223
74	1060	1820	713.52	346.48	2533.52	1353.85	1180
75	1152	1728	775.45	376.55	2503.45	1353.85	1150
76	780	2100	525.04	254.96	2625.04	1353.85	1271
77	705	2175	474.56	230.44	2649.56	1353.85	1296
78	831	2049	559.37	271.63	2608.37	1353.85	1255
79	934	1946	628.71	305.29	2574.71	1353.85	1221
80	1143	1737	769.39	373.61	2506.39	1353.85	1153
81	1678	1202	1129.52	548.48	2331.52	1353.85	978
82	1512	1368	1017.78	494.22	2385.78	1353.85	1032
83	629	2251	423.40	205.60	2674.40	1353.85	1321
84	1181	1699	794.97	386.03	2493.97	1353.85	1140
85	718	2162	483.31	234.69	2645.31	1353.85	1291
86	994	1886	669.09	324.91	2555.09	1353.85	1201
87	946	1934	636.78	309.22	2570.78	1353.85	1217
88	1029	1851	692.65	336.35	2543.65	1353.85	1190
89	1172	1708	788.91	383.09	2496.91	1353.85	1143
90	1151	1729	774.77	376.23	2503.77	1353.85	1150
91	1175	1705	790.93	384.07	2495.93	1353.85	1142
92	1046	1834	704.10	341.90	2538.10	1353.85	1184
93	970	1910	652.94	317.06	2562.94	1353.85	1209
94	1004	1876	675.82	328.18	2551.82	1353.85	1198
95	955	1925	642.84	312.16	2567.84	1353.85	1214
96	1662	1218	1118.75	543.25	2336.75	1353.85	983
97	1467	1413	987.48	479.52	2400.48	1353.85	1047

Mile	Defective Tie Count	Good Ties	Estimate of Ties to be Installed	Remaining Poor Ties (post program)	Good Ties (post program)	Class 3 Compentent Tie Requirement	Post-Condition Ties Exceeding requirement
98	1232	1648	829.30	402.70	2477.30	1353.85	1123
99	1318	1562	887.19	430.81	2449.19	1353.85	1095
100	1503	1377	1011.72	491.28	2388.72	1353.85	1035
101	1464	1416	985.47	478.53	2401.47	1353.85	1048
102	1298	1582	873.73	424.27	2455.73	1353.85	1102
103	1387	1493	933.63	453.37	2426.63	1353.85	1073
104	1199	1681	807.09	391.91	2488.09	1353.85	1134
105	1556	1324	1047.39	508.61	2371.39	1353.85	1018
106	1396	1484	939.69	456.31	2423.69	1353.85	1070
107	1454	1426	978.73	475.27	2404.73	1353.85	1051
108	1575	1305	1060.18	514.82	2365.18	1353.85	1011
109	1658	1222	1116.05	541.95	2338.05	1353.85	984
110	1191	1689	801.70	389.30	2490.70	1353.85	1137
111	1193	1687	803.05	389.95	2490.05	1353.85	1136
112	1425	1455	959.21	465.79	2414.21	1353.85	1060
113	1290	1590	868.34	421.66	2458.34	1353.85	1104
114	1523	1357	1025.18	497.82	2382.18	1353.85	1028
115	1678	1202	1129.52	548.48	2331.52	1353.85	978
116	1453	1427	978.06	474.94	2405.06	1353.85	1051
117	1320	1560	888.53	431.47	2448.53	1353.85	1095
118	1282	1598	862.96	419.04	2460.96	1353.85	1107
119	1563	1317	1052.11	510.89	2369.11	1353.85	1015
120	1253	1627	843.43	409.57	2470.43	1353.85	1117
121	1214	1666	817.18	396.82	2483.18	1353.85	1129
122	1127	1753	758.62	368.38	2511.62	1353.85	1158
123	1170	1710	787.56	382.44	2497.56	1353.85	1144
124	1382	1498	930.27	451.73	2428.27	1353.85	1074
125	952	1928	640.82	311.18	2568.82	1353.85	1215
126	1164	1716	783.53	380.47	2499.53	1353.85	1146
127	1136	1744	764.68	371.32	2508.68	1353.85	1155
128	1316	1564	885.84	430.16	2449.84	1353.85	1096
129	1192	1688	802.37	389.63	2490.37	1353.85	1137
130	1360	1520	915.46	444.54	2435.46	1353.85	1082
131	1409	1471	948.44	460.56	2419.44	1353.85	1066
132	1462	1418	984.12	477.88	2402.12	1353.85	1048
133	1508	1372	1015.08	492.92	2387.08	1353.85	1033
134	1532	1348	1031.24	500.76	2379.24	1353.85	1025
135	1819	1061	1224.43	594.57	2285.43	1353.85	932
136	1747	1133	1175.96	571.04	2308.96	1353.85	955
137	1425	1455	959.21	465.79	2414.21	1353.85	1060
138	1557	1323	1048.07	508.93	2371.07	1353.85	1017
139	1967	913	1324.05	642.95	2237.05	1353.85	883

Wellcox Spur							
1	1000	1880	673.13	326.87	2553.13	1353.85	1199
2	1000	1880	673.13	326.87	2553.13	1353.85	1199
3	1000	1880	673.13	326.87	2553.13	1353.85	1199
Yard	3000	5640	2019.40	980.60	7659.40	1353.85	6306
<b>Totals</b>	<b>163,861</b>	<b>256,619</b>	<b>110300.08</b>	<b>53560.92</b>	<b>366919.08</b>	<b>194953.85</b>	<b>171,965.24</b>



British Columbia Safety Authority  
505 - 6th Street  
Suite 200  
New Westminster, B.C.  
V3L 0E1

26 March 2012

Attention: Eric Samuelson  
Manager Railway Safety

**Subject: Vancouver Island Rail Corridor – Initial Railway Upgrade Plan**

Dear Eric:

**Background**

The Vancouver Island Rail Corridor has served Vancouver Island for approximately 126 years with passenger and freight rail transportation services between Victoria and Courtenay. In 2004, the Island Corridor Foundation (ICF), a partnership of 13 First Nations, 5 regional districts and 14 municipal governments, acquired the line in recognition of its importance and public support for the railway. On July 1, 2006, Southern Railway of Vancouver Island (SVI) commenced operation of the railway under an operating agreement with the ICF. Concurrently, SVI also assumed the Train Service Agreement with VIA Rail Canada (VIA) to operate the VIA passenger rail service on Vancouver Island.

Decades of under-investment and deferred maintenance in the railway on the part of previous owners and operators of the rail line had greatly diminished the ability of the line to either effectively support continued rail operations or grow future rail opportunities. In 2009, the BC provincial government completed a study and report on the railway. As part of that study, an evaluation of the railway was performed, resulting in a report entitled, Evaluation of the E&N Railway Corridor: Baseline Reference Report (the "Report"). In March 2011, Southern Railway of Vancouver Island, as rail operator on behalf of VIA, decided to discontinue the passenger service, recognizing the declined state of the railway and the inability to comply with the Report and, in addition, Transport Canada Rules Respecting Track Safety (TSR).

Recognizing public support for the railway and its importance as a transportation alternative on Vancouver Island, in July 2011 BC Premier Christy Clark announced support for the railway by committing \$7.5M in provincial funding for the railway. This funding support was conditional on a full engineering assessment of the railway bridges and a matching commitment from the Canadian federal government for a total Initial Railway Upgrade funding requirement of \$15M. The bridge engineering assessment is currently near completion. Early indications to date are that the bridges, with recommended maintenance, are capable of serving to needs of the railway for decades into the future.



## Initial Railway Upgrade Plan

On behalf of the ICF, SVI has developed an Initial Railway Upgrade Plan (the “Plan”) designed to return the railway infrastructure to a condition suitable to address the recommendations of the provincial Report and meet the requirements under the TSR for the current time table speeds and track class. Completion of the planned work will render the railway able to safely support a reinstated and enhanced VIA passenger service, and provide confidence in the railway sufficient to grow the freight rail service.

Class 3 track under the TSR was the primary standard used to evaluate the requirements of the Plan. The minimum standards for Class 3 track under the TSR, in part, require that:

1. the track is suitable to support maximum speeds of 60mph passenger train traffic and 40mph freight train traffic;
2. a minimum of 10 competent track cross ties are in place per 39 foot section, suitable to hold track gauge between 56 inches and 57  $\frac{3}{4}$  inches;
3. the centre line of 1 competent track tie be located within 18 inches of a rail joint; and
4. the track surface and cross-level deviations are within the standards defined in the TSR.

To both, address deficiencies highlighted in the provincial Report and to meet or exceed the minimum standards provided under the TSR for the current time table speed and track class, the Plan provides for the following remedial work:

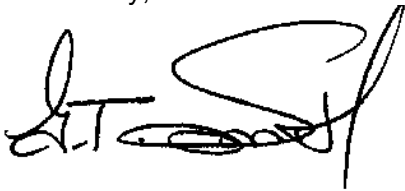
- A. Engineering Inspection and Assessment of 48 railway bridges (in progress with projected completion – Feb/12)
- B. Removal and replacement of 9000 pair of full toe joint bars with good relay toeless style bars complete with new track bolts, nuts, and heavy spring washers.
- C. Renewal of approximately 110,300 track ties and 974 switch ties, including replacement of associated single shoulder tie plates with double shoulder plates and renewal of all track spikes in ties replaced.
- D. Re-ballast, lift (average 2”), tamp, re-line, regulate, and trim complete Victoria Subdivision and Wellcox Spur

Note: The MoTI Bridge Inspection and Assessment, currently nearing release, will specify immediate essential repairs required to the bridges that will be prerequisite to the provincial funding for the railway upgrades. Other funding sources will be explored to cover these essential repairs along with estimated projected repairs to support the passenger service to the year 2021.

Specifically, the tie renewal program will provide for new track ties strategically placed to ensure compliance with the TSR, exceeding the requirements at rail joints and the minimum number of competent ties within each 39-foot rail length. For further detail regarding the tie renewal program, refer to Appendix A attached. In addition, the re-ballasting and surfacing program will provide for an average track lift of 2 inches and as much as 4 inches to eliminate low spots at various locations and to correct deviations in cross level and alignment suitable to exceed the minimum requirements under the TSR for the current time table speed and class of track.

It is with great confidence that I inform the BC Safety Authority the Initial Railway Upgrade Plan will provide all necessary improvements to the railway track and bridges to address deficiencies highlighted in the 2009 Baseline Report under the provincial study of the railway and to exceed the Class 3 requirements of federal Rules Respecting Track Safety. If you have any questions regarding the proposal or the detailed information in Appendix A regarding the track tie rehabilitation program, please feel free to call me to discuss.

Yours truly,

A handwritten signature in black ink, appearing to read 'G. T. Smith', with a large, stylized flourish extending upwards and to the right.

Gary T. Smith, P.Eng  
Director of Engineering Services & Maintenance of Way



April 11, 2012

Don McGregor,  
Project Manager-Railway Infrastructure Improvement  
Southern Railway of Vancouver Island Limited  
PO Box 581, 7 Port Way  
Nanaimo, B.C. V9R 5L3

**Re: Vancouver Island Rail Corridor (VIRC): Initial Railway Corridor Upgrade Plan**

Don,

This is to advise that the BCSA Railway Safety Program has reviewed the *DRAFT Vancouver Island Rail Corridor (VIRC) Initial Railway Corridor Upgrade Plan* and its associated documents which are dated March 9<sup>th</sup>, 2012.

The *Initial Railway Corridor Upgrade Plan* and the letter of added assurance submitted by your railway's Chief Engineer Gary Smith provides the BCSA with a level of confidence that if the plan is executed as designed; the railway will meet or exceed the minimum standards under the adopted regulation for *Rules Respecting Track Safety*.

During the implementation phase of this project, the BCSA will audit the work being performed against the plan and will reserve final judgement when upgrade works are completed.

If there is anything else that you would like to discuss regarding this matter, please feel free to contact me.

Regards,

A handwritten signature in black ink, appearing to read "Eric Samuelson".

Eric Samuelson  
Provincial Railway Safety Manager  
British Columbia Safety Authority  
Office: 778-396-2069  
Cell: 604-209-9215

cc. Tom Green  
Registrar of Railway Safety – Ministry of Transportation and Infrastructure



RDN REPORT	
DCAO APPROVAL <del>DAI</del>	
EAP	
COW	✓
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BOARD	

# MEMORANDUM

**TO:** Board of Directors **DATE:** October 30, 2012

**FROM:** Paul Thorkelsson **FILE:** 2240-20-GILT  
A/Chief Administrative Officer

**SUBJECT:** Letter of Understanding between the Gabriola Island Local Trust Committee and the Regional District of Nanaimo

## PURPOSE

To review and receive for information the report on a Letter of Understanding between the staff of the two jurisdictions.

## BACKGROUND

The Gabriola Island Local Trust Committee (GILTC) and the Regional District of Nanaimo (RDN) established a Protocol Agreement in 1996 which sets out certain principles regarding interagency relations and provides for the Islands Trust and the Regional District to cooperate in the provision and coordination of their respective jurisdictional activities within the Gabriola Island Local Trust Area. This Agreement is updated periodically with the last update being completed in 2006 (copy attached as Schedule 'A'). This Agreement also provides for a Letter of Understanding (copy attached as Schedule 'B') which delineates how the staff for the GILTC and the RDN will continue to implement the principles regarding interagency relations. Topics addressed include processes for regular consultation, the roles of the Chief Administrative Officers of the RDN and GILTC, and specific review and coordination mechanisms for community planning, bylaw enforcement, building permits, parkland acquisition and planning, service delivery and planning, information sharing and conduct of elections. Many of these provisions reference the requirements of the Local Government Act and the Islands Trust Act.

The Letter of Understanding was developed by staff as an administrative agreement and is referenced within this report for the Board's information.

## ALTERNATIVES

1. To receive the staff report on the Letter of Understanding between staff of the Regional District of Nanaimo and the Gabriola Island Local Trust Committee as presented.
2. To provide other direction.

## **FINANCIAL IMPLICATIONS**

The Letter of Understanding has no direct cost implications. It provides a framework for liaison between the administrations of the GILTC and the RDN on specific areas of interest that may impact each jurisdiction.

## **INTERGOVERNMENTAL IMPLICATIONS**


The Islands Trust has similar Letter of Understanding Agreements with the administrations of other Regional Districts that provide for the coordination of local government activities and ongoing consultation processes.

## **CONCLUSIONS**

A Letter of Understanding between the administrations of the GILTC and the RDN has been prepared in consultation with elected officials from the Islands Trust and the Electoral Area 'B' Director to address items of interest to the respective jurisdictions. Following receipt of this report by the Board, Staff will sign the Letter of Understanding and forward it to the Gabriola Island Local Trust Committee for signature.

## **RECOMMENDATION**

That the report on the Letter of Understanding between the staff of the Gabriola Island Local Trust Committee and the Regional District of Nanaimo be received for information.



A/Chief Administrative Officer

## LETTER OF UNDERSTANDING

between staff for the

**THE GABRIOLA ISLAND LOCAL TRUST COMMITTEE**

and staff for the

**REGIONAL DISTRICT OF NANAIMO BOARD**

### SUBJECTS:

- I PURPOSE
- II PRINCIPLES
- III CONSULTATIVE PROCESS
- IV IMPLEMENTATION
  - A Community Planning
    - 1. Official Community Plans
    - 2. Land Use Bylaws
    - 3. Bylaw Enforcement
    - 4. Building Permits
  - B Parkland and School Site Acquisition
    - 1. Parkland Acquisition
    - 2. Park Planning
    - 3. School Site Acquisition
    - 4. Parks and Recreation Commission
  - C Servicing
    - 1. Service Delivery
    - 2. Regional Growth Strategy
    - 3. Service Coordination Agreements
    - 4. Servicing Plans
  - D Administrative Arrangements
    - 1. Interagency Agreements
    - 2. Information Sharing
    - 3. Legislative Initiatives
    - 4. Conduct of Elections

Updated: October 31, 2012 - JEH

## LETTER OF UNDERSTANDING

This Letter of Understanding ("Agreement") dated for reference October 25, 2012 is:

BETWEEN staff for the:  
**THE GABRIOLA ISLAND LOCAL TRUST COMMITTEE**  
("Local Trust Committee")

AND staff for the:  
**THE REGIONAL DISTRICT OF NANAIMO (RDN)**  
("Regional District ")

(referred to as the "Parties")

### **I PURPOSE**

The purpose of this Agreement is to delineate how the Regional District staff and the staff for the Local Trust Committee will implement the principles stated in the Protocol Agreement dated July 27, 2006 between the Gabriola Island Local Trust Committee for the Gabriola Island Local Trust Area ("local trust area") and the Regional District of Nanaimo for Electoral Area 'B' ("electoral area").

### **II PRINCIPLES**

The Local Trust Committee and Regional District agree to the following principles regarding interagency relations:

1. Recognition of each other's' jurisdiction and capabilities with a commitment to promoting a spirit of partnership through joint legislative, policy, program and communication initiatives;
2. Coordination of planning, and servicing that is responsive to the needs of the local trust area and the electoral area of which they are a part;
3. Commitment by the Regional District to take the object of the Islands Trust, and the land use planning authority into consideration in matters involving the local trust area; and
4. Cooperation through sharing of information and notification of significant initiatives that may impact the other Party and through regular liaison.

### III CONSULTATIVE PROCESS

1. The Parties agree to the establishment of a regular consultative process to foster understanding among respective staff and elected officials.
2. The intent of this Agreement is for both Parties to use best effort, rather than to oblige either Party, to affect interagency cooperation within mutually agreeable terms and time-frames.
3. Responsibility for the coordination of this Agreement by the respective Parties is assigned to the Chief Administrative Officer of the Regional District and the Chief Administrative Officer of the Islands Trust.
4. An annual meeting of respective staff will be established by the Chief Administrative Officers from the RDN and the Islands Trust.
5. A meeting of respective staff to review any current issues or Agreement matters may be arranged at the request of either Chief Administrative Officer.
6. Where anything is required or permitted to be delivered, or otherwise sent to the Parties or the Islands Trust Council, it will be delivered to:

Local Trust Committee:      2nd Floor  
   1627 Fort Street  
   Victoria, BC V8R 1H8  
   Attention: Chief Administrative Officer

Regional District:            6300 Hammond Bay Road  
   Nanaimo, BC V9T 6N2  
   Attention: Chief Administrative Officer

7. Both Parties will bear the full cost of their own requirements to implement this Agreement unless otherwise provided for in this Agreement or otherwise agreed to, in writing, by both Parties.
8. This Agreement may be amended by agreement, in writing, by the Regional District and the Local Trust Committee.



## **IV IMPLEMENTATION**

### **A. *COMMUNITY PLANNING***

#### **1.0 Official Community Plans (OCPs)**

- 1.1** Both Parties will provide the other Party with the opportunity for input regarding OCP reviews and updates relevant to the local trust area/electoral area to promote the effective coordination of servicing and planning functions of the respective Parties.
- 1.2** Where an OCP being prepared by either Party affects the local trust area/electoral area, the Party coordinating the OCP initiative will:
  - a) deliver a Notice of Intent to the other Party indicating the intentions and time-frames of the OCP initiative;
  - b) provide a Consultation Schedule to the other Party indicating opportunities for interagency liaison and technical or political discussions;
  - c) deliver terms of reference for the OCP process to the other Party before starting the OCP process, allowing at least 30 days within which to comment on the terms of reference for the OCP and to identify those issues which the other party wishes to have taken into consideration;
  - d) deliver a draft copy of the OCP to the other Party 35 days prior to first reading.
- 1.3** Either Party may give written notice requesting that a consultation meeting be conducted by the Party coordinating the OCP initiative within 10 days of receipt of the draft OCP.
- 1.4** The obligations referred to in this section are in addition to any statutory obligations (s. 879 of the *Local Government Act*) that the Parties may have respecting the referral of OCP bylaws.
- 1.5** Either Party will provide a copy of any adopted OCP bylaws as soon as practicable after adoption.

## **2.0 Land Use Bylaws**

- 2.1** Both Parties will provide the other Party with the opportunity for input regarding land use bylaw initiatives relevant to the local trust area/electoral area to promote the effective coordination of servicing and planning functions of the respective Parties.
- 2.2** Sections 1.2, 1.3, 1.4 and 1.5 for OCPs are applicable to relevant land use bylaws noted in Section 2.1.
- 2.3** The Regional District acknowledges that under s. 35 of the *Islands Trust Act* the Regional District is prohibited from adopting a bylaw, issuing a permit or undertaking work respecting the Local Trust Committee area that is contrary to or at variance with the OCP or land use bylaw of the Local Trust Committee.

## **3.0 Bylaw Enforcement**

- 3.1** The Parties wish to coordinate their activities with respect to bylaw investigation and bylaw enforcement on matters which constitute a contravention or potential contravention of a bylaw of either Party or both Parties.
- 3.2** Where information is received by one Party that it considers a potential contravention of a bylaw of the other Party, that Party will promptly convey that information to the other Party.
- 3.3** Where an activity is a potential contravention of a bylaw of both Parties, either Party may request the other Party's participation in a joint enforcement process.
- 3.4** Where one Party receives a request referred to in Section 3.3 that Party will notify the other Party whether it wishes to participate in a joint enforcement process within 30 days.
- 3.5** Where the Parties wish to participate in joint enforcement as per Section 3.4, the Parties will negotiate and agree, in writing, regarding the methodology, cost sharing and key activities for the joint enforcement program that falls within their respectful authorities.

**3.6** Either Party may deliver written notice to the other that it is withdrawing from a joint enforcement process and, in that case, the Parties are liable only for their share of any:

- a) costs incurred by the other Party prior to the date the notice is given; and
- b) costs reasonably incurred by the other Party in continuing a legal proceeding commenced prior to the date the notice is given.

**3.7** Either Party may initiate interagency arrangements whereby one Party may conduct bylaw investigations on behalf of the other Party and at the request of the other Party, subject to written conditions agreed to by the signatories of this Agreement.

#### **4.0 Building Permits**

**4.1** The Parties wish to coordinate their activities with respect to the issuance of building permits by the Regional District in a manner consistent with the official community plan and zoning bylaws of the Local Trust Committee.

**4.2** The Parties acknowledge that:

- a) subject to s. 35 of the *Islands Trust Act*, the Regional District has exclusive jurisdiction over the issuance of building permits in the local trust area/electoral area;
- b) S. 35 of the *Islands Trust Act*, prohibits the Regional District from issuing a building permit that is contrary to or at variance with a bylaw of the Local Trust Committee;
- c) where a completed building permit application has been received by the Regional District and that application complies with all applicable enactments, the Regional District is, subject to s. 35 of the *Islands Trust Act* and s. 929 of the *Local Government Act*, required to issue the building permit;
- d) for the purpose of complying with s. 35 of the *Islands Trust Act*, the Regional District should be aware of the content of the bylaws of the Local Trust Committee that may affect the Regional District's right to issue a building permit; and

- e) S. 39 of the *Islands Trust Act* authorizes the Regional District to withhold a building permit where the Local Trust Committee has advised that they propose to adopt a bylaw or plan referred to in that section, and where the Regional District directs the withholding of a building permit upon such advice from the Local Trust Committee, s. 929 of the *Local Government Act* applies to the Local Trust Committee; and
  - f) the Local Trust Committee will indemnify the Regional District on any claims against the Regional District where a building permit has been issued and construction commenced based on erroneous zoning information or advice supplied by the Islands Trust.
- 4.3** The Local Trust Committee will deliver to the Regional District, within 10 days of adopting a bylaw, a copy of that bylaw and the Regional District will make a copy of that bylaw available to any person who is authorized to issue building permits for developments in the local trust area/electoral area.
- 4.4** Where issuance of a building permit is refused in accordance with S. 35 of the *Islands Trust Act*, the Regional District will, within 5 days of notifying the applicant of the refusal, deliver to the Local Trust Committee a notice in writing, stating that the building permit has been refused and the reasons for that refusal.
- 4.5** The Local Trust Committee will advise the Regional District in writing that they propose to adopt a bylaw or plan referred to in s. 39 of the *Islands Trust Act*, indicating the date on which the Local Trust Committee resolved to commence preparation of the bylaw or plan.
- 4.6** After receiving a statement referred to in Section 4.5, the Regional District will, upon receipt, deliver to the Local Trust Committee a copy of each building permit application received at least 7 days after the date of the resolution referred to in Section 4.5.
- 4.7** The Regional District will not issue any building permit for an application which has been delivered to the Local Trust Committee under Section 4.6 unless:
- a) at least 10 days have passed since the date the Regional District delivered a copy of the building permit application to the Local Trust Committee and the Local Trust Committee has not within that 10 days delivered to the Regional District a copy of a resolution referred to in Section 4.8, or

b) the Local Trust Committee has delivered to the Regional District a statement in writing authorizing the Regional District to issue the building permit.

**4.8** The Local Trust Committee will review all building permit applications received under Section 4.6, and where they consider a development proposed in a building permit application to be in conflict with the bylaw or plan referred to in Section 4.5 they may deliver to the Regional District a copy of a resolution passed by the Local Trust Committee directing the Regional District to withhold the building permit.

**4.9** Where the Regional District receives a copy of the resolution referred to in Section 4.8, the Regional District may exercise its authority under s 39 of the *Islands Trust Act* and s 929 of the *Local Government Act* to withhold for 30 days the building permit referred to in the resolution from the Local Trust Committee.

**4.10** Upon direction from the Local Trust Committee, the Regional District will withhold the building permit for a further 60 days.

**4.11** Where the Regional District withholds a building permit under Sections 4.7, 4.9, or 4.10, the Local Trust Committee will indemnify and save harmless the Regional District from any compensation for damages and any other costs for which the Regional District becomes liable, or which it incurs as a result of the withholding of the building permit.

**4.12** The Parties acknowledge that;

a) to calculate time in relation to the 30 day and the 60 day time periods referred to in this agreement, reference will be made to s. 25 of the *Interpretation Act*; and

b) to calculate time in relation to the “at least 7 days prior” referred to in this agreement, reference will be made to s. 929(2) of the *Local Government Act*, whereby both the first and the last days are excluded.

**4.13** The Local Trust Committee and the Regional District agree that during the 30 day period referred to in Section 4.9, staff representatives will discuss options regarding direction to withhold the permit for a further 60 days, or to grant the permit, with the imposition of mutually agreed-upon conditions relative to the public interest, having regard to the plan or bylaw under preparation.

## ***B. PARKLAND AND SCHOOL SITE ACQUISITION***

### **1.0 Parkland Acquisition**

**1.1** The Parties wish to coordinate their activities with respect to the identification of land suitable for parkland, and the acquisition, development, operation and maintenance of parkland in a manner that promotes the object of the Islands Trust and the Community and Regional Parks System Plans of the Regional District.

**1.2** Both Parties acknowledge that:

- a) the Local Trust Committee has the authority under s. 29 of the *Islands Trust Act* to determine whether an owner of land being subdivided on the local trust area/electoral area will provide parkland under s. 941(1)(a) of the *Local Government Act*, or money under s. 941(1)(b);
- b) the Regional District is entitled to any money required to be provided under s. 941 of the *Local Government Act* with respect to land being subdivided in the local trust area/electoral area; and
- c) the Regional District is entitled to any land in the local trust area/electoral area that is required to be provided under s. 941 of the *Local Government Act*.

**1.3** The Local Trust Committee will consider any planning statements that the Regional District may deliver to the Local Trust Committee respecting parkland to the local trust area/electoral area with a view to determining whether they should be incorporated in or otherwise reflected in an OCP or land use bylaw initiative or plan.

**1.4.** Where a subdivision application in respect of which s. 941(1) of the *Local Government Act* is applicable and is referred to the Local Trust Committee, the Local Trust Committee will, within 7 days of receiving the referral of that application, send a copy of the application to the Regional District for review and comments.

**1.5.** The Regional District will, within 30 days of receiving the application (subject to the scheduling of meetings for the Board to consider the issue(s)), deliver to the Local Trust Committee a written notice that either:

- a) states that the Regional District makes no comments; or
- b) comments on, respecting the exercise by the Local Trust Committee of the Local Trust Committee's powers under s. 992 of the *Local Government Act*.

- 1.6.** In exercising its powers, the Local Trust Committee will consider any comments received from the Regional District and will not make a determination that is in direct conflict with comments received from the Regional District unless it has first given the Regional District at least 5 days written notice of its intention to do so.
- 1.7.** Where the Regional District receives money under s. 941 of the *Local Government Act* with respect to land being subdivided in the local trust area/electoral area:
- a) the Parties acknowledge that the *Local Government Act* requires that the money only be used for the acquisition of parkland in the Electoral Area; and
  - b) the Regional District will not obligate itself to use that money for the acquisition of specific parkland, unless it has first consulted with the Local Trust Committee regarding the proposed acquisition and has considered any comments respecting the parkland acquisition received from the Local Trust Committee within 10 days of their having received notice of the proposed parkland acquisition from the Regional District.
- 1.8.** Where a planning statement delivered to the Local Trust Committee by the Regional District includes maps designating areas considered by the Regional District to be areas in which parkland preservation, acquisition or development is desirable, the Local Trust Committee will deliver a copy of any application for rezoning or a permit under Part 26 of the *Local Government Act* to the Regional District, if the application pertains to those areas.
- 1.9** Within 15 days of receiving the application referred to in Section 1.8, the Regional District may deliver to the Local Trust Committee any comments of the Regional District concerning the impact of the proposed rezoning or development on the Regional District's ability to preserve, acquire or develop parkland in the area, and the Local Trust Committee will consider any comments received under this section during its consideration of the application to which the Regional District's comments relate.

## **2.0 Parks Planning**

- 2.1.** Both parties will provide the other party with the opportunity for input regarding a park planning initiative in the local trust area/electoral area by either party by providing the following:
  - ▶ Notice of Intent - indicating the intentions and time frames for the Parks Plan; and
  - ▶ Consultation Schedule - providing opportunities for interagency liaison and technical or political discussions.
- 2.2.** Where a Parks Plan being prepared by the Regional District affects the local trust area/electoral area, the Regional District will deliver a draft copy of the Parks Plan to the Local Trust Committee 35 days prior to adoption by the Regional District Board.
- 2.3.** The Local Trust Committee may give written notice requesting that a consultation meeting be conducted by the Regional District within 20 days of receipt of the draft Parks Plan.
- 2.4.** The Regional District will provide a copy of any Parks Plan documents including maps designating areas within the local trust area/electoral area considered to be areas in which parkland preservation, acquisition or development is desirable.

## **3.0 School Site Acquisition**

- 3.1** Both Parties share an interest in coordinating activities related to the planning and acquisition of school sites within the local trust area/electoral area and either Party will notify the other Party of initiatives in this regard with the School Board.
- 3.2** The Parties agree that both Parties will be involved in any processes related to the planning and acquisition of school sites within the local trust area/electoral area.



## **C. SERVICING**

### **1.0 Service Delivery**

- 1.1.** The Parties agree that the provision of services in the local trust area/electoral area by the Regional District, and that land use planning relating to the provision of such services, are matters of great importance to the residents of the local trust area/electoral area, and the Parties agree that extensive consultation on such matters, including consultation with the public, is to be encouraged.
- 1.2.** The Regional District will notify the Local Trust Committee that the Regional District is considering providing a service or significantly extending an existing service in the local trust area/electoral area.
- 1.3.** The Local Trust Committee may prepare and deliver to the Regional District a written notice requesting the Regional District consider providing a local or extended service in one or more areas of the local trust area/electoral area, and stating the reason for the request.
- 1.4.** The Regional District will consider the request referred to in Section 1.3, and will, within 60 days of receiving the request, deliver to the Local Trust Committee a notice in writing stating its position with respect to the request.
- 1.5.** The Regional District will submit a consultation process involving the public and the Local Trust Committee within 60 days of a notice being provided under Section 1.2 or 1.4.

### **2.0 Regional Growth Strategy**

- 2.1** Both Parties acknowledge that the Regional Growth Strategy initiative of the Regional District will not apply to the local trust area/electoral area (s 36.3 of the *Islands Trust Act*) however; the Local Trust Committee, in cooperation with the Regional District may recommend that the Islands Trust Council enter into a Service Coordination Agreement respecting the coordination of Official Community Plans of the Local Trust Committee, the Islands Trust Policy Statement Bylaw of the Islands Trust Council and with the services to be provided within the local trust area/electoral area by the Regional District (s 37.1 of the *Islands Trust Act*).

### **3.0 Servicing Plans**

**3.1** The Parties wish to ensure the effective delivery of services to the local trust area/electoral area in a manner that is responsive to island community needs and the environmental protection and preservation object of the Islands Trust.

**3.2** Where a party proposes to prepare a Servicing Plan that affects the local trust area/electoral area it will deliver to the other party:

- ▶ Notice of Intent - indicating the intentions and time frames of the Servicing Plan initiative; and
- ▶ Consultation Schedule - providing opportunities for interagency liaison and technical or political discussions; and
- ▶ Terms of reference; and

will provide the other party with at least 21 days within which to comment on the terms of reference for the Servicing Plan and to identify those issues which the other party wishes to have taken into consideration.

**3.3** Where a Servicing Plan being prepared by the Regional District affects the local trust area/electoral area, the Regional District will deliver a draft copy of the Servicing Plan to the Local Trust Committee 30 days prior to first reading.

**3.4** The Local Trust Committee may give written notice requesting that a consultation meeting be conducted by the Regional District within 10 days of receipt of the draft Servicing Plan.

**3.5** The Regional District will provide a copy of any Servicing Plan bylaws affecting the local trust area/electoral area to the Local Trust Committee.

## ***D. ADMINISTRATIVE ARRANGEMENTS***

### **1.0 Interagency Agreements**

**1.1** Both Parties will endeavour to provide opportunities for the other Party to provide input to or involvement in interagency initiatives with other organizations that impact the activities of the other Party within the local trust area/electoral area.

- 1.2 Either Party will refer interagency agreements or initiatives with other organizations that impact the activities of the other Party within the local trust area/electoral area for comment before concluding such an interagency agreement.
- 1.3 Either Party will provide copies to the other Party of interagency agreements or terms of reference for interagency projects relevant to the local trust area/electoral area.

## **2.0 Information Sharing**

- 2.1 Agenda and minutes for regular meetings of the Regional District and the Local Trust Committee will be provided on a regular basis to the designated staff by email.
- 2.2 Where an inquiry or complaint is received by either Party, or that inquiry or complaint relates to a matter within the jurisdiction of, or in which may reasonably be of interest to the other Party, the Party receiving the inquiry or complaint will forward appropriate information to the other Party.
- 2.3 Copies of studies, plans, reports and other documents prepared or received by one Party, which may reasonably be of interest to the other Party, will be forwarded to the other Party through the designated staff.

## **3.0 Legislative Initiatives**

- 3.1 Either Party will provide to the other Party any information received concerning a Federal or Provincial Government legislative initiative that it considers may affect the activities of the other Party within the local trust area/electoral area.
- 3.2 Either Party will provide notice to the other Party respecting requests for the Federal or Provincial Governments to enact legislation that it considers may affect the activities of the other Party within the local trust area/electoral area.

## **4.0 Conduct of Elections**

- 4.1 The Chief Administrative Officer, on behalf of the Islands Trust Council, may provide notice to the Chief Administrative Officer of the Regional District of Nanaimo that the Islands Trust requests the Regional District to conduct a trustee election for the local trust area/electoral area as part of the Regional District's triennial election program or a by-election for the Local Trust Committee.

- 4.2 The Regional District will consider such a request and the Chief Administrative Officer will notify the Chief Administrative Officer of the Islands Trust whether the Regional District agrees (subject to any necessary negotiations) to conduct the trustee elections in the local trust area/electoral area on behalf of the Islands Trust.
- 4.3 The Chief Administrative Officer's for both the Regional District of Nanaimo and the Islands Trust Council will establish a separate agreement dealing with procedures and cost sharing for the Regional District to conduct election proceedings.

Therefore, both Parties commit to respect this Letter of Understanding, dated this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

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Linda Adams  
Chief Administrative Officer  
Islands Trust

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Paul Thorkelsson  
D/Chief Administrative Officer  
Regional District of Nanaimo

**REGIONAL DISTRICT/LOCAL TRUST COMMITTEE  
PROTOCOL AGREEMENT**

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This Protocol Agreement ("Agreement") dated for reference July 27, 2006 is

BETWEEN:

**GABRIOLA ISLAND LOCAL TRUST COMMITTEE**  
("Local Trust Committee")

AND:

**REGIONAL DISTRICT OF NANAIMO**  
("Regional District ")

(referred to as the "Parties")

WHEREAS:

A. Under Section 24(2)(c) of the *Islands Trust Act*, a local trust committee may enter into an agreement with a regional district respecting the coordination of activities in a local trust area;

B. The Gabriola Island Local Trust Committee is a local trust committee established under s.23 of the *Islands Trust Act* for the purpose of preserving and protecting the unique amenities and environment of the Gabriola Island Local Trust Area and has the authority to regulate the development and use of land in this local trust area;

C. The Regional District of Nanaimo is a regional district established by letters patent, dated the 24th day of August, 1967 and continued under s.774 of the *Local Government Act*, R.S.B.C. 1996, c. 323, and has the authority to provide services in this local trust area which is a part of Electoral Area B; and

D. The Parties consider it in the interest of the residents of the Gabriola Island Local Trust Area that the Parties cooperate in the coordination of their activities.

NOW THEREFORE, the Local Trust Committee and the Regional District agree as follows:

**1.0 PRINCIPLES**

1. The Local Trust Committee and Regional District agree to the following principles regarding interagency relations:

- a. recognition of each others' jurisdictions and capabilities with a commitment to promoting a spirit of partnership through joint legislative, policy, program and communication initiatives;
- b. coordination of planning, servicing and growth management activities that is responsive to the needs of the local trust area and the electoral area of which it is a part;

- c. commitment by the Regional District to take the object of the Islands Trust and the land use planning authority of the Local Trust Committee into consideration in matters involving the local trust area;
- d. commitment by the local trust committee to take the servicing functions of the Regional District into consideration in matters involving the local trust area; and
- e. cooperation through regular liaison sharing of information and notification of significant initiatives that may impact the other Party.

## **2.0 COOPERATION**

- 1. The Parties agree to cooperate with respect to the implementation, coordination and administration of each Party's legislative authority that may impact the other Party.
- 2. The Parties agree to coordinate activities within the local trust area/electoral area including such matters as:
  - (a) community planning;
  - (b) park planning and parkland acquisition
  - (c) school site acquisition, should the Regional District in its discretion enter into an agreement with the Board of School Trustees of School District No. 68 (Nanaimo-Ladysmith);
  - (d) servicing arrangements; and
  - (e) administrative arrangements.
- 3. It is the intent of the Parties to formalize their cooperation by way of letters of understanding as required for specific matters.
- 4. Each Party agrees to notify and consult the other Party on legislative, municipal incorporation and boundary restructure initiatives that may affect the other Party.

## **3.0 COMMUNICATIONS**

- 1. The Parties agree to schedule regular meetings of the regional director, the local trust committee and appropriate staff to review the implementation of the protocol and letter of understanding.
- 2. Neither Party is obligated to convey information to the other Party that is protected from disclosure under the *Freedom of Information and Protection of Privacy Act*, any other legislation protecting information from disclosure, or that is subject to solicitor-client privilege.
- 3. Each Party agrees to pursue alternate methods of dispute resolution before initiating legal proceedings directed at the other Party.

**4.0 CONDITIONS**

1. Nothing in this Agreement shall be construed so as to fetter the legislative discretion of either of the Parties within their respective areas of jurisdiction or, without limiting the generality of the foregoing, to oblige either of the Parties to adopt or prevent either of the Parties from adopting any bylaw or resolution.
2. The interpretation of terms used in this Agreement shall be governed by the interpretation provisions of the *Islands Trust Act* and the *Local Government Act*.
3. This Agreement may be amended by agreement in writing between the Regional District and the Local Trust Committee.
4. Any Party to this Agreement may terminate this Agreement at any time by delivering three months' written notice to the other Party.
5. Information and notification pertinent to this Agreement shall be delivered to:

Gabriola Island Local Trust Committee	Islands Trust 2nd Floor, 1627 Fort Street Victoria, BC V8R 1H8
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Regional District of Nanaimo:	6300 Hammond Bay Road Nanaimo, BC V9T 6N2
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6. The officials of each Party who shall be responsible for the notices and the administration of this Agreement are:


Gabriola Island Local Trust Committee:	the Chief Administrative Officer of the Islands Trust; and
Regional District of Nanaimo:	the Chief Administrative Officer of the Regional District




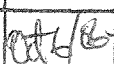
As evidence of their agreement to the above terms, the Local Trust Committee and the Regional District have executed this Agreement as set out below:

  
 \_\_\_\_\_  
 Kim Benson, Chair  
 Gabriola Island Local Trust Committee

  
 \_\_\_\_\_  
 Linda Adams, Chief Administrative Officer  
 Islands Trust

  
 \_\_\_\_\_  
 Joe Stanhope, Chair  
 Regional District of Nanaimo

  
 \_\_\_\_\_  
 Carol Mason, Chief Administrative Officer  
 Regional District of Nanaimo

	Initial	Date
Content		
Legal Form		
Authority		



RDN REPORT		#
CAO APPROVAL		
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BOARD		

**MEMORANDUM**

**TO:** Paul Thorkelsson  
A/Chief Administrative Officer

**DATE:** November 4, 2012

**FROM:** Wendy Idema  
Director of Finance

**SUBJECT:** Request from the Nanaimo Community Hospice Society for financial support

**PURPOSE:**

To discuss alternatives with respect to the request for funding, from the Nanaimo Community Hospice Society.

**BACKGROUND:**

At the Regional District of Nanaimo Board meeting held October 2, 2012, the following motion was passed in response to a request from the Nanaimo Community Hospice Society at the Committee of the Whole Meeting held September 11, 2012.

MOVED Director Brennan, SECONDED Director Young, that the request for financial assistance from the Nanaimo Community Hospice be forwarded for consideration to the 2013 financial budget.

CARRIED

The Nanaimo Community Hospice Society has requested support in the amount of \$25,000 from the Regional District of Nanaimo, as part of its efforts to move into new premises under their Expand the Heart of Hospice campaign. The estimated cost of the new Hospice House Project is \$1,250,000 with \$350,000 funded through the sale of their existing building and the remainder funded through donations. To date the Society has raised over 70% of the required funding. The Nanaimo Community Hospice Society's brochure on the campaign is attached for information to this report.

The Nanaimo Community Hospice Society's official catchment area encompasses Electoral Areas A, B, and C, the City of Nanaimo and the District of Lantzville; however, their volunteers provide services to residents from all areas when they are on the palliative care unit at Nanaimo Regional General Hospital. In 2011 services were provided to over 2,250 clients. It has an annual operating budget of \$450,000 (funded 22% gaming; 27% thrift store; 28% donations; 9% United Way; 2% VIHA; 12% Other) and utilizes the services of 150 volunteers.

This request is for a contribution to the capital costs of the building and it meets the purpose requirements of the Grants-In-Aid policy. As it exceeds the \$5,000 amount to be considered under the



general Grants-In-Aid program, the request must be reviewed for consideration as a separate one time Grant-In-Aid. Additionally, consideration must be given to whether the request falls within the objectives of programs or services provided by the Regional District of Nanaimo. The Grants-In-Aid service has been used over the years to provide funding to a variety of organizations including community groups providing health and wellbeing services to residents; the request from the Nanaimo Community Hospice Society falls within these boundaries as well.

The Regional District’s General Grants-in-Aid program raises \$50,000 annually. Approximately \$6,300 is held for grants within the District 68 Electoral Areas and \$19,500 for grants within District 69 (Parksville, Qualicum Beach, Electoral Areas E, F, G and H). The remainder of the funds are returned directly to the City of Nanaimo and the District of Lantzville to be distributed by them for initiatives with a municipal focus. Additional requisitions have been approved in the past for one-time grants in excess of \$5,000 to groups such as the Gabriola Healthcare Foundation (\$6,290), Nanaimo Marine Rescue Society (\$25,000) and Wheels for Wellness (\$22,989).

**ALTERNATIVES:**

1. Provide a one-time grant in the amount of \$25,000 to the Nanaimo Community Hospice Society through the general Grants-In-Aid service.
2. Provide a one-time grant at a lower amount to the Nanaimo Community Hospice Society to be funded through the general Grants-In-Aid service.
3. Do not provide a grant at this time.

**FINANCIAL IMPLICATIONS:**

Alternatives 1 and 2

Grants-in- Aid, when shared among participants must be apportioned on the basis of assessments. Under Alternative 1 based on 2012 assessments, at a \$25,000 grant amount, the tax rate is estimated at \$0.10 cents per \$100,000 of assessment. The table below indicates the share of this grant-in-aid.

	<b>Alternative 1</b>
Nanaimo	\$13,055
Lantzville	650
Area A	995
Area B	1,040
Area C	715
Parksville	2,130
Qualicum Beach	1,700
Area E	1,530
Area F	1,060
Area G	1,275
Area H	850
<b>Total</b>	<b>\$25,000</b>

**STRATEGIC PLAN IMPLICATIONS:**

The Nanaimo Community Hospice Society aims to provide dignity and peace to community members at the end of their lives, assists people caring for the terminally ill, and supports those grieving the loss of a friend or family member. In the 2013-2015 Strategic Plan, the Board acknowledges that RDN communities are home to a high proportion of elders, and that innovative approaches to caring for elders, including housing and health care options that allow for aging within one's community, are important aspects of community development in the region.

In addition, the Board Strategic Plan includes increasing affordable and accessible housing to support all members of a community as a Strategic and Community Development Goal, with explicit reference to housing that supports aging in place for seniors. Support for the Nanaimo Community Hospice Society through the Grant-in-Aid program to develop an expanded facility for palliative care is consistent with these aspects of the Board Strategic Plan.

**SUMMARY/CONCLUSIONS:**

At the Regional District of Nanaimo Board meeting held October 2, 2012, the following motion was passed in response to a request for \$25,000 in capital funding from the Nanaimo Community Hospice Society at the Committee of the Whole Meeting held September 11, 2012.

MOVED Director Brennan, SECONDED Director Young, that the request for financial assistance from the Nanaimo Community Hospice be forwarded for consideration to the 2013 financial budget

CARRIED

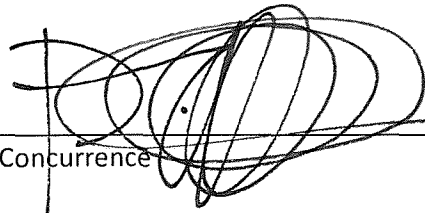
The Nanaimo Community Hospice Society is seeking support as part of its efforts to move into new premises under their Expand the Heart of Hospice campaign. The estimated cost of the new Hospice House Project is \$1,250,000 with \$350,000 funded through the sale of their existing building and the remainder funded through donations. To date the Society has raised over 70% of the required funding.

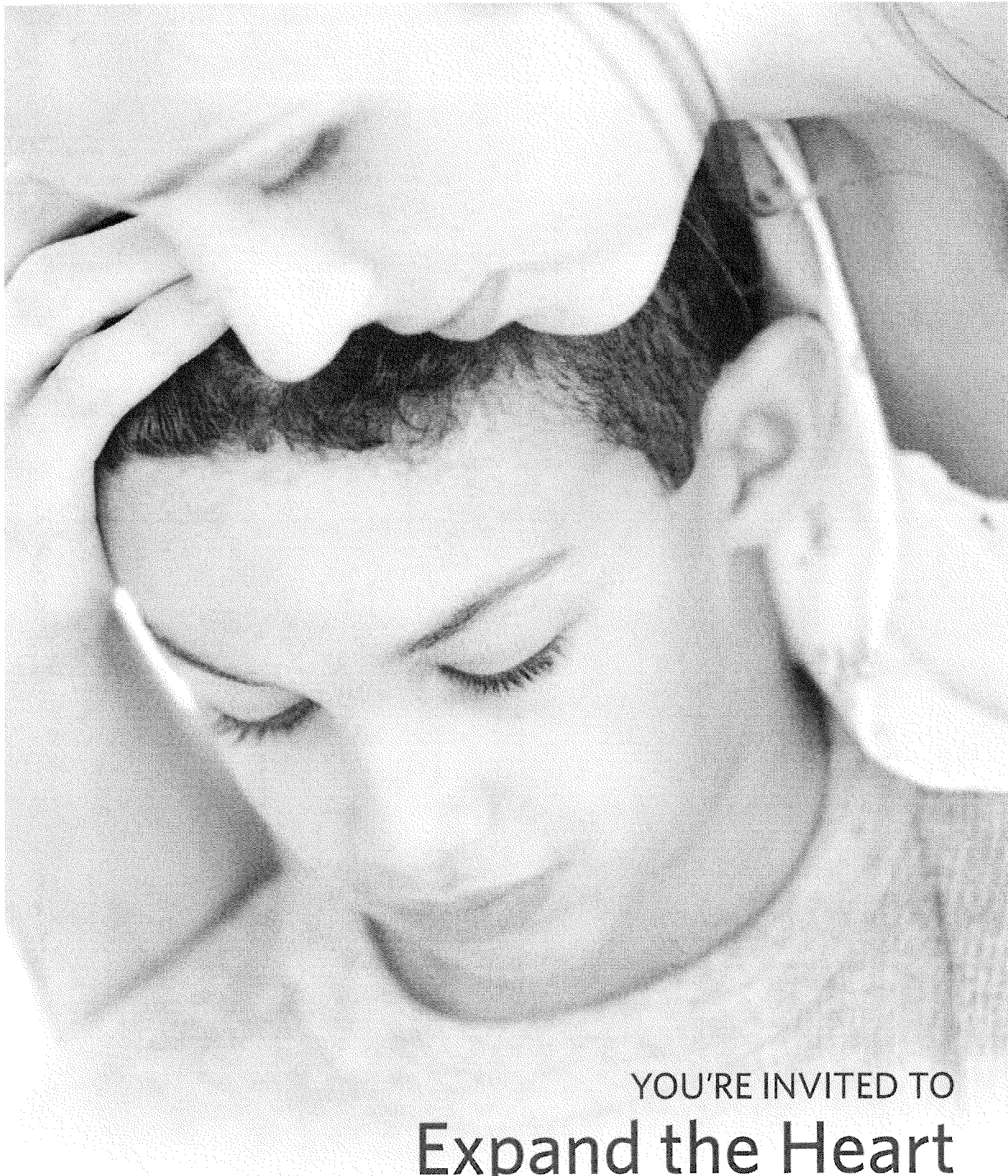
This request is for a contribution to the capital costs of the building and it meets the purpose requirements of the Grants-In-Aid policy. As it exceeds the \$5,000 amount to be considered under the general Grants-In-Aid program, the request must be reviewed for consideration as a separate one time Grant-In-Aid. The Grants-In-Aid service has been used over the years to provide funding in excess of \$5,000 to a variety of organizations including community groups providing health and wellbeing services to residents.

**RECOMMENDATIONS:**

1. That the \$25,000 request for funding by the Nanaimo Community Hospice Society and the information provided in this report be included in the 2013-2017 Financial Plan discussions for consideration with other funding requests from service organizations in the RDN.

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

  
\_\_\_\_\_  
b/ CAO Concurrence



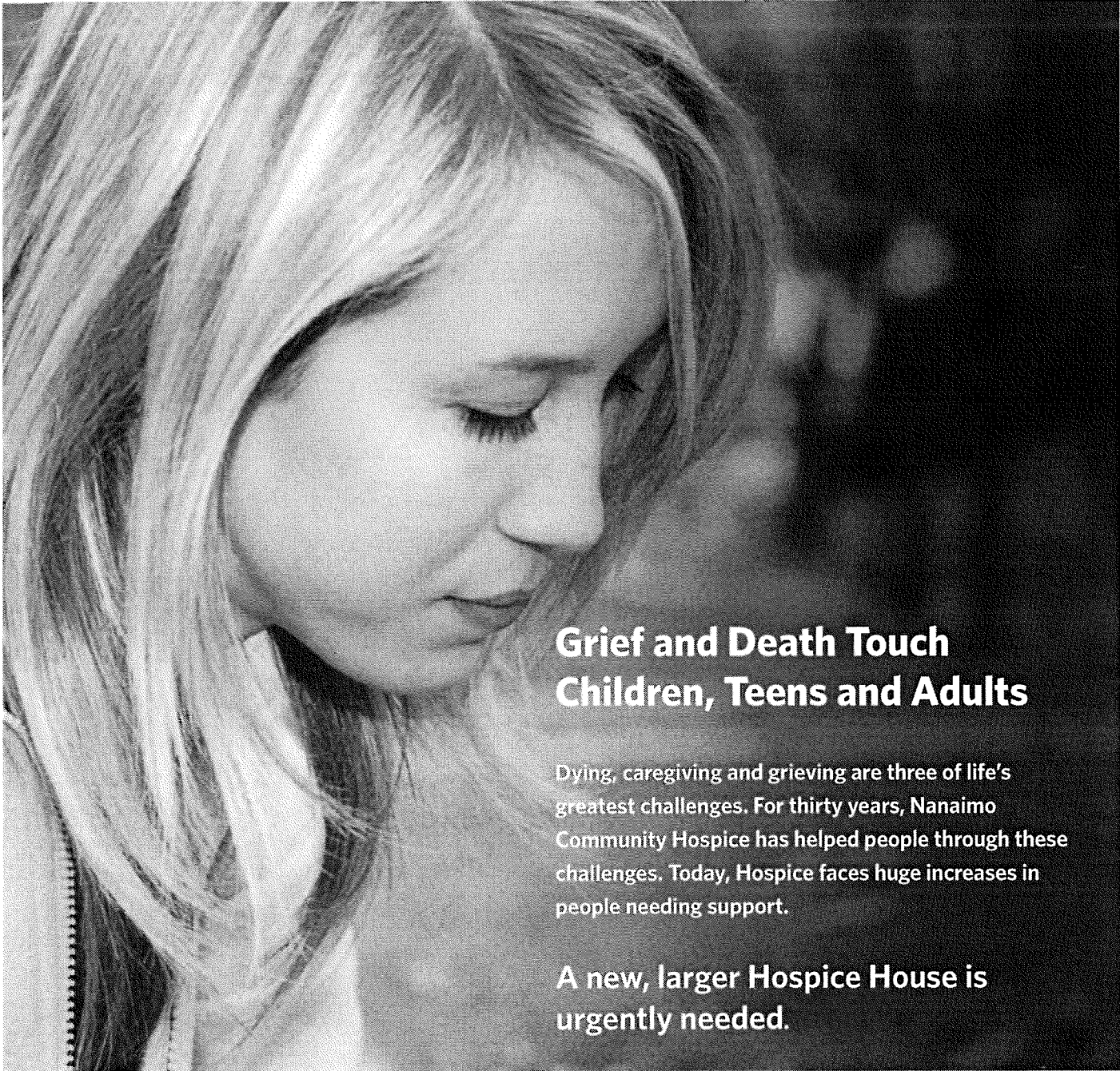
YOU'RE INVITED TO  
**Expand the Heart  
of Hospice**



NANAIMO COMMUNITY  
**HOSPICE**

*Caring • Commitment • Compassion*

THE CAMPAIGN FOR A NEW HOME  
FOR HOSPICE AND WHY IT'S SO URGENT



## **Grief and Death Touch Children, Teens and Adults**

Dying, caregiving and grieving are three of life's greatest challenges. For thirty years, Nanaimo Community Hospice has helped people through these challenges. Today, Hospice faces huge increases in people needing support.

**A new, larger Hospice House is  
urgently needed.**

### **DEATHS IN CANADA WILL RISE 33% IN TEN YEARS.**

Last year at Hospice:

- over 2,000 people served
- 35% increase in new palliative referrals
- 16% rise in grief referral
- 21% more child and youth clients (298 in total)

### **INVESTING IN HOSPICE HELPS SO MANY**

*"A car crash took my husband in an instant. He was 33."*

*"I have six months left and I want to live with joy."*

*"My five year old can't understand where her baby brother went."*

*"My daughter died 10 years ago. I need some closure."*

*"Mom says it would help to talk about Ryan's suicide."*

*"I can't go back to work; my wife has cancer and needs me."*



**\$1.25 Million "Expand the Heart of Hospice" Project**

**Capital Campaign Goal: \$900,000**

**We have found the perfect location for our new Hospice House. The total cost to purchase and renovate this new space is \$1.25 Million. We need your help to raise the last \$900,000.**

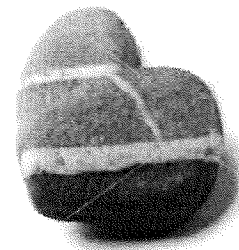
**NEW HOSPICE HOUSE PROJECT COSTS**

Property	\$ 985,000
Renovations & Landscaping	\$ 175,000
Sale of Existing Facility/ Moving Expenses	\$ 30,000
Facility Furnishings & Equipment	\$ 60,000
	<b>\$ 1,250,000</b>

**PROJECT FINANCING**

Revenue from sale of building	\$ 350,000
Capital Campaign	\$ 900,000
	<b>\$ 1,250,000</b>

**Give today. Join us in expanding the Heart of Hospice.**



40

hours of intensive volunteer training and mentoring, with required continuing education

160

volunteers work with clients

50

volunteers work on the palliative care unit at NRGH

85

volunteers help at Hospice Shoppe

# Hospice's Continuum of Care

## Helping When and Where We are Needed Most

Hospice's programs are all offered for free.

### PALLIATIVE CARE

- In your home or in a care facility
- In the hospital Palliative Care Unit

### PROFESSIONAL COUNSELLING SERVICES

**ADULTS** – Palliative, caregiving and grief counselling for individuals and families

**CHILD & YOUTH PROGRAM** – Specifically designed for children and teens. Hospice works closely with schools and parents to support kids.

### OTHER SERVICES

**GROUP PROGRAMS** - Weekly walking group; widows group; drop in grief and caregivers support programs and much more.

### SELF CARE - COMFORT PROGRAMS - SHARING STORIES

Complementary relaxation therapies for palliative patients, their caregivers and those in grief are offered at Hospice House in hospital or at home. Soft cushions and knitted shawls

provide comfort and warmth. Volunteers assist the dying to create an audio legacy.

### COMMUNITY EDUCATION - LIBRARY RESOURCES

Hospice partners with many groups to provide support and education to local university and college programs, care facilities, the general public and other community support groups. The Hospice library is accessible to all.

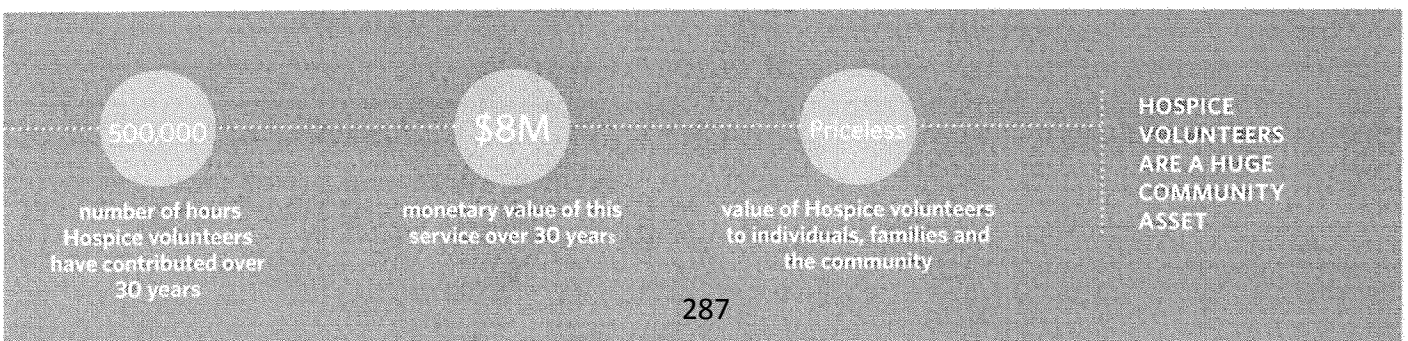
### ELDERS IN TRANSITION

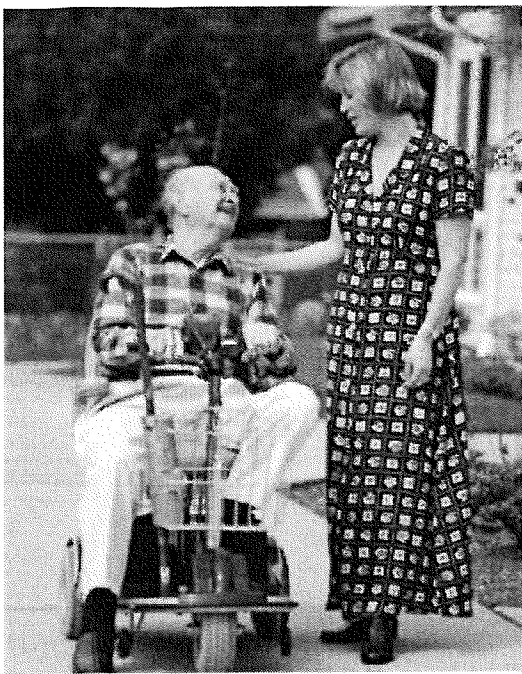
Hospice Shoppe staff and volunteers assist elders and their families during life transitions including downsizing and loss of a loved one.

### CAREGIVERS SUPPORTING CAREGIVERS IN NEPAL

Caregivers within the Nanaimo Hospice palliative care program (professionals and volunteers) provide support and education to the palliative care unit at Bhaktapur Hospital in Nepal.

Imagine what we can do with twice the space!





## Hospice House is Bursting at the Seams

Hospice has tripled the number of volunteers and programs in the past 10 years. Hospice House, a retrofitted, single family home with 2,400 square feet, has run out of room.

### **OVERCROWDED & NOISY**

All work spaces serve dual purposes creating enormous scheduling issues. Library and the Kids Program have outgrown their space. Volunteers turned away or training delayed due to lack of space. Some staff must work off site. There is no room for new programs.

### **LACK OF PRIVACY**

Counselling areas lack soundproofing. Front entry is being used for waiting room. Private conversations often held next to open reception areas. Street noise prohibits opening of windows in summer and the garden and deck areas are too noisy. This impacts programs requiring calm and peaceful settings.

### **TURNING PRACTICUM STUDENTS AWAY**

Practicum students, who help keep costs down, are often turned away due to lack of space.

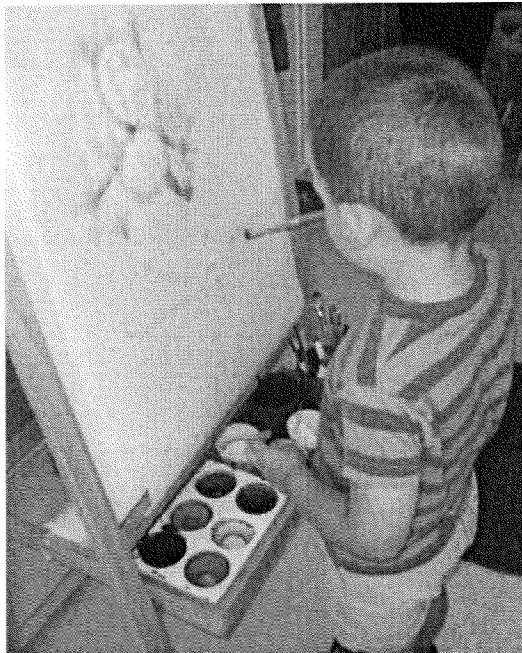
### **EMERGENCY RESPONSE HAMPERED**

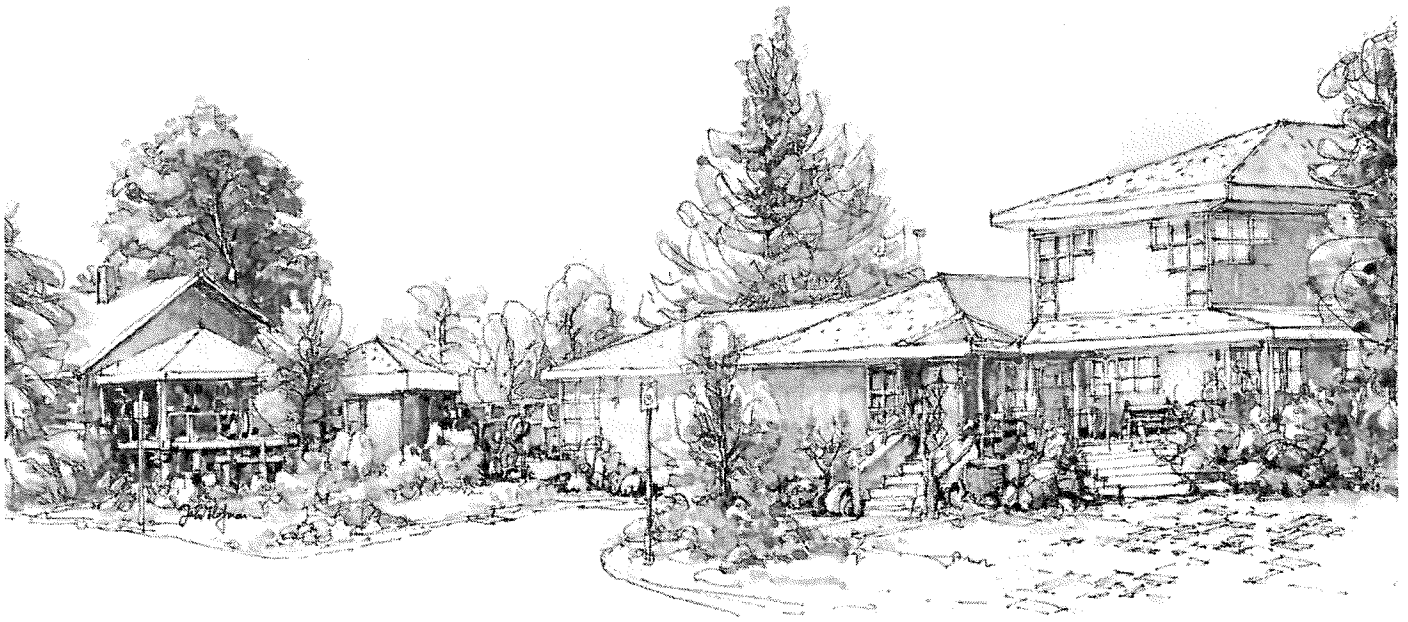
We have no room for extra counsellors in times of unexpected overload, such as a school tragedy.

### **LIMITED PARKING/NOT ACCESSIBLE**

Parking is woefully inadequate and current Hospice is not wheelchair accessible.

**Your donation is needed to purchase a larger Hospice House with more space, more privacy and more quiet.**

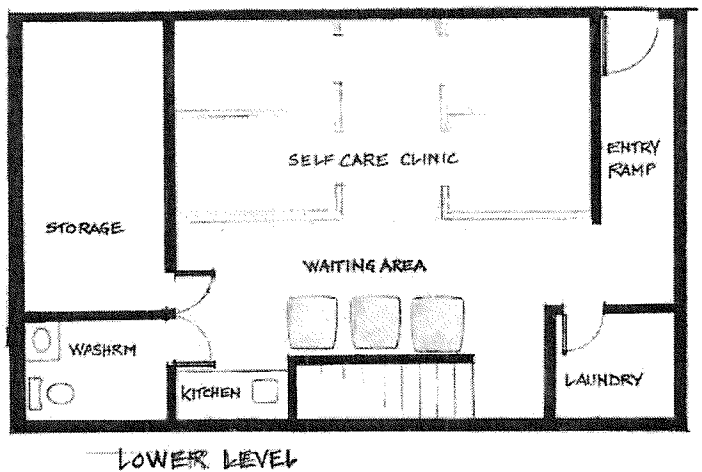




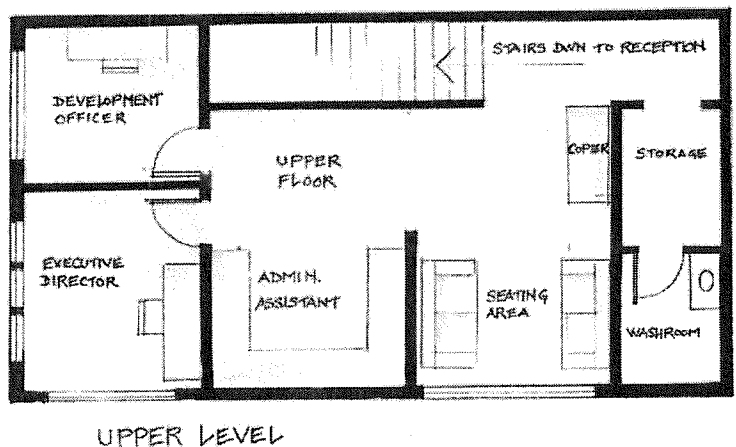
# Coming Soon with Your Help

## ROOM TO GROW.... New Property has Double the Space!

The property, located on a bus route on Waddington Road, is 4,800 square feet, full of light, with ample parking, wheelchair access and quiet spaces. It is close to the hospital, backs on to green space, and already has appropriate zoning in place.



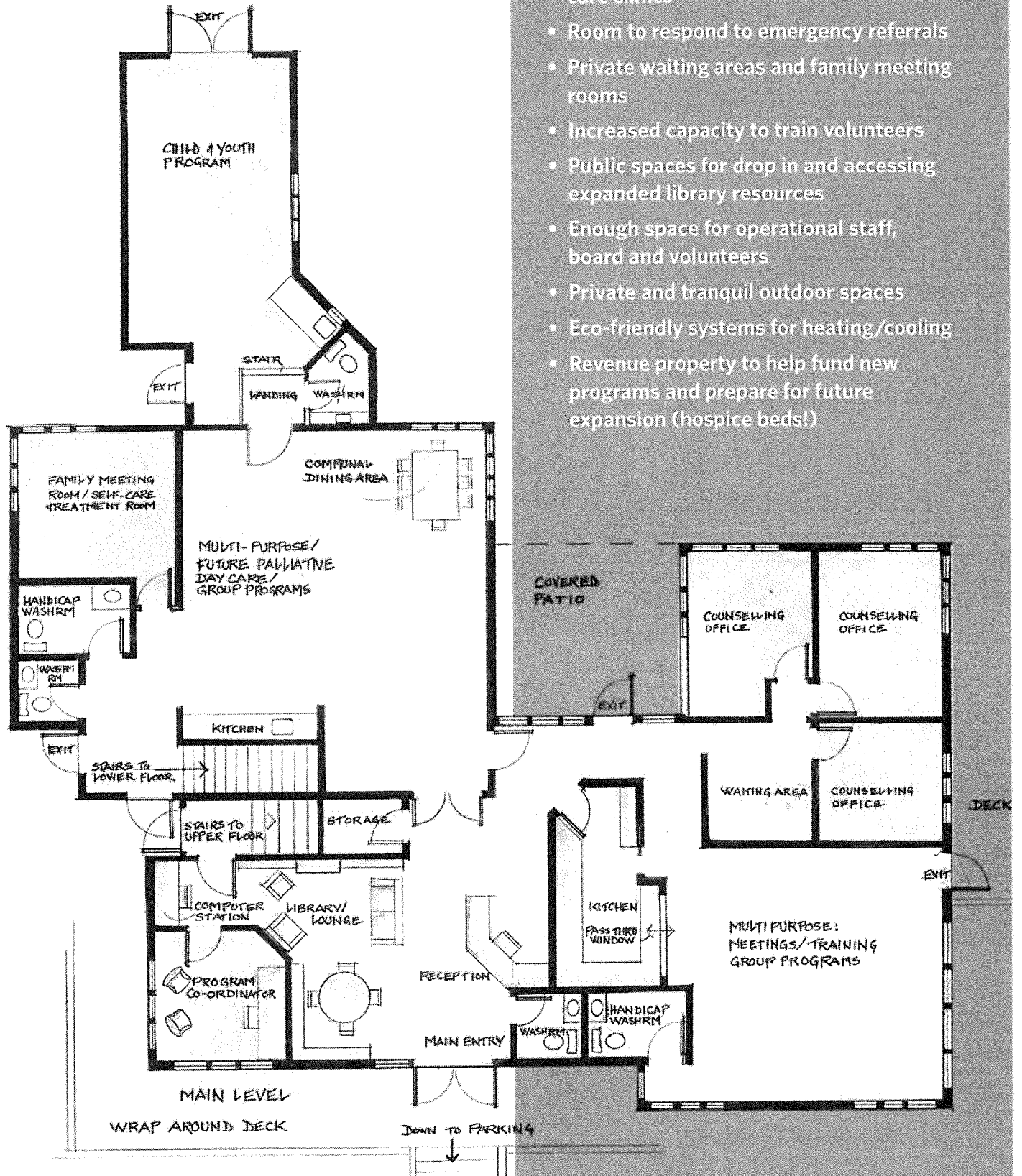
A better home for Hospice with room to expand and space for future residential hospice beds.





# Benefits of New Property:

- Room for new programs (palliative day support)
- Elimination of long waitlists
- Soundproofed areas for counselling and care clinics
- Room to respond to emergency referrals
- Private waiting areas and family meeting rooms
- Increased capacity to train volunteers
- Public spaces for drop in and accessing expanded library resources
- Enough space for operational staff, board and volunteers
- Private and tranquil outdoor spaces
- Eco-friendly systems for heating/cooling
- Revenue property to help fund new programs and prepare for future expansion (hospice beds!)



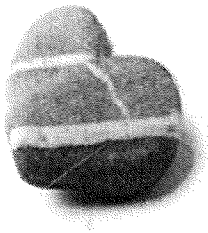
Artist rendering donated by John Hofman  
 Floorplan drawings donated by Deidre Love

## OUR COMMITMENT:

Support for the Dying, their Caregivers, and those in Grief

### Your Donation: A Community Legacy

**Donate today  
to help purchase  
a bigger Hospice  
House**



#### CAPITAL CAMPAIGN TEAM

Karen Boudreau, *Country Club Centre*

Chris Erb, *SupErb Construction*

Dave Hammond, *Remax of Nanaimo*

Moira Jenkins, *Royal Bank of Canada*

Anne Judson, *Hospice Volunteer*

Cindy Koutecky, *Coastal Community  
Credit Union*

Jon Lampman, *Ramsay Lampman Rhodes*

Dave Sherstone, *B.C. Coroner Services*

Jim Stewart, *Coast Realty Group*

#### OUR BOARD OF DIRECTORS

Suzanne Benoit, *President & Chair of Board*

Kris Clark, *Vice-President*

Anne Michaud, *Treasurer*

Dave Sherstone, *Director*

Dianne Magor, *Director*

Karen Boudreau, *Director*

Terry Lyons, *Director*

Gord Cluchey, *Director*

"Your heartfelt care is what got me through this difficult time."

"Mom had a 'good death' with your help. We are all so grateful."

"After five counselling sessions, I see the light back in my granddaughter's eyes."

"We didn't know what to do. Now we have a plan and support."

#### HOW TO GIVE

- Mail in a gift, give online or in person at Hospice House
- Make a one-time gift by cheque, credit card or transfer of securities
- Become a monthly donor or pledge a series of payments over several years
- Consider leaving a bequest

#### DONOR RECOGNITION

Your gift will be recognized in a meaningful way. Various donor levels and naming opportunities are available. Charitable receipts for tax purposes are available for all donations.

#### FOR MORE INFORMATION

Wendy Pratt, Executive Director

1729 Boundary Avenue, Nanaimo, BC V9S 4P3

Telephone: (250) 758-8857

wendyp@nanaimohospice.com

www.nanaimohospice.com



NANAIMO COMMUNITY  
**HOSPICE**

*Caring • Commitment • Compassion*

Nanaimo Community Hospice is a registered, non-profit society. Charitable Registration No. 133194043RR0001



RDN REPORT		HA
CAC APPROVAL		
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BOARD		

**MEMORANDUM**

**TO:** Wendy Idema  
Director of Finance

**DATE:** November 3, 2012

**FROM:** Manvir Manhas  
Senior Accountant

**FILE:**

**SUBJECT:** Bylaws No. 1664, 1665, 1666, 1667, 1668, 1669, 1670 and 1671 - Reserve Fund Establishment Bylaws

**PURPOSE:**

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

- "Transit Service Reserve Fund Establishment Bylaw No. 1664, 2012".
- "Planning Service Reserve Fund Establishment Bylaw No. 1665, 2012".
- "Cassidy-Waterloo Fire Protection Service Reserve Fund Establishment Bylaw No. 1666, 2012".
- "Melrose Terrace Community Water Supply Service Reserve Fund Establishment Bylaw No. 1667, 2012".
- "Englishman River Community Streetlighting Service Reserve Fund Establishment Bylaw No. 1668, 2012".
- "Cedar Community Storm Water Management Service Reserve Fund Establishment Bylaw No. 1669, 2012".
- "Regional Parks and Trails Service Reserve Fund Establishment Bylaw No. 1670, 2012".
- "Gabriola Island Recreation Service Reserve Fund Establishment Bylaw No. 1671, 2012"

**BACKGROUND:**

The 2012 budget includes the establishment and funding of reserve funds for the Transit Service, the Planning Service, the Cassidy-Waterloo Fire Protection Service, the Melrose Terrace Community Water Supply Service, the Englishman River Community Streetlighting Service, the Cedar Storm Water Management Service, the Regional Parks and Trails Service and the Gabriola Island Recreation Service Area.

The Planning Service Reserve Fund is established to provide funding for any unforeseen legal costs that could not be paid for out of the annual operating budget related to the Planning Services in the Regional District of Nanaimo.

The Transit Service, the Cassidy-Waterloo Fire Protection Service, the Melrose Terrace Community Water Supply Service, the Englishman River Community Streetlighting Service and the Cedar Community Storm Water Management reserve fund will be used to set aside funding to pay for capital improvements, expansions, acquisitions or major repairs.

The Regional Parks and Trails Service Reserve Fund will be utilized for capital improvements to Regional Parks and Trails within the Regional District of Nanaimo.

The Gabriola Island Recreation Service Reserve Fund will be used to acquire, construct, manage or otherwise provide property for pleasure, recreation and similar public uses, including recreation and cultural facilities of all types.

In order to retain these funds for these specified future purposes, staff propose establishing formal reserve funds bylaws 1664, 1665, 1666, 1667, 1668, 1669, 1670 and 1671.

**ALTERNATIVES:**

1. Approve and adopt the bylaws as presented.
2. Do not approve the bylaws.

**FINANCIAL IMPLICATIONS:**

If the bylaws are adopted, initial transfers to the reserve funds in 2012 are estimated as follows:

Transit Service Reserve Fund	\$177,410
Planning Service Reserve Fund	\$33,000
Cassidy-Waterloo Fire Protection Service Reserve Fund	\$2,175
Melrose Terrace Community Water Supply Service Reserve Fund	\$1,000
Englishman River Community Streetlighting Service Reserve Fund	\$2,500
Cedar Community Storm Water Management Service Reserve Fund	\$3,000
Regional Parks and Trails Service Reserve Fund	\$10,000
Gabriola Island Recreation Service Reserve Fund	\$6,070

The planned reserve transfers above are included in the 2012 operating budget.

**STRATEGIC PLAN IMPLICATIONS:**

The 2013 – 2015 Board Strategic Plan under the Regional Federation area includes the demonstration of fiscal responsibility by undertaking long-term financial planning, and protecting and maintaining assets. The establishment of reserve funds for future capital expenditures assists in reducing the taxation impact of costly capital replacements or improvements as well as offsetting unforeseen costs as a result of one-time events that impact a service area.

**SUMMARY/CONCLUSIONS:**

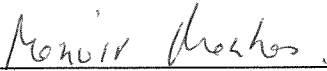
The 2012 budget includes the establishment and funding of reserve funds for the Transit Service, the Planning Service, the Cassidy-Waterloo Fire Protection Service, the Melrose Terrace Community Water Supply Service, the Englishman River Community Streetlighting Service, the Cedar Storm Water Management Service, the Regional Parks and Trails Service and the Gabriola Island Recreation Service. A review of the 2012 financial results to date shows that there will be sufficient funding available to transfer the budgeted amounts to reserves for each service.

In order to retain these funds for future operating and capital purposes, staff propose establishing capital reserve funds.

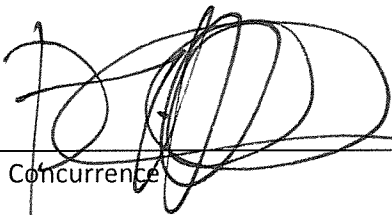
**RECOMMENDATION:**

1. That "Transit Service Reserve Fund Establishment Bylaw No. 1664, 2012" be introduced and read three times
2. That "Transit Service Reserve Fund Establishment Bylaw No. 1664, 2012" be adopted.
3. That "Planning Service Reserve Fund Establishment Bylaw No. 1665, 2012" be introduced and read three times.
4. That "Planning Service Reserve Fund Establishment Bylaw No. 1665, 2012" be adopted.
5. That "Cassidy-Waterloo Fire Protection Service Reserve Fund Establishment Bylaw No. 1666, 2012" be introduced and read three times.
6. That "Cassidy-Waterloo Fire Protection Service Reserve Fund Establishment Bylaw No. 1666, 2012" be adopted.
7. That "Melrose Terrace Community Water Supply Service Reserve Fund Establishment Bylaw No. 1667, 2012" be introduced and read three times.
8. That "Melrose Terrace Community Water Supply Service Reserve Fund Establishment Bylaw No. 1667, 2012" be adopted.
9. That "Englishman River Community Streetlighting Service Reserve Fund Establishment Bylaw No. 1668, 2012" be introduced and read three times.
10. That "Englishman River Community Streetlighting Service Reserve Fund Establishment Bylaw No. 1668, 2012" be adopted.
11. That "Cedar Community Storm Water Management Service Reserve Fund Establishment Bylaw No. 1669, 2012" be introduced and read three times.
12. That "Cedar Community Storm Water Management Service Reserve Fund Establishment Bylaw No. 1669, 2012" be adopted.
13. That "Regional Parks and Trails Service Reserve Fund Establishment Bylaw No. 1670, 2012" be introduced and read three times.

14. That "Regional Parks and Trails Service Reserve Fund Establishment Bylaw No. 1670, 2012" be adopted.
15. That "Gabriola Island Recreation Service Reserve Fund Establishment Bylaw No. 1671, 2012" be introduced and read three times.
16. That "Gabriola Island Recreation Service Reserve Fund Establishment Bylaw No. 1671, 2012" be adopted.

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

  
\_\_\_\_\_  
Director

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

REGIONAL DISTRICT OF NANAIMO

BYLAW NO. 1664

A BYLAW TO ESTABLISH A RESERVE FUND FOR  
THE TRANSIT SERVICE IN THE REGIONAL DISTRICT OF NANAIMO

WHEREAS Section 814(3) of the *Local Government Act* authorizes a Board to establish, by bylaw, a reserve fund for a specified purpose;

AND WHEREAS it is considered desirable to establish a reserve fund to set aside funds to provide for costs related to the acquisition, repair, replacement or improvement of the capital infrastructure of the Transit Service established pursuant to Bylaws No.1230, cited as "Southern Community Transit Service Area Establishment Bylaw No. 1230, 2001" and Bylaw No.897, cited as "Northern Community Transit Service Area Establishment Bylaw No. 897, 1993";

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

1. There is hereby established a reserve fund, pursuant to Section 814(3) of the *Local Government Act*, to be known as the "Transit Service Reserve Fund".
2. Money from the current revenue of the Northern and Southern Community Transit Service Areas, to the extent to which it is available, or as otherwise provided in the *Local Government Act*, may from time to time be paid into the reserve fund.
3. The money set aside may be invested in the manner provided by the *Local Government Act* until its use is required.
4. Money in the reserve fund shall be used for capital improvements, major repairs, expansions, acquisitions or expenditures of a like nature for the Transit Service Areas in the Regional District of Nanaimo.
5. This bylaw may be cited as the "Transit Service Reserve Fund Establishment Bylaw No. 1664, 2012".

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

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

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CHAIRPERSON

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CORPORATE OFFICER

REGIONAL DISTRICT OF NANAIMO

BYLAW NO. 1665

A BYLAW TO ESTABLISH A RESERVE FUND FOR  
THE PLANNING SERVICE IN THE REGIONAL DISTRICT OF NANAIMO

WHEREAS Section 814(3) of the *Local Government Act* authorizes a Board to establish, by bylaw, a reserve fund for a specified purpose;

AND WHEREAS it is considered desirable to establish a reserve fund to set aside funds to provide for unforeseen legal costs of the service of the management of development under Part 26 of the *Local Government Act*;

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

1. There is hereby established a reserve fund, pursuant to Section 814(3) of the *Local Government Act*, to be known as the "Planning Service Reserve Fund".
2. Money from the current revenue of the Planning Services, to the extent to which it is available, or as otherwise provided in the *Local Government Act*, may from time to time be paid into the reserve fund.
3. The money set aside may be invested in the manner provided by the *Local Government Act* until its use is required.
4. Money in the reserve fund shall be used for the unforeseen legal costs related to the Planning Services in the Regional District of Nanaimo.
5. This bylaw may be cited as the "Planning Service Reserve Fund Establishment Bylaw No. 1665, 2012".

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

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

\_\_\_\_\_  
CHAIRPERSON

\_\_\_\_\_  
CORPORATE OFFICER



REGIONAL DISTRICT OF NANAIMO

BYLAW NO. 1666

A BYLAW TO ESTABLISH A RESERVE FUND FOR  
THE CASSIDY-WATERLOO FIRE PROTECTION SERVICE

WHEREAS Section 814(3) of the *Local Government Act* authorizes a Board to establish, by bylaw, a reserve fund for a specified purpose;

AND WHEREAS it is considered desirable to establish a reserve fund to set aside funds to provide for costs related to the acquisition, repair, replacement or improvement of the capital infrastructure of the Cassidy-Waterloo Fire Protection Service established pursuant to Bylaw No.1388, cited as "Cassidy-Waterloo Fire Protection Service Establishment Bylaw No. 1388, 2004";

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

1. There is hereby established a reserve fund, pursuant to Section 814(3) of the *Local Government Act*, to be known as the "Cassidy-Waterloo Fire Protection Service Reserve Fund".
2. Money from the current revenue of the Cassidy-Waterloo Fire Protection Service Area, to the extent to which it is available, or as otherwise provided in the *Local Government Act*, may from time to time be paid into the reserve fund.
3. The money set aside may be invested in the manner provided by the *Local Government Act* until its use is required.
4. Money in the reserve fund shall be used for capital improvements, major repairs, expansions, acquisitions or expenditures of a like nature for the Cassidy-Waterloo Fire Protection Service Area.
5. This bylaw may be cited as the "Cassidy-Waterloo Fire Protection Service Reserve Fund Establishment Bylaw No. 1666, 2012".

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

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

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CHAIRPERSON

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CORPORATE OFFICER

REGIONAL DISTRICT OF NANAIMO

BYLAW NO. 1667

A BYLAW TO ESTABLISH A RESERVE FUND FOR  
THE MELROSE TERRACE COMMUNITY WATER SUPPLY SERVICE

WHEREAS Section 814(3) of the *Local Government Act* authorizes a Board to establish, by bylaw, a reserve fund for a specified purpose;

AND WHEREAS it is considered desirable to establish a reserve fund to set aside funds to provide for costs related to the acquisition, repair, replacement or improvement of the capital infrastructure of the Melrose Terrace Community Water Supply Service established pursuant to Bylaw No.1397, cited as "Melrose Terrace Community Water Supply Service Establishment Bylaw No. 1397, 2004";

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

1. There is hereby established a reserve fund, pursuant to Section 814(3) of the *Local Government Act*, to be known as the "Melrose Terrace Community Water Supply Service Reserve Fund".
2. Money from the current revenue of the Melrose Terrace Community Water Supply Service Area, to the extent to which it is available, or as otherwise provided in the *Local Government Act*, may from time to time be paid into the reserve fund.
3. The money set aside may be invested in the manner provided by the *Local Government Act* until its use is required.
4. Money in the reserve fund shall be used for capital improvements, major repairs, expansions, acquisitions or expenditures of a like nature for the Melrose Terrace Community Water Supply Service Area.
5. This bylaw may be cited as the "Melrose Terrace Community Water Supply Service Reserve Fund Establishment Bylaw No. 1667, 2012".

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

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

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CHAIRPERSON

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CORPORATE OFFICER

REGIONAL DISTRICT OF NANAIMO

BYLAW NO. 1668

A BYLAW TO ESTABLISH A RESERVE FUND FOR  
THE ENGLISHMAN RIVER COMMUNITY STREETLIGHTING SERVICE

WHEREAS Section 814(3) of the *Local Government Act* authorizes a Board to establish by bylaw a reserve fund for a specified purpose;

AND WHEREAS it is considered desirable to establish a reserve fund to provide for costs related to the acquisition, repair, replacement or improvement of the capital infrastructure of the Englishman River Community Streetlighting Service established pursuant to Bylaw No. 1353, cited as "Englishman River Community Streetlighting Service Area Establishment Bylaw No. 1353, 2003"

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

1. There is hereby established a reserve fund, pursuant to Section 814(3) of the *Local Government Act*, to be known as the "Englishman River Community Streetlighting Service Reserve Fund".
2. Money from the current revenue of the Englishman River Community Streetlighting Service Area, to the extent to which it is available, or as otherwise provided in the *Local Government Act*, may from time to time be paid into the reserve fund.
3. The money set aside may be invested in the manner provided by the *Local Government Act* until its use is required.
4. Money in the reserve fund shall be used for capital improvements, major repairs, expansions, acquisitions or expenditures of a like nature for the Englishman River Community Streetlighting Service Area.
5. This bylaw may be cited as the "Englishman River Community Streetlighting Service Reserve Fund Establishment Bylaw No. 1668, 2012".

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

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

\_\_\_\_\_  
CHAIRPERSON

\_\_\_\_\_  
CORPORATE OFFICER

**REGIONAL DISTRICT OF NANAIMO**

**BYLAW NO. 1669**

**A BYLAW TO ESTABLISH A RESERVE FUND FOR  
THE CEDAR COMMUNITY STORM WATER MANAGEMENT SERVICE**

WHEREAS Section 814(3) of the *Local Government Act* authorizes a Board to establish by bylaw a reserve fund for a specified purpose;

AND WHEREAS it is considered desirable to establish a reserve fund to provide for costs related to the acquisition, repair, replacement or improvement of the capital infrastructure of the Cedar Community Storm Water Management Service established pursuant to Bylaw No. 1583, cited as "Cedar Community Storm Water Management Service Establishment Bylaw No. 1583, 2009"

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

1. There is hereby established a reserve fund, pursuant to Section 814(3) of the *Local Government Act*, to be known as the "Cedar Community Storm Water Management Service Reserve Fund".
2. Money from the current revenue of the Cedar Community Storm Water Management Service Area, to the extent to which it is available, or as otherwise provided in the *Local Government Act*, may from time to time be paid into the reserve fund.
3. The money set aside may be invested in the manner provided by the *Local Government Act* until its use is required.
4. Money in the reserve fund shall be used for capital improvements, major repairs, expansions, acquisitions or expenditures of a like nature for the Cedar Community Storm Water Management Service Area.
5. This bylaw may be cited as the "Cedar Community Storm Water Management Service Reserve Fund Establishment Bylaw No. 1669, 2012".

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

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

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CHAIRPERSON

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CORPORATE OFFICER

**REGIONAL DISTRICT OF NANAIMO**

**BYLAW NO. 1670**

**A BYLAW TO ESTABLISH A RESERVE FUND FOR  
THE REGIONAL PARKS AND TRAILS SERVICE IN THE REGIONAL DISTRICT OF NANAIMO**

WHEREAS Section 814(3) of the *Local Government Act* authorizes a Board to establish by bylaw a reserve fund for a specified purpose;

AND WHEREAS it is considered desirable to establish a reserve fund to provide for costs related to the acquisition, repair, replacement or improvement of the capital infrastructure of the Regional Parks and Trails Service established pursuant to Bylaw No. 1231, cited as "Regional District of Nanaimo Regional Parks and Trails Service Establishment Bylaw No. 1231, 2001"

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

1. There is hereby established a reserve fund, pursuant to Section 814(3) of the *Local Government Act*, to be known as the "Regional Parks and Trails Service Reserve Fund".
2. Money from the current revenue of the Regional Parks and Trails Service Area, to the extent to which it is available, or as otherwise provided in the *Local Government Act*, may from time to time be paid into the reserve fund.
3. The money set aside may be invested in the manner provided by the *Local Government Act* until its use is required.
4. Money in the reserve fund shall be used for capital improvements, major repairs, expansions, acquisitions or expenditures of a like nature for the Regional Parks and Trails Service Area.
5. This bylaw may be cited as the "Regional Parks and Trails Service Reserve Fund Establishment Bylaw No. 1670, 2012".

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

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

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CHAIRPERSON

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CORPORATE OFFICER

**REGIONAL DISTRICT OF NANAIMO**

**BYLAW NO. 1671**

**A BYLAW TO ESTABLISH A RESERVE FUND FOR  
THE GABRIOLA ISLAND RECREATION SERVICE**

WHEREAS Section 814(3) of the *Local Government Act* authorizes a Board to establish by bylaw a reserve fund for a specified purpose;

AND WHEREAS it is considered desirable to establish a reserve fund in order to acquire, construct, manage or otherwise provide property for pleasure, recreation and similar public uses, including recreation and cultural facilities of all types for the Gabriola Island Recreation Service established pursuant to Bylaw No. 1023, cited as "Gabriola Island Recreation Service Establishment Bylaw No. 1023, 1996"

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

1. There is hereby established a reserve fund, pursuant to Section 814(3) of the *Local Government Act*, to be known as the "Gabriola Island Recreation Service Reserve Fund".
2. Money from the current revenue of the Gabriola Island Recreation Service Area, to the extent to which it is available, or as otherwise provided in the *Local Government Act*, may from time to time be paid into the reserve fund.
3. The money set aside may be invested in the manner provided by the *Local Government Act* until its use is required.
4. Money in the reserve fund shall be used to acquire, construct, manage or otherwise provide property for pleasure, recreation and similar public uses, including recreation and cultural facilities of all types.
5. This bylaw may be cited as the "Gabriola Island Recreation Service Reserve Fund Establishment Bylaw No. 1671, 2012".

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

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

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CHAIRPERSON

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CORPORATE OFFICER



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CAO APPROVAL		
EAP	✓	
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**MEMORANDUM**

**TO:** Paul Thorkelsson  
Acting Chief Administrative Officer

**DATE:** November 4, 2012

**FROM:** Wendy Idema  
Director of Finance

**SUBJECT:** Dashwood firehall redevelopment update and approval to continue

**PURPOSE:**

To report on progress to date with the Dashwood firehall redevelopment project and to obtain approval to proceed to final design.

**BACKGROUND:**

In February, 2012 the Dashwood Volunteer Fire Department requested that staff work with the department to undertake a review to establish a direction for seismically and operationally improving the Hobbs Road firehall. Since that time, members of the Dashwood Volunteer Fire Department, staff and the firm of Johnston Davidson Architecture + Planning Inc. (JDAP) have completed a construction options report in response to this request.

The construction options report summarizes the seismic, hall sizing and health and safety issues regarding the existing hall, and provides three options for redevelopment to meet the Dashwood Fire Department's needs. The first is to retrofit and renovate, the second is for a new building using traditional construction, and the third is for a new building using modular construction. Based on these cost estimates, the modular construction process involves the least cost at approximately \$1,050,000 for construction and general requirements excluding consultant fees.

In response to the construction options report, the Board of the Dashwood Volunteer Fire Department requested that JDAP prepare a proposal to provide architectural, structural, mechanical and civil design services up to the preparation of a design development manual based on the modular construction option provided. Johnston Davidson Architecture + Planning has been selected to work on this project because of their previous experience with RDN firehall development in both Meadowood and the Nanoose Bay firehalls as well as their extensive experience in general with firehall development around BC.

JDAP has provided a proposal to carry out a further three phases of work including programming, schematic and design development at a cost of \$41,500 excluding disbursements as well as geotechnical and site surveys which must be hired directly by the owner. A copy of the proposal is attached as

Appendix 2. The Dashwood Volunteer Fire Department has reviewed the proposal and has requested per the attached letter (Appendix 1) that the RDN Board secure the service of Johnston Davidson Architecture + Planning Inc. to move forward with the next three phases of design and to fund the \$41,500 cost from their building reserve fund.

**ALTERNATIVES:**

1. Receive the letter from the Dashwood Volunteer Fire Department and this update report on the redevelopment of the Dashwood firehall for information and approve continuing to final design with the firm of Johnston Davidson Architecture + Planning Inc.
2. Do not proceed further at this time.

**FINANCIAL IMPLICATIONS:**

Alternative 1

The budget estimate for proceeding through the three phases of detailed design is \$41,500 plus disbursements plus geotechnical and site survey costs which are estimated at an additional \$5,000 to \$7,000 resulting in a total budget for schematic and detailed design of approximately \$50,000. The Dashwood Fire Service has just over \$200,000 available in their building reserve fund currently resulting in no additional costs to the operating budget or requisition at this time for the design work.

**STRATEGIC PLAN IMPLICATIONS:**

The redevelopment of firehalls within the RDN is aligned with the 2013 – 2015 Board Strategic Plan under the area of Strategic and Community Development. The ability to respond to emergencies at the local level is included under the goal of Community Self-Sufficiency and developing firehalls at a post-disaster level will contribute to this objective.

**SUMMARY/CONCLUSIONS:**

In February, 2012 the Dashwood Volunteer Fire Department requested that staff work with the department to undertake a review to establish a direction for seismically and operationally improving the Hobbs Road firehall. Since that time, members of the Dashwood Volunteer Fire Department, staff and the firm of Johnston Davidson Architecture + Planning Inc. (JDAP) have completed a construction options report in response to this request.

At the request of the Dashwood Volunteer Fire Department, JDAP has provided a proposal to carry out a further three phases of work including programming, schematic and design development at a cost of \$41,500 excluding disbursements as well as geotechnical and site surveys which must be hired directly by the owner. The Dashwood Volunteer Fire Department has reviewed the proposal and has requested that the RDN Board secure the service of Johnston Davidson Architecture + Planning Inc. to move forward with the next three phases of design and to fund the approximately \$50,000 in costs from their building reserve fund.

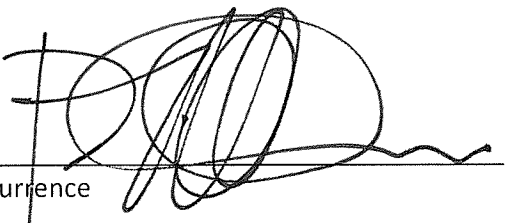


The Dashwood Fire Service building reserve fund has \$200,000 available to cover the cost of this design work. Staff recommend approving the use of the reserve funds and continuing work with Johnston Davidson Architecture + Planning Inc. as the prime consultant.

**RECOMMENDATIONS:**

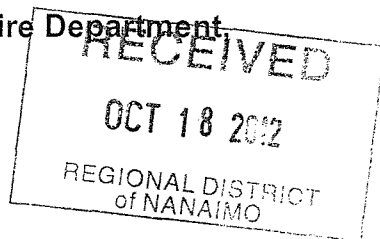
1. That Johnston Davidson Architecture + Planning Inc. continue to be retained as the prime consultant for the redevelopment of the Dashwood firehall.
2. That staff be authorized to spend up to \$50,000 to complete the programming, schematic design and design development phases of the Dashwood Firehall Redevelopment project.
3. That up to \$50,000 be released from the Dashwood Fire Service building reserve fund for the purposes of final design.

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

  
\_\_\_\_\_  
D/CAO Concurrence

**Dashwood Volunteer Fire Department**

230 Hobbs Road,  
Qualicum Beach,  
B. C. V9K 2B2



Phone: 250 – 752.5434 Fax: 250 – 752.0863 E mail: admin@dashwoodvfd.com

October 15, 2012

Regional District of Nanaimo  
6300 Hammond Bay Rd  
Nanaimo BC V9T 6N2

Attention: Wendy Idema

RDN Board of Directors

The Dashwood Fire Department; Board of Directors, on Sept 25 2012 passed a resolution made by Harvey Twidale, seconded by Scott Henley to authorize the RDN to secure the service of Johnson Davidson architecture and Planning Inc. and to move forward with the 3 phases as outlined in their Sept 23 proposal. Funds will come out of the building reserves fund. All board members were in favor.

Yours truly,

A handwritten signature in black ink, appearing to read "Don Alberg".

Don Alberg  
Chair  
Dashwood Volunteer Fire Department

A handwritten signature in black ink, appearing to read "Harvey Twidale".

Harvey Twidale  
Treasurer



September 23, 2012

**Ms. Wendy Idema**  
**General Manager**

Finance and Information Services  
 Regional District of Nanaimo, BC  
 6300 Hammond Bay Road  
 V9T 6N2

**RE: Regional District of Nanaimo – Dashwood Firehall**

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Dear Wendy,

Further to our discussions on the proposed new Dashwood Firehall, we enclose our proposal for the provision of Architectural, Structural, Mechanical, Electrical and Civil Design Services for the above noted project. Many thanks for presenting us with an opportunity to work with you, the RDN and Dashwood Fire Department personnel on this interesting and challenging project.

This proposal is based on the design of a new firehall with an estimated space program of approximately 500 SM (5,500sf) total area and a construction budget of \$1,050,000.00 as was outlined in the revised Construction Options Report on the existing Dashwood Firehall. This design would be based on the principles of the Modular Firehall idea also outlined in this report.

All phases would involve acting as part of the integrated design team and coordinating all Consultants work, including those hired directly by the Regional District.

**1. Phase One and Two: Programming and Schematic Design**

JDA will assist the owner in refining the needs assessment and space program, develop the design with input from consulting engineers to a schematic design stage. The scope of work would include the following deliverables:

- Refine the Fire Department's space program and project goals.
- Developing the LEED /sustainable goals.
- Develop conceptual building scheme options and site studies.
- Assist the owner in selecting the best option and then further developing this option into a complete schematic design.
- Deliverables would include but not be limited to the following:
  - Detailed Space Program.
  - Design Brief
  - Schematic Design reports from all Consultants
  - Sketch site plan, floor plans, and sketch elevations: Drawings would be suitable for public presentations to fully illustrate the design, mounted on display boards and or in smaller scale format for client or public information.
  - The information provided would be enough arrive at initial stage cost estimate prepared by a cost consultant hired by the Owner.

**2. Phase Three: Design Development**

In general, the design team (including consultants) will advance the project to the design development stage which will involve coordination of the preliminary designs of all engineering consultants into a Design Development Manual. This manual will fully explain all elements of the building and form the basis for the contract drawings and specifications.

If the Owner wished, this manual would be suitable for the owner's appointed cost consultant to prepare an elemental (more detailed) cost estimate for the design. The scope of work would include the following deliverables:





Prepare a *design development manual* to include the following submissions:

- Architectural: preliminary site plans, floor plans, reflected ceiling plans, elevations, bldg sections, door schedules, finish schedules, wall, floor and roof types, preliminary room and millwork details.
- Structural: includes design report and preliminary structural design drawings.
- Mechanical: includes mechanical report, preliminary mechanical and plumbing design drawings, and major equipment cut sheets.
- Electrical: includes electrical report and preliminary electrical design drawing and equipment cut sheets.
- Civil: include a civil report.
- Sustainable Design elements, initiative and goals would be firmed up and integrated into the design.
- LEED principles will have been implemented but certification will be decided on at a later date.
- Possible funding sources for sustainable initiatives will be examined.

### **Fees for Phases 1 to 3**

*Professional Architectural and Engineering fees for the scope as described to complete the Design Development for a fixed fee of \$41,500 plus HST.*

- Additional consultants such landscape have not been included in the above mentioned scope of work.
- All site surveys and geotechnical consultants would need to be hired directly by the Owner as architects are not allowed to hire these consultants for a project; however we would be responsible for coordination of consultants within the scope of the project.
- Fees for LEED administration would be decided for the next phases and are not included in the above noted fees.

### **Disbursements**

The following items are not included in the above fee and except GST will be charged at cost plus a 10% handling fee.

- Courier Charges
- Printing and reproductions for presentation purposes.
- Travel Costs to the project site
- Long distance phone
- Energy modeling by the Mechanical Engineering Consultant.
- Presentation models and perspective renderings if required by the client for presentation purposes are not included in the above fee proposal.

### **Payment of Fees Schedule:**

Fees would be billed monthly on the progress of the work to date completed.

If you find the above fees and services to be acceptable, we will prepare a contract for the completion of any or all of the phases noted above. Please call me if you have any questions.

Yours Sincerely



Kimberly A. Johnston, Principal, MAIBC





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# MEMORANDUM

**TO:** Paul Thorkelsson  
Acting Chief Administrative Officer

**DATE:** November 2, 2012

**FROM:** Paul Thompson  
Manager of Long Range Planning

**FILE:** 2400 20 NAV/AVI

**SUBJECT:** Nanaimo Airport Land Use Planning Process

## PURPOSE

To approve the Terms of Reference for a Citizens Advisory Group for Phases 2 and 3 of the Nanaimo Airport Land Use Planning Process.

## BACKGROUND

Jurisdiction over land use regulation at the Nanaimo Airport has been an issue that the RDN has been trying to address for several years. Most recently, during the review of the Electoral Area 'A' Official Community Plan the issue was raised over the uncertainty about jurisdiction over land use at the Nanaimo Airport. As the Official Community Plan (OCP) Review process progressed, it became apparent that this matter could not be resolved within the time-frame of the OCP review so the Regional District of Nanaimo (RDN) Board directed that a separate region-wide engagement process that focused on land use at the Airport would be used. The Board also directed that the initial phase of the engagement process be conducted by an independent consultant.

The Nanaimo Airport Land Use Process has three phases. The first phase is to obtain the views of the community and other stakeholders. The second phase is discussions between the RDN and Nanaimo Airport Commission (NAC) on future land use at the Airport ideally leading to an agreement regarding future land use, community consultation and aquifer protection. The third phase is implementation which is likely to include a master plan for the Airport, an amendment to the Electoral Area 'A' Official Community Plan and an Amendment to the Zoning Bylaw which currently does not recognize the aviation related uses on the Airport lands.

City Spaces has completed Phase 1 of the process and prepared a report on their findings including recommendations on how to proceed with Phases 2 and 3 of the process. This document is intended to provide background information for both the RDN and NAC as they enter into discussions in Phase 2 of the process. Upon completion of Phase 1 of the process and receipt of the consultant's report, the Board adopted the following resolution with regard to proceeding with Phases 2 and 3 of the process:

*That in accordance with standard practice and process in respect of community planning for Electoral Areas that staff be directed to enter into discussions with the Nanaimo Airport Commission with the aim of reaching agreement on future land use and protection of the Cassidy aquifers in the form of a draft Memorandum of Understanding (MOU) as a proposed amendment to the Area 'A' Official Community Plan with input*

*from and review by the Area 'A' OCP Citizens Advisory Group for subsequent approval by the Electoral Area Planning Committee.*

A key concern of community members is that the process to address future land use at the Nanaimo Airport is an open and transparent process with ample opportunity for the community to participate. The formation of a Citizens Advisory Group prior to the commencement of Phase 2 of the process is a key part of ensuring that the process is open and transparent and that the community can provide comments and advice at each step along the way. The Terms of Reference for the Citizens Advisory Group is provide in Attachment 1.

## **ALTERNATIVES**

1. To approve the Terms of Reference for the Nanaimo Airport Land Use Process Citizens Advisory Group and proceed to issuing the notice of a request for members.
2. To not approve the Terms of Reference for the Nanaimo Airport Land Use Process Citizens Advisory Group and provide alternate direction to staff.

## **FINANCIAL IMPLICATIONS**

The Nanaimo Airport Land Use Planning Process has been included in the Long Range Planning Work Plan for 2013. Costs for the project have been included in the 2013 Draft Budget. This includes the allocation of RDN staff to the project and to cover the costs associated with the Advisory Group and public meetings, advertising, and a small amount for a consultant should a facilitator be requested to assist with reaching agreement on the Memorandum of Understanding or the Master Development Plan.

## **LAND USE IMPLICATIONS**

Based on all of the community input received during the Electoral Area 'A' OCP Review and the subsequent first phase of the Nanaimo Airport Land Use Process there are three main issues. The first is that there is no certainty with respect to the types of uses that may be developed or proposed at the Nanaimo Airport in the future. The second issue, there is no strategy for protecting the Cassidy Aquifer which is made more difficult with no certainty over future land use. Third, there is no opportunity for the community to have input on development proposals at the Airport unlike there is for lands where the Regional District has jurisdiction over land use.

Based on the Board's direction, the first step prior to proceeding with Phase 2 of the process is to appoint a Citizens Advisory Group as this group will be reviewing material and providing advice through Phases 2 and 3 of the process. The role of the Nanaimo Airport Land Use Planning Process Citizens Advisory Group is to represent the community's interest in guiding the Regional District of Nanaimo's input into the development of a MOU with the Nanaimo Airport Commission and a Master Development Plan for the Nanaimo Airport. Specifically, the Citizens Advisory Group will review and provide recommendations on various subjects to be included in the Memorandum of Understanding followed by input into a Master Development Plan for the Nanaimo Airport. The Citizens Advisory Group will then provide input during the formal processes to amend the OCP and Zoning Bylaw.

In addition to other community engagement methods, the Advisory Group meetings will be open to the public and well-advertised so they will serve as both a working meeting for the advisory group and provide an opportunity for the community to ask questions and be kept informed during the process.

For Phase 2, the first task of the advisory group would be to review a draft set of Principles that will form the basis of the MOU. Upon agreement of the principles to be used in the MOU the advisory group will then review and provide comments on the rest of the content of a draft MOU. The MOU is intended to include details on:

- Principles relating to future development at the Nanaimo Airport
- The process to be used in Phase 3 in the development of a Master Development Plan for the Airport and subsequent OCP and Zoning Amendments
- Items/issues to be addressed during Phase Three of the process
- Communications protocols between the RDN, NAC and the community

Once there is agreement on an MOU then Phase 3 could commence. Phase 3 consists of the development of a Master Development Plan. This plan would include the details on land use, aquifer protection and other environmental considerations for development at the Airport, roles for the NAC and RDN in relation to development approvals, and how the community will be consulted.

## **SUSTAINABILITY IMPLICATIONS**


A key social component of a sustainable region is that decisions are made in an open and transparent manner. This concept is enshrined in the Regional Growth Strategy as one of eight sustainability principles: "Decision making processes are based on participation, collaboration and co-operation with citizens, other authorities and organizations." The formation of a Citizens Advisory Group is consistent with this principle of open and transparent decision-making.

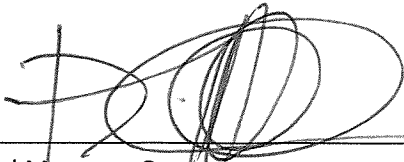
## **SUMMARY/CONCLUSION**

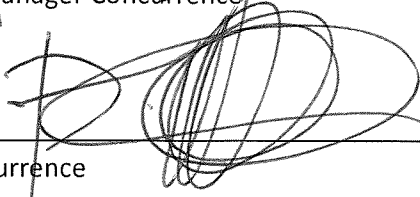
The Board directed staff to proceed with Phase 2 of the Nanaimo Airport Land Use Planning Process. Phase 2 consists of the development of a Memorandum of Understanding between the RDN and the Nanaimo Airport Commission that will include: a set of development principles; details on the process for land use planning which will occur in Phase 3; items/issues to be addressed during Phase 3; and communications protocols between the RDN, NAC and the community. Prior to proceeding with Phase 2, the board has directed that a Citizen's advisory Group be established that will review materials and provide advice to the RDN. The Advisory Group will also be used for Phase 3 of the process which includes the development of a Master Development Plan for the Nanaimo Airport followed by Amendments to the OCP and Zoning Bylaw.

**RECOMMENDATIONS**

1. That the Terms of Reference for the Nanaimo Airport Land Use Process Citizens Advisory Group be approved.
2. That the RDN proceed with Phase 2 of the Nanaimo Airport Land Use process.

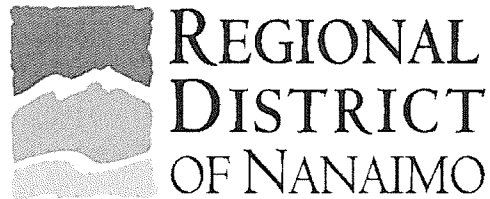
  
Report Writer

  
General Manager Concurrence

  
D/CAO Concurrence



**Attachment 1**



**DRAFT Terms of Reference**

**Nanaimo Airport Land Use Planning Process**

**Citizens Advisory Group**

**Background**

Jurisdiction over land use regulation at the Nanaimo Airport has been an issue that the Regional District of Nanaimo (RDN) has been trying to address for several years. Most recently, during the review of the Electoral Area 'A' Official Community Plan (OCP) the issue was raised over the uncertainty about jurisdiction over land use at the Nanaimo Airport. As the OCP Review process progressed, it became apparent that this matter could not be resolved within the time-frame of the OCP review so the RDN Board directed that a separate region-wide engagement process that focused on land use at the Airport would be used.

The Nanaimo Airport Land Use Process has three phases. The first phase is to obtain the views of the community and other stakeholders. The second phase is discussions between the RDN and the Nanaimo Airport Commission (NAC) on future land use at the Airport ideally leading to an agreement regarding future land use, community consultation and aquifer protection. The third phase is implementation which is likely to include a master plan for the Airport, an amendment to the Electoral Area 'A' Official Community Plan and an Amendment to the Zoning Bylaw which currently does not recognize the aviation related uses on the Airport lands.

Phase 1 is now complete and the process is now entering Phase 2 which consists of the development of a memorandum of understanding (MOU) between the RDN and the NAC. The MOU will define relationships, outline development principles and set out communications protocols between the RDN and NAC. The MOU will include a set of guiding principles and the process by which a Master Development Plan will be developed for the Nanaimo Airport that will be recognized as an amendment to the Electoral Area 'A' Official Community Plan.

**Role of the Advisory Group**

The role of the Nanaimo Airport Land Use Planning Process Citizens Advisory Group is to represent the community's interest in guiding the Regional District of Nanaimo's input into the development of a Memorandum of Understanding with the Nanaimo Airport Commission and a Master Development Plan for the Nanaimo Airport. Specifically, the Citizens Advisory Group will review and provide

recommendations on various subjects to be included in the Memorandum of Understanding followed by input into a master development plan for the Nanaimo Airport. The Citizens Advisory Group will then provide input during the formal processes to amend the OCP and zoning bylaw.

### **Purpose**

The purpose of the Citizens Advisory Group is to participate directly and actively in Phases 2 and 3 of the Nanaimo Airport Land Use Planning Process. Specifically, the Citizens Advisory Group will:

1. Comment and provide advice on a set of principles to form the framework of the MOU;
2. Make non-binding recommendations to the RDN on various components of the draft MOU throughout Phase 2 of the process;
3. Identify key issues relating to the Airport, future development, and aquifer protection;
4. Share information about the Nanaimo Airport Land Use Planning Process with the community;
5. Identify issues and questions from the community and bring them to the Regional District of Nanaimo;
6. Respond to ideas and proposals from the RDN prior to presenting them to the community;
7. Assist in the public consultation program, advertising, and scheduled events;
8. Review and provide comments and recommendations on each version of the master development plan for the Nanaimo Airport;
9. Review and provide comments on any other issues of relevance to the Nanaimo Airport Master Development Plan referred from the Regional District of Nanaimo;
10. Assist Regional District of Nanaimo planning staff in identifying and evaluating potential alternatives to key issues relating to the community, future development at the Nanaimo Airport, and aquifer protection; and,
11. Provide information about the Nanaimo Airport Land Use Process to the community and encourage community involvement.

### **Membership**

1. The Citizens Advisory Group will be comprised of a maximum of 10 members of the community.
2. Advisory Group member selection will strive to maintain a balance between social/cultural, economic, and environmental interests and expertise, and between citizens at large.
3. Residents with particular knowledge or interest in ecological systems, hydrogeological systems or transportation and infrastructure are encouraged to apply.
4. The Electoral Area Director or his Alternate shall serve on the Citizens Advisory Group as a non-voting Chairperson and shall not be included towards the maximum number of Advisory Group Members.

## Recruitment

The Electoral Area Director, with the assistance of Regional District of Nanaimo staff, will recruit 10 members to serve on the Citizens Advisory Group by:

1. Advertisement in the Take 5 and the Nanaimo Daily News and/or Nanaimo News Bulletin newspapers;
2. Inviting the following stakeholders to select an appropriate representative to participate on the Advisory Group:
  - a. Community Associations
  - b. Business Community
  - c. Farming Community
  - d. Development/Construction Industry

In the event that the above methods are unsuccessful in recruiting a balance between geographic, social/cultural, economic, and environmental interests and expertise, and between citizens at large, the Electoral Area Director will then use other methods of recruitment such as word of mouth and letters to other various groups, organizations, and individuals.

## Meetings

### *Conduct*

1. All Advisory Group meetings will be conducted in an orderly and business-like manner and will be advertised and open to the public.
2. The order of business will be indicated in the agenda which will be prepared by the Chairperson and the staff liaison. Any additions or changes in the prepared agenda may be requested by an Advisory Group member and must be approved by a majority vote of the Advisory Group members at the meeting.
3. All Advisory Group meetings shall commence at the stated time. The conduct of meetings shall enable members of the Advisory Group to consider information presented, weigh evidence related thereto, and make informed decisions.
4. Advisory Group members will respect the following rules of meeting conduct:
  - Group discussion is important; and everyone should get a chance to speak;
  - Provide honest, open opinions;
  - Agree to disagree; consensus may not always be achieved; and
  - Promise to stay on track and on topic.

### *Meeting Frequency*

Dates, times and places of the meetings will be established at the first Advisory Group meeting. Once established, notice of these meetings will be posted on the Regional District of Nanaimo web site and a schedule will be given to each member of the Advisory Group.

### *Procedure*

1. The Citizens Advisory Group will operate on a consensus basis, with extensive community consultation. Consensus means there is substantial agreement where all group members can accept a decision.
2. If consensus cannot be achieved, all positions will be forwarded to the Electoral Area Director.
3. Attendance by at least half of the Citizens Advisory Group members will be considered a quorum.
4. The Citizens Advisory Group is appointed by the Regional District Board, and reports to the Electoral Area Director who reserves the right to recommend to the Electoral Area Planning Committee amendments to the Citizens Advisory Group structure as required, the appointment of new members to the Citizens Advisory Group, or the termination of the Citizens Advisory Group. The reasons for any decision in these matters will be publicly stated.
5. The Citizens Advisory Group may hear delegations on issues being considered or on proposed content in the MOU or master development plan.
6. Regional District Planning staff or consultants contracted to undertake the parts of the project will be available, as required, to explain the legislative and technical context which affects the review, and the implications of proposals or recommendations made by the Citizens Advisory Group.
7. For Phase 2, the draft principals and draft MOU will be presented to the public to allow comment as part of a public consultation program using methods to be determined by staff with input from the Citizens Advisory Group.
8. As an the non-voting Chairperson of the Citizens Advisory Group, the Electoral Area Director or Alternate Director will chair the meetings and provide background information, advice and direction. The Electoral Area Director or Alternate Director cannot vote or present motions to the Advisory Group.
9. A secretary will be provided by the RDN to prepare agendas in consultation with the Electoral Area Director, record minutes, and distribute those minutes to each member after the meetings.
10. The Citizens Advisory Group has no authority to call public meetings, commit funds, enter into contracts, or represent the RDN.
11. The recommendations of the Citizens Advisory Group shall be considered by the Electoral Area Director, but shall not be binding.

### *Minutes*

The Regional District of Nanaimo will prepare the minutes of all Advisory Group meetings. The minutes shall be signed by the Advisory Group Chair and made available to the public, Advisory Group members, and the Board.

### *Delivery of Meeting Minutes*

Prior to an Advisory Group meeting a copy of the agenda will be mailed, delivered by email, or available for pick up from the Regional District of Nanaimo Planning Department. Copies of communications and other documents and exhibits, which are available and pertinent to the meeting, will also be available.

Advisory Group members shall become familiar with the agenda and supporting materials prior to the meeting, and shall obtain any additional information that may be necessary to make well-informed recommendations.

### *Advisory Group Recommendations and Reports*

Concerns or advice from the Citizens Advisory Group shall be in the form of written recommendations to the Electoral Area Director.

### *Attendance at Meetings*

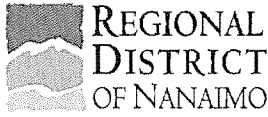
Attendance at meetings will be encouraged for all Advisory Group members. In situations where a particular member cannot attend, the Regional District of Nanaimo will forward a copy of the minutes of the meeting to that Advisory Group member. Each Advisory Group member is responsible for informing staff if they will be absent at the next meeting. Frequent non-attendance by an Advisory Group member will be reviewed by the Electoral Area Director and may warrant a replacement being sought.

### *Meeting Facilitator*

The Chair shall preside at all meetings of the Advisory Group, maintain order, and ensure the rules of the Advisory Group are followed. An alternate Chair will be selected by the members of the Advisory Group in the event of an absence.

### **Remuneration**

1. Members of the Citizens Advisory Group will serve without remuneration but the RDN will pay appropriate preapproved and necessary expenses that arise directly out of the performance of their duties as members of the Citizens Advisory Group in accordance with the *Financial Administration Act and Regulations*.
2. The RDN will cover necessary meeting expenses (room rental, meals, etc.) if applicable.
3. Secretarial Services will be provided by the RDN.
4. Meeting locations will be decided by the Citizens Advisory Group and coordinated by the Regional District of Nanaimo.



## Nanaimo Airport Land Use Planning Process Citizen's Advisory Group Membership Application

Name of Applicant:

Phone Number

Address:

email:

Province:

Postal Code:

Please tell us where you live, work, or own property.

Are you a member of a community group, organization, association, or society that is registered or just established by volunteer membership. If so please provide the details below.

Please tell us why you are interested in participating in the Nanaimo Airport Land Use Planning Process Citizen's Advisory Group (or attach letter).

Do you have a particular interest or expertise in any of the following areas: hydrogeology, ecology, land development, community planning, or transportation systems? If yes, please specify.

We anticipate that the Nanaimo Airport Land Use Process will take about 1 year to complete. Would you be available to attend meetings/workshop sessions during this time?

If not selected for the Citizens Advisory Group, would you like to be informed of involvement opportunities as the process unfolds?

Yes

No

If yes, we will provide instructions on how to add your email address to the RDN email alert system.

The Terms of Reference for the Nanaimo Airport Citizen's Advisory Group is available at the RDN Strategic and Community Development Department. Please review the Terms of Reference prior to submitting your application. Selection criteria seek to maintain a balance of interests within this group, which for practical purposes will be limited to 10 people for effective participation. However, other avenues are being developed as we are seeking as wide an involvement of the citizens as possible, so please submit your application and you will be contacted.

Signature

Date



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COW	✓		
NOV 07 2012			
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BOARD			

**MEMORANDUM**

**TO:** Paul Thorkelsson  
General Manager, Strategic & Community Development

**DATE:** November 5, 2012

**FROM:** Jeremy Holm  
Manager of Current Planning

**FILE:** 0360 20 AAC

**SUBJECT:** Agricultural Area Plan Action Plan

**PURPOSE**

The purpose of this report is to provide an Agricultural Area Plan Action Plan for the Board’s consideration.

**BACKGROUND**

This report follows the Regional District of Nanaimo (RDN) Board’s adoption of the Agricultural Area Plan on October 23, 2012 and the Board’s direction that staff develop an AAP Action Plan for the Board’s consideration within the 2013 budget process.

The RDN Agricultural Area Plan (AAP) project began in July 2011 and included a fourteen-month research and community engagement process guided by the AAP Steering Committee (RDN Agricultural Advisory Committee), staff, and the project consultant (Upland Consulting). The AAP goals and recommendations were reviewed extensively by the Steering Committee, staff, external agencies, provincial ministries, Agriculture Land Commission (ALC), and many community stakeholders and citizens (residents, food producers, farmers, educators, retailers, grocers, etc.). The AAP process successfully increased public awareness of agriculture and aquaculture in the region, and was met with broad community support and an interest to see the Plan implemented and more food grown locally.

The AAP includes recommendations for action in support of local agriculture and aquaculture in the RDN. The Plan also includes a review of the regional planning framework; a vision statement for agriculture/aquaculture; eight broad goals and objectives to achieve the vision; an implementation strategy and work plan; a monitoring and evaluation plan; and a list of potential funding resources. Collectively, the AAP Public Consultation Summary Report (January 2012), technical Background Report (February 2012), and final Plan comprehensively address the project objectives and provide a framework for taking action towards achieving the eight AAP goals to:

1. Protect and Enhance the Agricultural Land Base in the RDN;
2. Strengthen the Local Agriculture and Aquaculture Economy;
3. Improve Training, Skills, and Labour Opportunities in the RDN;
4. Improve Opportunities for On-Farm Water Resource Management;
5. Address Environmental Sustainability, Wildlife, and Climate Change Challenges in the RDN;
6. Promote Awareness and Value of Local Agriculture and Aquaculture;

7. Support Agriculture and Aquaculture in Land Use Regulations and Policies; and
8. Consider Agriculture in Emergency Planning Initiatives.

The objectives of the AAP were to provide clear and implementable recommended actions towards the goal of enhancing local food production in the RDN. For each of the eight goals, the Plan identifies specific objectives and recommended actions to be taken with an indication of the priority, timeframe, key players, and level of resources required to achieve each objective.

It was identified through development of the AAP that the most common reason that AAPs fail to progress is due to a lack of a strong and coordinated implementation and evaluation strategy. As such, in order to ensure the success of the AAP it is important that an AAP Action Plan be developed shortly following the adoption of the AAP.

## **DISCUSSION**

Many of the recommended actions in the AAP require resources that extend beyond the RDN's mandate and jurisdiction. Implementation of the AAP will therefore be a shared responsibility between the RDN and other stakeholders. One approach to implementation, as recommended in the AAP, is to establish an Implementation Steering Committee. Members of this Committee could include:

- Staff and Elected Officials from the RDN and Member Municipalities;
- Members of the RDN Agricultural Advisory Committee;
- BC Shellfish Growers Association;
- Local Chamber of Commerce;
- Economic Development Corporation;
- Vancouver Island University;
- Vancouver Island Exhibition (VIEX);
- BC Ministry of Agriculture;
- Other Representatives, as required.

The Committee would be tasked with several functions: to develop a work plan; identify funding resources; monitor and evaluate progress of implementation; prepare regular reports to the Board; and review/revise the work plan as required. The creation of this Committee and its Terms of Reference would require Board approval, as would any recommendations from the Committee to the Board.

As an alternative to the above AAP recommended approach to implementation, the Board could consider other options including implementation overseen by the RDN Agricultural Advisory Committee (the Steering Committee for the AAP) or RDN staff in the absence of an organized committee; or the Board may choose an alternate arrangement for implementation. Each of these options will result in different resource commitments. Staff would anticipate that the Board will provide direction on the structure and function of an AAP implementation body through consideration of a Terms of Reference for the implementation body at a later date as proposed in the AAP Action Plan below. For the purpose of this report, the implementation body will be referred to as the Implementation Steering Committee.



Following the establishment of an Implementation Steering Committee, the AAP recommends that the first task for implementation would be to develop a three-year work plan to address the “high priority”, “short term” recommendations, and that this work plan be developed within the budget year following the AAP adoption.

The AAP further identifies seven key actions for the work plan, which are “high priority” items to be addressed in the “short term”, and in some cases necessary to allow other actions to proceed (Attachment 1). These items and/or other implementation actions could be included in the Implementation Steering Committee's work plan for the Board's consideration of approval. In order to move forward with implementation of the AAP, while allowing the Board full control in relation to consideration of resource allocations and budgetary impacts in light of competing priorities, Staff propose the following AAP Action Plan.

1. Include for the Board’s consideration an item in the 2013 budget for establishment of an AAP Implementation Steering Committee, including a limited allowance for implementation actions in 2013.
2. Prepare a Terms of Reference for the AAP Implementation Steering Committee for the Board’s consideration.
3. Establish the AAP Implementation Steering Committee as per Board approved Terms of Reference.
4. Work with the AAP Implementation Steering Committee to develop a three-year Implementation Work Plan for the Board’s consideration.
5. Take action on items on the Implementation Steering Committee Work Plan within the limited initial AAP Implementation budget established for 2013.

#### **ALTERNATIVES**

1. To receive this report for information and direct staff to proceed with the Agricultural Area Plan Action Plan as outlined in this report.
2. To receive this report for information and provide additional direction to staff.

#### **FINANCIAL IMPLICATIONS**

As discussed in this report, the Agricultural Area Plan includes a variety of recommendations and implementation actions for consideration by the Board. The resource implications of these recommendations will need to be reviewed by the Board as part of the Board’s decision on implementation of the Plan. There will be financial and resource implications for the Board’s consideration and prioritization in order to effectively implement the recommended actions of the AAP. It is intended that these resource commitments would be reviewed in conjunction with an approved work plan and would require direction from the Board as they are considered through the adoption of annual budgets along with other competing priorities.

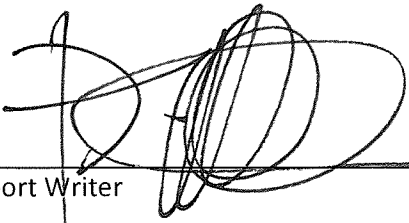
With the exception of staff time commitments and minor expenses related to administration of the Committee, the proposed AAP Action Plan as outlined above will have minimal budgetary impact for 2013 from the establishment of the Implementation Steering Committee through to development of a work plan for the Board's consideration of approval. Any substantial budgetary commitments can be considered by the Board through approval of the Implementation Steering Committee's work plan and would require further Board approval through the annual budget review process.

## SUMMARY/CONCLUSIONS

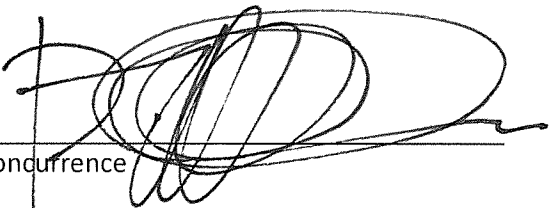
Along with the adoption of the Agricultural Area Plan on October 23, 2012 the RDN Board provided direction to develop an AAP Action Plan for the Board's consideration within the 2013 budget review process. Staff propose an AAP Action Plan that will have minimal budgetary impact in 2013, while allowing the implementation of the AAP to move forward with the establishment of an Implementation Steering Committee and subsequently the development of a Committee work plan for the Board's consideration. Going forward the Board will be able to consider budgetary impacts and resource allocations among competing priorities through review and approval of the Committee's work plan along with broader consideration through the annual budget review process. Depending on the items identified in the Committee's work plan and the Board's decisions on other priorities, implementation action could be undertaken on a limited number of items within the 2013 budget.

## RECOMMENDATIONS

1. That the report on the proposed AAP Action Plan be received.
2. That staff be directed to proceed with Actions 1 through 5 of the AAP Action Plan.

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

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

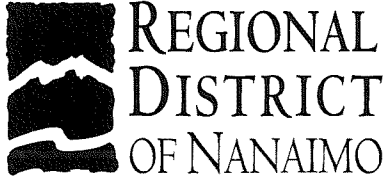
  
\_\_\_\_\_  
CAO Concurrence

Attachment 1

Suggested priority actions for first year implementation based on high priority and short term goals.

Action Number	Synopsis of Action	Key Players	Resource Requirements & Sources
1.1 - A	Consider updating the AAC Terms of Reference to allow the AAC to make comments on every application (exclusion, non-farm use, subdivision) that is forwarded to the Agricultural Land Commission (ALC). Precedence for the Terms of Reference and protocols exist in many other jurisdictions.	Lead: RDN  Supporting: AGRI	Requirements: Low – Moderate  Source: RDN
1.2 - A	Create a webpage for agricultural information and related issues that extends from the RDN website or expands the existing AAP website <a href="http://www.growingourfuture.ca">www.growingourfuture.ca</a> .	Leads: Farmers Institutes, BCAF  Supporting: Economic Development Corporation (EDC), RDN	Requirements: Moderate  Sources: RDN, member municipalities, Farmers Institutes, possible summer student position.
2.1 - D	Establish an Agricultural Development Committee (ADC), possibly as an extension of the City of Nanaimo's Economic Development Corporation (EDC). As first order of business, have the ADC pursue an Economic Development Strategy for agriculture in the region.	Leads: EDC, Farmers Institutes, member municipalities, Tourism BC.  Supporting: RDN, City of Nanaimo	Requirements: Significant  Sources: IAF, RDN and member municipalities, chamber of commerce, Tourism BC
2.2 - A	Create and distribute a local food guide or directory, similar to what is produced in the Comox Valley and Southern Vancouver Island, and include aquaculture. Ensure that it is available online.	Leads: Farmers Institutes, RDN, BCAF  Supporting: Nanaimo Foodshare, Mid-island Sustainability Stewardship Initiative, Tourism BC, VIU	Requirements: Low to Moderate  Sources: Advertisers, Vancity, Real Estate Foundation (REF)

Action Number	Synopsis of Action	Key Players	Resource Requirements & Sources
6.1 - G	<p>Partner with School Districts to add agriculture and aquaculture into the District school curriculum and extend this up to the University and College level.</p> <p><i>Example: Ag in the Classroom; VIU.</i></p>	<p>Leads:            AGRI, Farmers Institutes, Commodity groups, school districts, school boards</p> <p>Supporting:            RDN, Nanaimo FoodShare and other NGOs, Min of Education, ActNowBC, BCAFM, CSR, 4-H Clubs, VIHA</p>	<p>Requirements:            Low to Significant</p> <p>Sources:            School Districts (in-kind), Farm 2 School program, ActNowBC, commodity groups, NGO grants.</p>
7.2 - B	<p>Consider adopting the ALC recommendation of rejecting ALR exclusion and non-farm use applications if they do not align with Electoral Area OCP land use designations and/or zoning, rather than forwarding applications directly to the ALC for decision-making.; or consider adopting a policy to comment on ALR applications, perhaps in combination with a revised Terms of Reference for the AAC (see Recommendation 1.1 A in this Plan).</p>	<p>Lead:            RDN</p>	<p>Requirements:            Moderate – Significant</p> <p>Sources:            RDN</p>
7.3 - F	<p>Update regional and local sign bylaw(s) to better meet the needs of farmers.</p>	<p>Leads:            RDN, MOTI, member municipalities</p> <p>Supporting:            BC Tourism, AGRI</p>	<p>Requirements:            Moderate</p> <p>Sources:            RDN, IAF, AGRI, commodity groups, Farmers Institutes (in-kind), other grant agencies.</p>



RDN REPORT		#11	
EAP		#11	
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BOARD			

# MEMORANDUM

**TO:** Paul Thorkelsson  
Acting Chief Administrative Officer

**DATE:** November 2, 2012

**FROM:** Tom Armet, Manager  
Building, Bylaw & Emergency Planning Services

**FILE:** 0470 20 LANT

**SUBJECT:** District of Lantzville Service Agreements 2013/2014

## PURPOSE

To consider the 2013/2014 service agreements between the Regional District of Nanaimo (RDN) and the District of Lantzville as requested by the District of Lantzville.

## BACKGROUND

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 a service that is within the powers of a municipality. The Regional District has been providing contract services to Lantzville in a number of areas since the incorporation of the municipality in 2003. The District of Lantzville has requested that the Regional District continue to provide contract services in support of the functions listed below for a two year period (*see Attachment No. 1*).

- Animal Control Services
- Building Inspection
- Bylaw Enforcement
- GIS and Mapping Services
- House Numbering
- Noise Regulation
- Nuisance Control
- Unsightly Premises
- Emergency Planning

In previous years, separate agreements were in place for the services as noted above however the agreements were consolidated in the 2011/2012 term to better reflect the current service level requirements of Lantzville. The noise regulation, unsightly premises and nuisance control agreements are merged into the Bylaw Enforcement agreement, which also includes enforcement of the Lantzville zoning bylaw. The GIS, mapping and house numbering services are combined into a GIS and Mapping Services Agreement.

Pursuant to the service agreements, staff resources will be allocated to administer and enforce the designated bylaws and provide the specified services to the District of Lantzville. To continue providing these services, it is proposed that the following service agreements (*see agreements under Attachment No. 2*) be approved for a period of two years beginning January 1, 2013 and ending December 31, 2014:

- Animal Control
- Building Inspection
- Bylaw Enforcement
- Emergency Planning
- GIS and Mapping

## ALTERNATIVES

1. Approve the service agreements between the Regional District of Nanaimo and the District of Lantzville.
2. Not enter into service agreements with the District of Lantzville.

## FINANCIAL IMPLICATIONS

Service agreements are being proposed that will maintain a contractual relationship between the RDN and District of Lantzville to provide specific services and enforce designated bylaws within the incorporated boundaries of the District of Lantzville until the end of 2014. Each service agreement provides a cost recovery mechanism consistent with the assessed value (property) formulas used in establishing the cost of delivering the services in the Electoral Areas. Current RDN resource levels are sufficient to deliver the services and the related costs and revenues are factored into the 2013 budget.

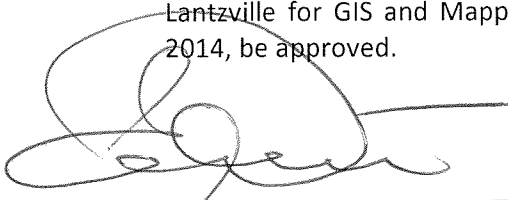
The District of Lantzville has also requested that the RDN consider providing Planning Services for a two year term. The staffing and budget implications associated with the delivery of this service are being examined by staff and further information will be provided to the Board during the 2013 budget approval process.

## CONCLUSION

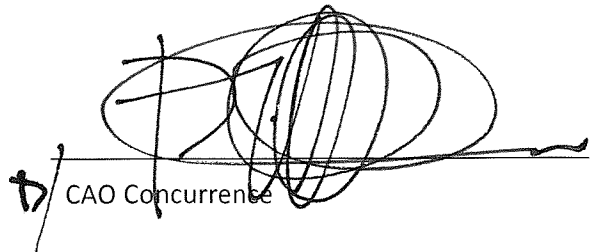
As permitted by the *Local Government Act*, the District of Lantzville is requesting that the Regional District of Nanaimo continue to provide Animal Control, Building Inspection, Bylaw Enforcement, Emergency Planning and GIS/Mapping services on behalf of the municipality. Staff is recommending that the Board approve the attached agreements for the delivery of these services for a 2 year term.

## RECOMMENDATIONS

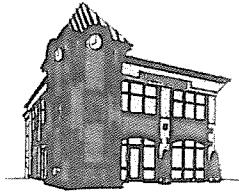
1. That the Service Agreement between the Regional District of Nanaimo and the District of Lantzville for Animal Control beginning January 1, 2013 and ending December 31, 2014, be approved.
2. That the Service Agreement between the Regional District of Nanaimo and the District of Lantzville for Building Inspection beginning January 1, 2013 and ending December 31, 2014, be approved.
3. That the Service Agreement between the Regional District of Nanaimo and the District of Lantzville for Bylaw Enforcement beginning January 1, 2013 and ending December 31, 2014, be approved.
4. That the Service Agreement between the Regional District of Nanaimo and the District of Lantzville for Emergency Planning beginning January 1, 2013 and ending December 31, 2014, be approved.
5. That the Service Agreement between the Regional District of Nanaimo and the District of Lantzville for GIS and Mapping Services beginning January 1, 2013 and ending December 31, 2014, be approved.



Report Writer

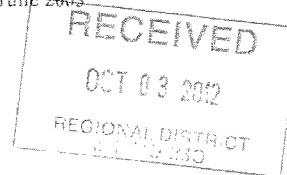
  
b/ CAO Concurrent

ATTACHMENT NO. 1



# District of Lantzville

Incorporated June 2003



October 1, 2012

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

**Attention: Joan Harrison, Director of Corporate Services**

Dear Joan

**Re: Request to Renew Service Agreements**

Pursuant to 'Part 2 – Renewal' of the service agreements identified below, please accept this correspondence as the District of Lantzville's formal request to renew the agreements between the Regional District of Nanaimo and the District of Lantzville for an additional two year term commencing January 1<sup>st</sup>, 2013 and terminating December 31<sup>st</sup>, 2014 as follows.

- Animal Control Services
- Building Inspection
- Bylaw Enforcement
- House Numbering
- GIS/Mapping
- Noise Regulation
- Nuisance Control; and
- Unsightly Premises
- Emergency Planning Services

The District also requests that the Regional District consider providing planning services for the same term as noted above.

While the District continues to investigate the ability to provide these services directly, we continue to face numerous challenges that prevent us from doing so. We are hopeful that the Regional District of Nanaimo will entertain our request and continue to provide these services on our behalf. Should you wish to meet regarding our request, please contact me to make the appropriate meeting arrangements.

Yours truly

**Donna Smith**  
**Deputy Director of Corporate Administration**  
**District of Lantzville**

File: 2240-20-01

G: Corr/12/rdn.agreementrenewals

C: T. L. Graff, CAO, District of Lantzville

P. Thorkelsson, Gen. Mgr., Strategic & Community Development, Regional District of Nanaimo

T. Armet, Manager, Building, Bylaw and Emergency Planning Services, Regional District of Nanaimo

Phone: (250) 390-4006 • Fax: (250) 390-5188

Email: [district@lantzville.ca](mailto:district@lantzville.ca) • Website: [www.lantzville.ca](http://www.lantzville.ca)

P.O. Box 100, 7192 Lantzville Road, Lantzville, B.C. V0R 2H0

**ATTACHMENT NO. 2**

**GIS AND MAPPING SERVICES**

THIS AGREEMENT made on the \_\_\_\_\_ day of \_\_\_\_\_ 2013.

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 RDN to Lantzville;
- B. 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
- C. Letters Patent incorporating Lantzville and Supplementary Letters patent issued to RDN, both under Order in Council No. 0369, 3rd of April, 2003, established a contract between Lantzville and RDN whereby RDN administers Bylaws and services outlined herein, 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:



1. Term

This Agreement is for a term commencing on the 1<sup>st</sup> day of January 2013 and terminating the 31<sup>st</sup> day of December 2014.

2. Renewal

Lantzville shall notify RDN in writing on or before the 31st day of October 2014 if it wishes to renew this Agreement for a further term and shall propose terms to be included in the renewal. The renewal shall be conditional upon agreement by the RDN to all of the terms and conditions of the renewal.

3. Termination

If Lantzville does not give notice to RDN of renewal pursuant to Section 2 of this Agreement, the services provided under it shall terminate on the 31st day of December 2014.

4. RDN Covenants

RDN shall:

- (a) provide all GIS and mapping services from its offices at 6300 Hammond Bay Road, Nanaimo including:
  - Production of plot plans and location maps;
  - Production and sale of maps for the general public from the Regional District's office;
  - Production and maintenance of interactive Web Map;
  - Provision of mapping advice/information;
  - Maintenance and revisions of Legal Cadastral Base, Official Community Plan, Zoning, ALR, and House Number maps and data;
- (b) provide a reasonable number of maps to be sold to the general public from the District of Lantzville offices.
- (c) receive and retain all monies from sales of maps, photocopies and documents for the general public;
- (d) assign house numbers, maintain records and notify, British Columbia Assessment Authority, Telus Address Control Department, Lantzville emergency services and other emergency service providers of changes and additions to house numbering records;
- (e) provide all services to Lantzville in a competent, careful and professional manner equivalent to the standard of services provided by RDN within the Electoral Areas;
- (f) designate the Director of Corporate Services, subject to direction by the RDN Board, as the primary contact with Lantzville, with respect to the Services;

5. Lantzville Covenants

Lantzville shall:

- (a) pay to RDN in consideration of the performance by RDN of the Services, amounts calculated in accordance with Schedule 'A' attached hereto;
- (b) pay to RDN the specified amount calculated under clause (a) at the same time as it remits the Regional District's annual requisition;

6. Additional Services

Despite the level of service agreed to in Section 4, Lantzville may request that RDN provide additional services subject to terms, and consideration agreed to by Lantzville and RDN, including, but not limited to, custom mapping services for special projects or production of retail maps in significant quantities.

7. Indemnity

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.

8. Insurance

Lantzville shall:

- (a) take out and maintain, during the term of this Agreement, liability insurance to cover the indemnity given to RDN in Section 7 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 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.

9. Limits on Liability

Lantzville and RDN acknowledge and agree that:

- (a) RDN is liable only for Services rendered by RDN in a negligent manner or for advice negligently 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.



**Schedule 'A'**

- 1) With respect to House Numbering, the amount payable by the District of Lantzville shall be calculated as if the District were a participant in the Service.
- 2) With respect to GIS/Mapping services, the amount payable by the District of Lantzville shall be calculated by applying the residential rate per thousand calculated for the participants in the service, to the converted values of land and improvements for the District of Lantzville as shown on the BC Assessment Authority Statutory Report RG734.

The residential rate for GIS/Mapping services shall be calculated as follows:

The budgeted expenditures for the year divided by the total converted values for land and improvements of all participants in the General Administration Service (including the District of Lantzville), applied to the converted values of the District of Lantzville as reported on the BC Assessment Statutory Report RG734.

**ANIMAL CONTROL SERVICES**

THIS AGREEMENT made as at the \_\_\_\_\_ day of \_\_\_\_\_ 2013.

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 VOR 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, 3rd of April, 2003, establish a contract between Lantzville and RDN whereby RDN will administer regulatory bylaw listed in Schedule 'A' attached to this Agreement (the "Bylaw") 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:

1. Term

This Agreement is for a term commencing on the 1<sup>st</sup> day of January 2013 and terminating the 31<sup>st</sup> day of December 2014.

2. Renewal

Lantzville shall notify RDN in writing on or before the 31<sup>st</sup> day of October 2014 if it wishes to renew this Agreement for a further period 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.

3. Termination

If Lantzville does not give notice to RDN of renewal pursuant to Section 2 of this Agreement the services provided under it shall terminate on December 31<sup>st</sup>, 2014.

4. RDN Covenants

RDN shall:

- (a) provide all Services from its offices at 6300 Hammond Bay Road, Nanaimo;
- (b) administer and enforce the Bylaws shown on Schedule 'A' attached hereto, 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 RDN within Electoral Areas;
- (e) designate the General Manager, Strategic and Community Development, subject to direction by RDN Board, as the primary contact with the District of Lantzville, with respect to the Services.

5. Lantzville Covenants

Lantzville shall:

- (a) pay to RDN in consideration of the performance by RDN of the Services, the pro rata share of the cost of the service based on the converted assessments as shared among Regional District of Nanaimo Electoral Areas 'A', 'B', 'C' and the District of Lantzville.
- (b) pay to RDN the specified amount calculated under clause (a) at the same time as it remits the Regional District's annual requisition;
- (c) 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;

- (d) 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, and;
- (e) appoint those persons designated by the RDN to enforce the Bylaws as authorized officers.

6. Indemnity

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.

7. Insurance

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.

8. Limits on Liability

Lantzville and RDN acknowledge and agree that:

- (a) RDN is liable only for Services rendered by RDN in a negligent manner or for advice negligently 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.

9. Binding Effect

This Agreement shall inure 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: )

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Chairperson )  
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Manager, Administrative Services )

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

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Chief Administrative Officer )



**Schedule 'A'**

<b>Bylaw No.</b>	<b>Date of Adoption</b>	<b>Citation</b>
1066	March 11, 1997	Animal Control Regulatory Bylaw No. 1066, 1996
1418	May 24, 2005	Bylaw Enforcement Ticket Regulation Bylaw No. 1418, 2005

**BUILDING INSPECTION**

THIS AGREEMENT made as at the \_\_\_\_\_ day of \_\_\_\_\_ 2013.

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 VOR 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, 3rd of April, 2003, establish a contract between Lantzville and RDN whereby RDN will administer regulatory bylaws listed in Schedule 'A' attached 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
- C. The Bylaws are within the powers of Lantzville;

NOW THEREFORE the parties hereto in consideration of the performance of 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:

1. Term

This Agreement is for a term commencing on the 1<sup>st</sup> day of January 2013 and terminating the 31<sup>st</sup> day of December 2014.

## 2. Renewal

Lantzville shall notify RDN in writing on or before the 31<sup>st</sup> day of October 2014 if it wishes to renew this Agreement for a further period 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.

## 3. Termination

If Lantzville does not give notice to the RDN of renewal pursuant to Section 2 of this Agreement then the services provided under it shall terminate on December 31<sup>st</sup>, 2014. On termination of this Agreement, RDN shall turn over responsibility for the completion of all active building permit files ("active permits") to Lantzville on the following terms and conditions:

- (a) Lantzville shall cause its Building Inspector to review all applications in respect of active permits to confirm that the plans comply with the Building Code and shall not rely upon the issuance of a building permit by the RDN as representation of such compliance;
- (b) RDN shall deliver to Lantzville 40% of the permit fee where the permit has been issued but no inspections have yet been carried out; and
- (c) RDN shall deliver to Lantzville 20% of the permit fee where framing inspections have been completed; and,
- (d) Lantzville shall release and save harmless the RDN, its agents and employees from and against any claims, causes of action, suits, demands, expenses, costs and legal fees whatsoever which may arise out of any claim in relation to any Active Permit.

## 4. RDN Covenants

RDN shall:

- (a) provide all Services from its offices at 6300 Hammond Bay Road, Nanaimo;
- (b) administer and enforce the Bylaws as shown on Schedule 'A' attached hereto, and shall exercise the powers contained within the Bylaws for and on behalf of Lantzville;
- (c) 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;
- (d) designate the General Manager, Strategic and Community Development, subject to direction by the RDN Board, as the primary contact with the District of Lantzville, with respect to the Services;

## 5. Lantzville Covenants

Lantzville shall:

- (a) pay to the RDN in consideration of the performance by RDN of the Services, the cost of the Services in an amount calculated by multiplying the rate per thousand payable by the Electoral Areas for Building Policy and Advice Administration times the converted values of the District of Lantzville reported to the RDN on the BC Assessment Statutory Report RG734.

- (b) pay to the RDN the specified amount under clause (a) at the same time as it remits the Regional District's annual requisition.
- (c) 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;
- (d) 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;
- (e) appoint those persons designated by the RDN to enforce the Bylaws as authorized officers.

6. Indemnity

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;
- (b) the provision of the Building Inspection Services by the RDN when interpreting and administering the bylaws, and exercise the powers contained within the bylaws for and on behalf of Lantzville as it relates to Building Inspection; and,
- (c) failure by Lantzville to enforce the provisions of the Bylaws or any one of them.

7. Insurance

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.

8. Limits on Liability

Lantzville and RDN acknowledge and agree that:

- (a) RDN is liable only for Services rendered by the RDN in a negligent manner or for advice negligently 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.

9. Binding Effect

This Agreement shall inure 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: )  
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Chairperson )  
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Manager, Administrative Services )

The Corporate Seal of )  
THE DISTRICT OF LANTZVILLE )  
was hereunto affixed in the )  
presence of: )  
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Mayor )  
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Chief Administrative Officer

**Schedule 'A'**

<b>Bylaw No.</b>	<b>Date of Adoption</b>	<b>Citation</b>
1250	June 22, 2010	RDN Building Regulations Bylaw No. 1250, 2010
1595	June 22, 2010	RDN Building Regulations Fees and Charges Bylaw No. 1595, 2010
1469	March 28, 2006	RDN Floodplain Management Bylaw No. 1469, 2006
1418	May 24, 2005	Bylaw Enforcement Ticket Regulation Bylaw No. 1418, 2005

**EMERGENCY PLANNING SERVICES**

THIS AGREEMENT is dated for reference on the \_\_\_ day of \_\_\_\_\_, 2013.

BETWEEN:

REGIONAL DISTRICT OF NANAIMO  
6300 Hammond Bay Road  
Nanaimo, B.C. V9T 6N2

(hereinafter called "RDN")

OF THE FIRST PART

AND:

DISTRICT OF LANTZVILLE  
7192 Lantzville Road  
Lantzville, B.C. 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 RDN to Lantzville;
- B. 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
- C. Letters Patent incorporating Lantzville and Supplementary Letters patent issued to RDN, both under Order in Council No. 0369, 3rd of April, 2003, established a contract between Lantzville and RDN whereby RDN administers Bylaws and services outlined herein, 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:

## DEFINITIONS

In this Agreement the following words have the following meanings, unless the context otherwise requires:

"EOC" means the Emergency Operations Centre for Lantzville.

"Effective Date" means January 1, 2013.

"Emergency Coordinator" means the person appointed by Lantzville Council and who is coordinating Lantzville's response to an emergency.

"Emergency Coordinator Alternates" means the back-up persons appointed to replace or support the Emergency Coordinator during an emergency response.

"Emergency Plan" means the Emergency plan for the District of Lantzville.

"EP Services" means the services to be provided as set out in Schedule 'A'.

"Operational Equipment and Supplies" means those items set out in Schedule 'B'

"Service Fee" means the service fee calculation as set out in Section 6(a) of this Agreement.

### 1. Term

This agreement is for a two (2) year term commencing on the 1<sup>st</sup> day of January 2013 and terminating on the 31<sup>st</sup> day of December, 2014.

### 2. Renewal

Lantzville shall notify RDN in writing on or before the 31st day of October 2014 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 the RDN to all of the terms and conditions of the renewal.

### 3. Termination

If Lantzville does not give notice to RDN of renewal pursuant to Section 2 of this Agreement, the services provided under it shall terminate on the 31<sup>st</sup> day of December 2014.

### 4. RDN Covenants

The RDN shall:

- (a) provide Emergency Planning and Response Services to Lantzville, as outlined in Section 1 of Schedule 'A' attached hereto.
- (b) comply with all enactments relating to the provision of the EP Services.
- (c) provide to Lantzville, upon request, copies of the financial records of the RDN relating to the provision of the EP Services.



- (d) permit Lantzville from time to time to enter the RDN's premises to inspect its records, premises, machinery, equipment, goods and chattels used in connection with the EP Services.
- (e) designate the General Manager, Strategic and Community Development, subject to the direction by RDN Board, as the primary contact with the District of Lantzville with respect to the services.

5. Lantzville Covenants:

Lantzville shall:

- (a) pay to the RDN in consideration of the performance by the RDN of the Services, the cost of the Services in an amount equivalent to the rate per thousand each Electoral Area is charged for the Service. For the purposes of this section, the Services are those established under 'Regional District of Nanaimo Emergency Measures Bylaw No. 1416, 2005' and the costs shall include staff salaries, operating costs and office overhead;
- (b) pay to the RDN the specified amount under clause (a) at the same time as it remits the Regional District's annual requisition.
- (c) provide emergency planning services as set out in Section 2 of Schedule 'A' attached hereto.
- (d) provide operational supplies and equipment as set out in Schedule 'B' attached hereto.
- (e) pay to the RDN any costs incurred by the RDN as a 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.

6. Indemnify

Nothing in this Agreement is intended to affect or fetter a statutory power, duty or function of Lantzville in relation to an emergency or relieve Lantzville of its responsibility to respond to an emergency or to maintain an emergency program and Emergency Coordinator. Lantzville shall release, discharge, indemnify and save harmless the 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;
- (b) the interpretation, administration and exercising of the powers contained within all legislation for and on behalf of Lantzville as it relates to the provision of emergency planning services.
- (c) failure by Lantzville to provide the support and resources as outlined in Schedules 'A' and 'B'.

7. Insurance

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 five

- (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 the RDN thirty (30) days prior written notice; and,
- (c) in 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.

8. Limits on Liability

Lantzville and RDN acknowledge and agree that:

- a) In all respects, the RDN is an independent contractor entitled to use its own methods to carry out the EP Services to be provided to Lantzville, and;
- b) RDN is liable only for Services rendered by RDN in a negligent manner or for advice negligently given.

9. Binding Effect

This Agreement shall inure 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: )

\_\_\_\_\_)  
Chairperson )  
\_\_\_\_\_)

Manager, Administrative Services

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

\_\_\_\_\_)  
Mayor )  
\_\_\_\_\_)

Chief Administrative Officer )

**SCHEDULE 'A'**

**EMERGENCY PLANNING SERVICES**

**1. RDN Emergency Planning Services**

- (1) The RDN will make available to Lantzville the services of its Emergency Coordinator and two Alternates who will, in consultation with Lantzville, provide emergency planning services including, without limitation:
  - (a) coordination of training;
  - (b) facilitation of general emergency planning events;
  - (c) communication and public awareness activities;
  - (d) apply for and manage various related grant programs and funding initiatives
- (2) Emergency Response Services:
  - (a) in the event of a localized emergency, the services of the RDN Emergency Coordinator or Alternate(s) to work with Lantzville staff on response and short term recovery operations, in accordance with the Lantzville Emergency Plan.
  - (b) in the event of a regional emergency, Lantzville will be represented in the Regional EOC as per the Emergency Management Agreement (Regional Operations Center Structure), and the RDN will provide emergency response as set out in the Emergency Plan and the Emergency Management Agreement.

**2. Lantzville Emergency Services Responsibility**

- (1) Lantzville shall be responsible for its own emergency plan and emergency or disaster response and recovery to the extent these do not form part of the EP Services.
- (2) In addition to the above, Lantzville will be responsible for the following:
  - (a) Appoint the RDN Emergency Coordinator as the Emergency Coordinator for Lantzville;
  - (b) Appoint the two RDN Bylaw Enforcement Officers as Emergency Coordinator Alternates for Lantzville;
  - (c) Lantzville will provide reasonable assistance to the RDN in connection with the RDN EP Services.
  - (d) Lantzville will ensure that its staff is made available for emergency training, activation drills and exercises;
  - (e) Lantzville will ensure that its elected and appointed officials are briefed on the emergency plan and their roles and responsibilities;

- (f) Lantzville will establish and provide administrative support for the emergency management committee;
- (g) In the event of a localized emergency, the RDN Emergency Coordinator will serve as the Lantzville Emergency Coordinator to support the response and initial recovery phases in conjunction with Lantzville staff;
- (h) In the event of a regional Emergency, an RDN Emergency Coordinator Alternate will serve as the Lantzville Emergency Coordinator to support and coordinate the response and initial recovery phases in conjunction with Lantzville staff.

**SCHEDULE 'B'**

**OPERATIONAL EQUIPMENT AND SUPPLIES**

**1. Emergency Operations Center**

Lantzville will purchase equipment and supplies necessary to maintain operational readiness (not a full and complete list):

- (1) Information Display items
- (2) Stationery items
- (3) Storage containers
- (4) Emergency food rations and water
- (5) Additional land lines for the Council Chambers which serve as the EOC during an emergency

**2. Emergency Reception Center**

- (1) Stationery items
- (2) Storage Containers
- (3) Information Display
- (4) Exterior signage
- (5) Volunteer identification
- (6) Volunteer ESS responder jackets
- (7) High visibility vests
- (8) Flash lights
- (9) First aid kit
- (10) Child care items
- (11) Pet care items
- (12) Display board/easel

**BYLAW ENFORCEMENT**

THIS AGREEMENT made as at the \_\_\_\_\_ day of \_\_\_\_\_ 2013.

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, 3rd of April, 2003, establish a contract between Lantzville and RDN whereby RDN will administer the regulatory bylaw 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
- 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:

1. Term

This Agreement is for a term commencing on the 1<sup>st</sup> day of January 2013 and terminating the 31<sup>st</sup> day of December 2014.

2. Renewal

Lantzville shall notify RDN in writing on or before the 31<sup>st</sup> day of October 2014 if it wishes to renew this Agreement for a further period 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.

3. Termination

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<sup>st</sup>, 2014.

4. RDN Covenants

RDN shall:

- (a) provide all Services from its offices at 6300 Hammond Bay Road, Nanaimo;
- (b) administer and enforce the Bylaws shown on Schedule 'A' attached hereto, and shall exercise the powers contained within the Bylaws for and on behalf of Lantzville;
- (c) provide all Services to Lantzville in a competent, careful and professional manner;
- (d) designate the General Manager Development Services, subject to direction by the RDN Board, as the primary contact with Lantzville, with respect to the Services.

5. Lantzville Covenants

Lantzville shall:

- (a) pay to RDN in consideration of the performance by RDN of the Services, amounts calculated in accordance with Schedule 'B' attached hereto;
- (b) pay to RDN the specified amount calculated under clause (a) at the same time as it remits the Regional District's annual requisition;
- (c) 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;
- (d) 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, and;
- (e) appoint those persons designated by RDN to enforce the Bylaws as authorized officers.

6. Indemnity

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.

7. Insurance

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.

8. Limits on Liability

Lantzville and RDN acknowledge and agree that:

- (a) RDN is liable only for Services rendered by the RDN in a negligent manner or for advice negligently 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.

9. Binding Effect

This Agreement shall inure 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: )

\_\_\_\_\_)  
Chairperson )

\_\_\_\_\_)  
Manager, Administrative Services )

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

\_\_\_\_\_)  
Mayor )

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

**Schedule 'A'**

<b>Bylaw No.</b>	<b>Date of Adoption</b>	<b>Citation</b>
972	December 12, 1995	RDN Nuisance Control Extended Service Establishment Bylaw No. 972, 1995
1073	March 11, 1997	Unsightly Premises Regulatory Bylaw No. 1073, 1996
1265	May 14, 2002	RDN Electoral Area D Noise Control Regulatory Bylaw No. 1265, 2002
60	November 14, 2005	District of Lantzville Zoning Bylaw No. 60, 2005

**Schedule 'B'**

1) With respect to the following bylaws, the amount payable by the District of Lantzville shall be calculated as if the District were a participant in the service.

- RDN Nuisance Control Extended Service Establishment Bylaw No. 972
- RDN Unsightly Premises Regulatory Bylaw No. 1073
- RDN Electoral Area 'D' Noise Control Regulatory Bylaw No. 1265

2) With respect to the following bylaw(s), the amount payable by the District of Lantzville shall be calculated as follows:

Bylaw Enforcement Interdepartmental Charge to  
the Planning Services service

divided by

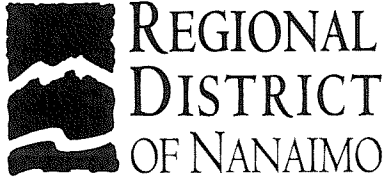
the converted values of land and improvements in  
the Electoral Areas

times

the converted values of land and improvements  
for the District of Lantzville as shown on BC  
Assessment Statutory Report RG734

- District of Lantzville Zoning Bylaw No. 60, 2005

The amount calculated under (2) above is estimated at \$6,985 for 2013. The amount payable in 2014 will be the amount calculated in accordance with the formula set out in (2) above.



KUN REPORT		CAO APPROVAL <del>###</del>	
EAP	<input checked="" type="checkbox"/>		
COW	<input checked="" type="checkbox"/>		
NOV 05 2012			
RHD			
BOARD			

# MEMORANDUM

**TO:** Tom Armet, Manager  
Building, Bylaw & Emergency Planning Services

**DATE:** November 2, 2012

**FROM:** Jack Eubank  
Bylaw Enforcement Officer

**FILE:** CE12-00051

**SUBJECT:** 387 Dunsmuir Road, Electoral Area 'H' - Unightly Premises (update)

## PURPOSE

To update the Board on the outcome of the Board Resolution in relation to the unsightly condition of the subject property.

## BACKGROUND

Regional District staff received several complaints over the past two (2) years concerning the unsightly condition of the subject property which is situated in an area of well-maintained homes. The property contained a substantial amount of debris and unused material and the owner was directed in writing to clean up the property. After failing to do so, the matter was reported to the Board for further direction.

In June 2012, the Board adopted a Resolution pursuant to the "Unightly Premises Regulatory Bylaw No. 1073, 1996" directing the owner to remove the disused material and debris from the property within 30 days.

Over the course of several months, and with the assistance of others, the property owner made slow but steady progress in the property clean-up. Bylaw Enforcement staff met with and provided guidance to the owner on numerous occasions until such time as the condition of the property met the remedial measures outlined in the Board Resolution. In total, approximately 30,000 kg of debris was removed from the property (photos attached).

## ALTERNATIVES

This report is presented for the information of the Board.

## FINANCIAL IMPLICATIONS

There were no costs incurred by the Regional District in the clean-up of this property.

## CONCLUSION

Area residents expressed concerns that the subject property was in an unsightly condition, resulting in direction from the Board that remedial action be taken. Staff worked closely with the property owner to ensure that the requirements of the Board Resolution were met. Over the course of several months the owner removed approximately 30,000 kg of debris and is now maintaining the property in compliance with Regional District regulations.

**RECOMMENDATION**

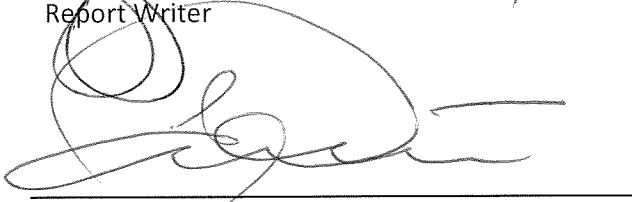
That the report on the outcome of the Unsightly Premises Board Resolution in relation to 387 Dunsmuir Road be received.



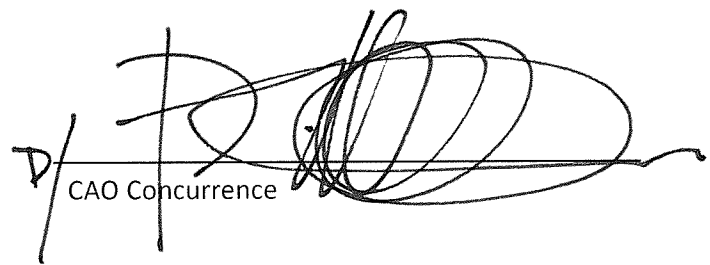
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General Manager Concurrence



Manager Concurrence



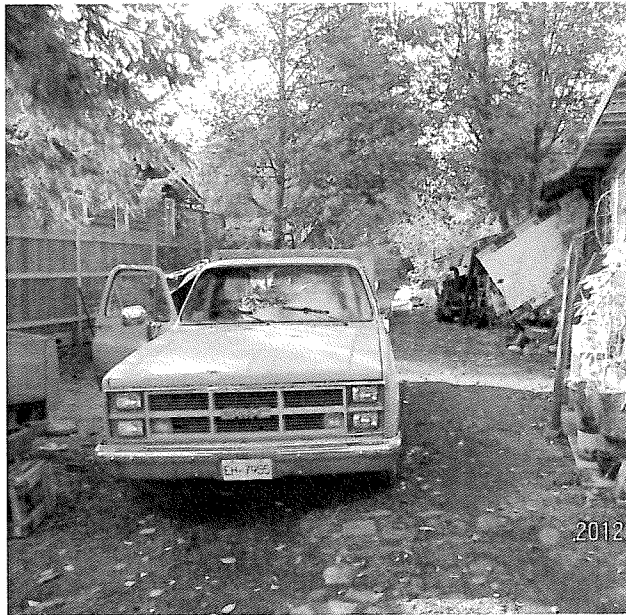
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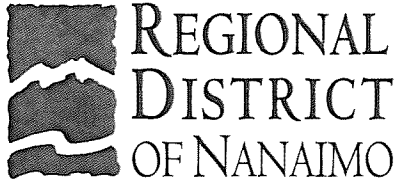
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**BEFORE**



**AFTER**





RDN REPORT	
CAC APPROVAL	
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BOARD	

# MEMORANDUM

**TO:** Sean De Pol  
 Manager of Wastewater Services

**DATE:** October 30, 2012

**FROM:** Shelley Norum  
 Wastewater Program Coordinator

**FILE:** 5340-25

**SUBJECT:** Maintenance of Privately-owned Onsite Wastewater Treatment Systems – Home Septic Assessment Program

## PURPOSE

To receive the *Report on Mandatory Maintenance Program for Private Onsite Wastewater Treatment Systems* for information and to obtain Board support to expand the SepticSmart program and pilot the Home Septic Assessment Program.

## BACKGROUND

### SepticSmart

On October 1, 2007, the Board approved an increase in seepage tipping fees to fund a public outreach program that educates residents about onsite wastewater treatment systems. The fee increase came into effect on January 1, 2008 and SepticSmart was developed later that year. SepticSmart covers system care and maintenance requirements as well as indicators of a failing system. A failing system can be an environmental and health hazard. SepticSmart aims to maximize the useful life of onsite systems and reduce the number of failing systems in the RDN. SepticSmart is currently offered as an annual workshop series. Information is also posted on the RDN website and is available in kits which are available at RDN offices and distributed at workshops and events across the region.

### Onsite Wastewater Treatment Systems - Maintenance Feasibility Study

Some North American jurisdictions enforce regimented tank pump outs, system maintenance and/or routine inspections of onsite systems. Such programs have been termed “mandatory maintenance” programs. The Province of British Columbia is increasingly looking to municipalities and regional districts to implement a mandatory maintenance program for onsite systems. In British Columbia, the Capital Regional District (CRD) has a bylaw specifying the required frequency for tank pump out and system maintenance. Local government jurisdictions with such programs are more likely to receive Infrastructure Grants. For that reason, the Draft Liquid Waste Management Plan Update made a commitment for the RDN to evaluate the potential for a mandatory maintenance program for onsite systems. Wastewater Services also received Board approval in 2009 to proceed with an Infrastructure Planning Grant Application for funds to complete that study. The grant application was successful and Kerr Wood Leidal Associates Ltd. (KWL) recently submitted a report to Wastewater Services entitled: *Report on Mandatory Maintenance Program for Private Onsite Treatment Systems* (Appendix A). This report fulfills a commitment made in the Draft Liquid Waste Management Plan Update.



In the study, KWL examines the feasibility of four options:

- Option 1: Maintain the status quo, which is to continue offering the SepticSmart education program to raise awareness of onsite system care and maintenance requirements.
- Option 2: Adopt a mandatory septic tank pump out program similar to the CRD model.
- Option 3: Adopt a mandatory inspection-based approach.
- Option 4: Adopt a customized program combining voluntary and mandatory components. The voluntary component involves enhancement of the SepticSmart program by piloting the Home Septic Assessment Program. The mandatory approach may be considered further after assessing the outcome of the proposed Home Septic Assessment Program.

KWL concluded that effective education is a key component of any maintenance program. A focus group study performed by the CRD supports this conclusion. The CRD study revealed that, in their region, a great deal of misinformation still exists around proper onsite maintenance. It also showed that educational and financial barriers are the main obstacles homeowners face when arranging for proper or timely onsite maintenance.

Option 1 is the most affordable of the four options but it is not recommended by KWL because it does not address the Province's recommendation to accept a greater responsibility for onsite systems. Option 2 and 3 are true mandatory maintenance programs but are likely to attract strong public opposition, as has been the case for the CRD and their mandatory maintenance program. Option 2 and 3 also require the largest budget and are complicated by issues around fairness, legality and liability. Furthermore KWL's report showed that a regimented pump out (Option 2) does not adequately protect the environment and public from potentially failing onsite systems since the majority of system failures occur outside of the tank and would not be identified or remedied by a pump out. For those reasons, KWL is not recommending either Option 2 or 3.

KWL recommends Option 4 because it has the potential to reduce risks to public health and the environment. Option 4 combines voluntary (Phase 1) and mandatory (Phase 2, if deemed necessary) maintenance components. At this time, staff have elected to pursue Phase 1; the voluntary Home Septic Assessment Program. Phase 2 may be explored further depending on the outcome of Phase 1 implementation.

In Phase 1, the voluntary Home Septic Assessment Program would be piloted as an extension of SepticSmart. Through the Home Septic Assessment Program, trained staff would offer residents free at-home assessments of their onsite system. Staff would not perform maintenance; rather, they would offer information tailored to the resident's system. An at-home service also lets the RDN reach a population that may not be able to attend the SepticSmart workshops or have access to online information. The Province of Nova Scotia offers a similar program that has proven to be successful.

The Home Septic Assessment Program would be available on a first-come-first-serve basis and participants would qualify for a \$100 rebate towards a subsequent septic tank pump out or system maintenance performed by an authorized person. The education component of the Home Septic Assessment Program addresses the educational barrier to proper onsite maintenance. Rebates (200 over the two-year pilot) would enable the Home Septic Assessment Program to address the financial barrier to proper onsite maintenance. Furthermore, pairing the assessment with a rebate will incent homeowners to use this service.

The RDN would pilot the Home Septic Assessment Program for two years. Accordingly, RDN staff would review the program after its second year to document successes, identify areas for improvement, refine program delivery for subsequent years, and consider the need for Phase 2. Results of the pilot would be reported to the Board at the end the two-year pilot.

## ALTERNATIVES

1. Receive the *Report on Mandatory Maintenance Program for Private Onsite Wastewater Treatment Systems* for information and pilot the Home Septic Assessment program in 2013 and 2014.
2. Receive the *Report on Mandatory Maintenance Program for Private Onsite Wastewater Treatment Systems* for information and provide alternative direction to staff.

## FINANCIAL IMPLICATIONS

The pilot Home Septic Assessment Program requires an annual budget of \$37,000 and would be covered under the Liquid Waste Management Plan budget, which has sufficient funds. The pilot Home Septic Assessment Program would be an extension of the existing SepticSmart public education program.

## SUSTAINABILITY IMPLICATIONS

Property owners with a thorough understanding of how their onsite system works and the benefits of proper care, maintenance and inspection have the best likelihood of adhering to those system requirements. Conversely, if a system owner is not properly educated or financially able to care for their onsite systems, their system is more likely to fail. Poorly maintained onsite systems pose a risk to the environment and can endanger public health.

The RDN's SepticSmart program is aimed at maximizing the useful life of onsite systems and reducing the number of failing systems in the RDN that are impacting human health and the environment. The Home Septic Assessment program would increase the potential for SepticSmart to achieve its goals.

## SUMMARY/CONCLUSIONS

To fulfill a commitment made in the Draft Liquid Waste Management Plan Update, Wastewater Services retained Kerr Wood Leidal (KWL) to complete the *Report on Mandatory Maintenance Program for Private Onsite Wastewater Treatment Systems* (see Appendix A). In the report, KWL considers the feasibility of four approaches to onsite system maintenance. KWL recommends Option 4, a custom approach to onsite maintenance which combines both voluntary and mandatory approaches to onsite maintenance. RDN staff recommend that Option 4 be implemented in phases. In Phase 1, the RDN would pilot the Home Septic Assessment Program for two years. Additional components of a comprehensive program may be explored in more detail and presented to the Board following completion of Phase 1.

The proposed pilot Home Septic Assessment Program would enhance the RDN's existing SepticSmart program, an education program that informs the public on proper onsite system maintenance requirements. Currently, SepticSmart information is delivered online and at annual workshops. An at-home service such as the Home Septic Assessment Program would allow the educational program to reach a population that may not be able to attend the workshops or have access to online information. As well, it would provide homeowners with information specific to their system.

Pairing the Home Septic Assessment Program with rebates would encourage program participation and enable the RDN to address both the educational and financial barriers that some homeowners face when dealing with the responsibility of proper onsite system maintenance.

Effective education is a key to the success of an onsite maintenance program. The proposed pilot Home Septic Assessment Program would increase the potential for SepticSmart to achieve its goals of maximizing the useful life of onsite systems and reducing the number of failing systems in the RDN.


The RDN would pilot the Home Septic Assessment Program for two years. The pilot Home Septic Assessment Program requires an annual budget of \$37,000 and would be covered under the Liquid Waste Management Plan budget.

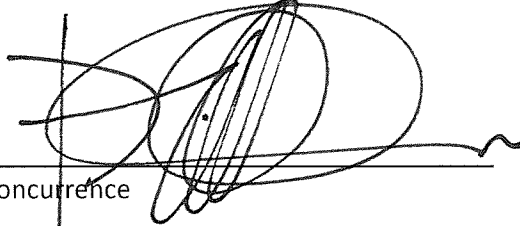
**RECOMMENDATIONS**

- 1. That the Board receive the *Report on Mandatory Maintenance Program for Private Onsite Wastewater Treatment Systems* for information.
- 2. That the Board approve the pilot Home Septic Assessment Program for 2013 and 2014.

  
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# Report on Mandatory Maintenance Program for Private Onsite Wastewater Treatment Systems

Final Report  
September 2012  
KWL Project No. 536.005

Prepared for:  
Regional District of Nanaimo



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## 1. Introduction

Privately owned small wastewater treatment systems in B.C., commonly referred to as decentralized systems, invariably exist on residential and commercial properties without municipal sewer service. Onsite systems have many benefits. When operating properly, onsite systems are cost-effective and can produce effluent of high quality. They use natural processes to treat the wastewater and have a low impact on the hydrologic cycle as they avoid the potentially large transfer of water from one watershed to another. However, all onsite systems require appropriate design, construction, use, maintenance, repair and ultimate replacement. If poorly designed or installed, if not properly used and maintained, onsite systems can “fail”. Failing systems can contaminate a water supply or water body, endanger public health and be expensive to repair.

The Regional District of Nanaimo (RDN) has prepared and implemented a Liquid Waste Management Plan (LWMP) to develop programs and infrastructure to manage the RDN’s wastewater treatment, utilization and disposal needs over the next twenty years. In general, LWMPs are voluntarily prepared by local governments under the authority of the *Environmental Management Act*. The two primary objectives of an LWMP are to:

- 1) protect public health and the environment; and
- 2) engage in a public consultation process.

The RDN is currently updating the LWMP, and one of the components of the update is a commitment to evaluate the feasibility of establishing a mandatory maintenance program for onsite wastewater treatment systems. A regional maintenance program could help protect the public and environment from failing systems. It may also prolong the life of existing onsite systems, protect the value of properties with onsite systems, and shelter property owners from the costs associated with connecting to a municipal sewer system.

Kerr Wood Leidal Associates Ltd. (KWL) has been retained to undertake this feasibility study based on a review of experiences in other jurisdictions, an understanding of regulatory requirements, and discussions with RDN staff identifying their issues and needs. In this regard, KWL has worked closely with RDN Wastewater Services staff, and their special consultant Ron Hein, ROWP, of the Applied Science Technologists & Technicians of BC (ASTTBC).

### 1.1 Scope of Work

The scope of work is set out in the RDN’s RFP dated November 25, 2011. Key office review tasks are summarized as follows:

1. Background literature provided by the RDN;
2. Capital Regional District (CRD) reports used for formulating its bylaw pertaining to implementing a mandatory maintenance program for onsite wastewater treatment systems;
3. Sewerage System Regulation (SSR);
4. CRD Bylaw 3479;
5. Municipal Sewage Regulation (MSR); and
6. Information from other jurisdictions, as it applies.

Key technical issues to be addressed in the report include:

1. Review the trigger for a mandatory maintenance program;
2. Confirm implications of not carrying out a mandatory maintenance program;
3. Define “maintenance” for the purpose of this report;



4. Identify goals of a mandatory maintenance program in the RDN;
5. Identify and assess other options for a mandatory maintenance program in the RDN;
6. Confirm the preferred option; and
7. Prepare a preferred option implementation plan.

Key research, financial and resource issues to be addressed in the report include:

1. Review the case study for the CRD mandatory maintenance program;
2. Summarize other mandatory maintenance programs;
3. Identify cost and staff resources to administer program options;
4. Identify GIS and IT resources required for technical support;
5. Review local capacity to undertake duties (e.g. increased pump outs and/or inspection) under the recommended program, if applicable.

The purpose of this feasibility study is to provide the RDN with sufficient information for its Board to make an informed decision on whether the RDN should accept the responsibility of administering a mandatory maintenance program for onsite wastewater treatment systems. The deliverable under this scope of work is a report summarizing key findings such as what kind of program will best suit the RDN's needs, how much the program will cost and how it should be implemented.

## 2. Background Information

### 2.1 Evolution of Onsite Wastewater Regulations in BC

The earliest wastewater systems originated as decentralized onsite systems. The earliest of these included cesspits which were holes dug into the ground to dispose of wastewater. As technology advanced, the systems evolved into septic systems and more advanced package treatment systems. Older systems share only a slight resemblance with modern systems. Older septic tanks were much smaller and often constructed from different materials such as cedar or concrete blocks with wooden planks covering the open top. Effluent dispersal fields were typically short in length, constructed of clay or concrete-asbestos tile, and their sizing and installation criteria would have been quite different than present regulations. In some cases, these systems are still in use and may even function well for their age with careful use and diligent maintenance.

In 1917, provincial public health boards were given the responsibility to enforce the Provincial Board of Health of British Columbia Sanitary Regulations. This regulation made permits necessary for all house plumbing and drainage and it dictated the acceptable disposal options. Over time, as federal plumbing codes were applied across the provinces, septic system construction was performed by plumbers and standards were imposed under local building codes.

By the early 1970's the BC government had enacted the first Sewage Disposal Regulation (under the *British Columbia Health Act*), which returned responsibility to local Health Authorities to provide permits and inspections, and created a general construction standard for the Province. However, each Health Authority office and each Health Officer was granted limited latitude to vary from the Regulation, so standards were applied inconsistently region-by-region. Septic tanks from this time frame are likely to be somewhat larger and constructed from either concrete or fiberglass, and may have concrete plank-style slabs covering an open top, or may have risers and lids set into a solid top. While dispersal fields were made from the same materials, they tended to be larger. At this time, it was common for laundry and kitchen waste to be directed to a separate and smaller "grey-water" system based on the theory that such waste was less hazardous.



The Sewage Disposal Regulation was updated several times over the next decades and resulted in black (ABS) and eventually white (PVC) plastic pipe replacing the clay and concrete tiles, while plastic, fiberglass and pre-cast concrete septic tanks with lids, replaced cedar and cast-in-place concrete tanks. Increased use of packaged treatment plants and the introduction of pressure distribution dispersal fields and sand mounds also occurred. Some regions still relied heavily on the use of cesspits, which allowed sewage to drain vertically into the ground but grey-water systems were disallowed. Installations were usually undertaken by untrained contractors and property owners, and inspections completed by Health Officers. Maintenance was a legal requirement and responsibility of the property owner, but this was not enforced and no consistent effort was made to educate property owners regarding their duties.

Small private onsite systems are currently regulated under the British Columbia *Public Health Act* Sewerage System Regulation (SSR), which was enacted in 2005. The SSR states that onsite systems installed or upgraded after May 30, 2005 must be designed, installed and maintained by an “authorized person”. The regulation shifted much of the responsibility regarding onsite systems from local Health Authorities such as the Vancouver Island Health Authority (VIHA), to Authorized Persons. Authorized Persons include Professionals (i.e. Professional Engineers, registered under the Association of Professional Engineers and Geoscientists of British Columbia) and Registered Practitioners (e.g. Registered Onsite Wastewater Practitioners, or ROWPs, registered under the ASTTBC), and refers to the BC Sewage System Standard Practice Manual (SPM) as a guide to Standard Practice. Regional Health Authorities can enforce the SSR. Where a health hazard exists, or if a system is likely to cause a health hazard, a Health Officer may write a ticket or issue an Order for the system owner to repair or replace the system. That being said, Health Authorities tend to limit their involvement, so little enforcement occurs in BC. Typically, by the time a Health Officer issues an Order to rectify a health hazard, the onsite system is in a severe state of disrepair and will require major restoration or replacement.

New technologies and techniques have been embraced under this performance-based regulation leading to more flexibility, systems customized to client needs and site constraints, and solutions that allow more difficult sites to be developed. Certain technologies, such as dry-wells, have been recognized as unacceptable risks to groundwater and are no longer allowed. Under the SSR and SPM, an authorized person (such as a system Planner) is required to create a customized Operation & Maintenance (O&M) Plan and provide this to the property owner. This O&M Plan sets out the necessary maintenance activities and their expected frequency for both the property owner and an Authorized Person (such as a Maintenance Provider). It is the owner’s responsibility to ensure that maintenance is conducted in accordance with the Maintenance Plan.

The SPM recommends that Type 1 (septic tank) systems be monitored every two years and pumped out regularly (generally three to five years) depending on household occupancy and tank volume. The manual also recommends that Type 2 (packaged extended aeration) and Type 3 systems (complex systems capable of producing highly renovated, disinfected effluent) be monitored annually or semi-annually and maintained by an authorized person according to the Maintenance Plan<sup>1</sup>.

While it is the legal duty of the system owner to hire an authorized person to maintain onsite systems installed after May 30, 2005, there is no supporting program of education and enforcement to actively inform residents of the minimum maintenance requirements or to ensure maintenance is conducted. As

<sup>1</sup> British Columbia Onsite Sewage Association. 2007. Sewerage System Standard Practice Manual, version 2. Prepared for Ministry of Health. Available: [http://www.health.gov.bc.ca/protect/lup\\_standards.html](http://www.health.gov.bc.ca/protect/lup_standards.html).





well, there is no legal maintenance requirement for systems installed before May 31, 2005, and maintenance on these systems does not have to be done by an authorized person.

## 2.2 Classes of Onsite Systems

In BC, onsite systems under the SPM are classified as Type 1, Type 2 or Type 3 systems, based on the quality of the treated effluent. Type 1 systems generally refer to the traditional septic tank and drain field distribution system. Type 2 and 3 systems generally refer to package treatment and advanced treatment plants and are typically used on smaller lots, lots with challenging soil conditions or in sensitive areas requiring higher quality effluent. Type 2 and 3 systems may be installed where siting conditions (land area, slopes, soil conditions and proximity to water bodies or wells) preclude the use of a Type 1 system, but cost substantially more than Type 1 systems to construct and maintain.

## 2.3 Anatomy of Failure

Onsite systems which are properly planned, designed, installed, operated and maintained can perform satisfactorily throughout their functioning lifespan. Like a roof or a hot water tank, onsite systems have a finite life expectancy depending on many variables. It has been suggested that the average serviceable life expectancy for Type 1 septic tanks is in the order of 25 years, and Type 2 and Type 3 treatment plants in the order of 15 years. Effluent dispersal systems may also last 25 years. Premature failure is not uncommon. Conversely, with proper care, onsite systems may function much longer.

That being said, it is important to understand how and why failures occur. Systems can fail because of poor planning, design and installation (e.g. under-design, poor construction, improper use of materials, inappropriate site selection, unfavourable soil characteristics, insufficient soil depth). Others fail because of improper maintenance, use of harmful chemicals, soil compaction, or building and land alterations which are not suitable near a septic field (e.g. installing a garage or patio over the septic field). One of the most common causes of failure is simply from putting too much water down the drain. When properly designed, constructed and used systems are inspected frequently and effectively, malfunctions can usually be avoided, or identified and corrected well before a health hazard or other failure condition occurs.

Privately owned onsite wastewater treatment and effluent dispersal systems are typically installed in rural areas on larger lots. Under previous legislation, the minimum lot size was a quarter acre, and this has recently been increased to a half acre. These lot sizes serve two important functions. They are not only large enough to accommodate an onsite system, but ideally, are big enough to accommodate a replacement system should the original one fail. The larger lot sizes are also assumed to constrain the harmful effects of system failure within the extremity of the site, thereby limiting public exposure to health risks and impacts on the greater environment. While this is the intent, the reality can be significantly different. Poorly operating systems may result in negative effects that can act cumulatively and pose public health issues and negatively affect the environment. Typical adverse situations include transport of nutrients (nitrates and phosphates) through the soil over time where they may accumulate at the ground surface, or where they may affect the quality of subsurface aquifers, or they may reach surface waters where eutrophication processes can take place.

The trend in onsite systems has shifted from about 90% septic tank systems (Type 1) for older installations, to about 80% treatment systems (Type 2 and 3) since 2005. In the RDN, potentially failing onsite systems are expected to be mainly the old Type 1 systems. These comprise two main key components: the septic tank and dispersal field. In many cases, a distribution box is also a part of the system. The major components, and areas of typical failure, are briefly described below.



**Septic Tank:** The older septic tanks were made of precast concrete and often constructed in two halves (clam shell construction). The mating joint between the two halves was often sealed with bituminous mastic, and may also have been grouted on the inside. Septic tanks were often of single compartment type, and size selection was based on two-day nominal retention time (compared with three-day nominal retention required by present regulation). Older style tanks typically did not have any baffles or effluent filters.

Septic tanks can leak untreated sewage into the surrounding soils. Where septic tank leakage exists, it is most often found at the mid-level joint, and at the effluent outlet pipe aperture (the inlet usually being 2 inches higher than the outlet). Minor leakage is generally unnoticeable, as the escaped liquid infiltrates into the soil. Major leakage may be evident at the surface, depending on slopes and soil conditions. Periodic (e.g. five-year) septic tank pump-out would not improve a leakage condition or diminish its effects on public health or the environment.

**Distribution Box:** This component of a Type 1 system receives effluent from the septic tank outlet pipe. Its main function is to arrest the forward velocity of the flow, and direct the quiescent flow equally to a number of effluent distribution pipes that feed the dispersal field. These boxes rarely fail, but their ability to perform is severely impacted by the slightest misalignment. Unequal flow through the distribution box can cause the overloaded areas of the dispersal field to fail. Unlike today's distribution boxes that have adjustable "speed levellers", older distribution boxes have to be reconstructed to restore equal flow distribution. Septic tank pump-out would not help detect any misalignment of distribution boxes.

**Dispersal Field:** This component represents the effluent delivery system to the soil. It generally comprises several trenches containing perforated pipe within a gravel-filled bed, and covered with native soils. Its function is to distribute effluent to permeable soils at a depth that is typically at least 1m above the seasonal high water table, bedrock or relatively impervious soil layer. The soil physically filters the effluent, and provides aerobic conditions for removing pathogens, viruses, bacteria and other harmful agents. Normally, 99% renovation is achieved within the first 300 mm of the underlying trenched soil.

Many dispersal fields serving older Type 1, 2 and 3 treatment systems operate as gravity fed trickling systems. By this, it is meant that any discharge from the house to the septic tank, results in an equal volume discharge to the field. These discharges occur frequently, and typically are of low volume. Accordingly, the volume discharge to the field is very low in proportion to the entire volume of the distribution pipes in the dispersal field. Consequently, the flow to the field only advances a short length along the pipe before it escapes through the distribution pipe perforations to the soil below. This process, repeated over a long period of time, causes hydraulic and biologic overloading at the front end of the distribution pipe, and results in localized failure. The biomat created under anaerobic conditions seals off the effluent egress path, and the effluent continues to flow further along the pipe to where it can still exit the pipe through its perforations. Such gravity fed trickling systems tend to eventually clog up and ultimately fail. In modern practice, and where conditions dictate, effluent is more evenly distributed using an intermittent dosing system that includes a dosing valve or pump. Both these systems deliver flows over the full length of dispersal trenches and each effluent dose is released into a fully aerobic environment. Accordingly, the failure method described above does not apply.

A frequently occurring failure mechanism for older fields is due to outwash of solids from the septic tank or treatment plant into the dispersal field. In modern practice, this is mitigated through use of larger septic tanks, designed with dual compartments, and equipped with effluent filters. Pumping the septic tank at an appropriate interval, and avoiding excessive water use, helps to prevent this failure mode.



Given the above background, it should be readily foreseeable that the majority of system failures may be attributed to malfunction of the field and very few to failure of the septic tank. It should also be evident that frequent pump out of septic tanks may be useful for some circumstances, but is not a cure for all. Supportive of this conclusion, is Ron Hein's (ASTTBC) observation that, in his experience, 85% of installed systems have issues affecting operation and that these issues could not be fixed by routine pump out.

## 2.4 RDN Data and Assumptions

The RDN is a regional federation of four municipalities and seven rural electoral areas spread over 207,000 hectares. The RDN is home to a growing population, currently estimated at about 150,000. Approximately 30,000 people are reported to use some 12,000 onsite wastewater treatment and effluent dispersal systems in the RDN. A variety of onsite systems (constructed of different materials with varying components) exist in the RDN today. The RDN assumes that, relating to onsite systems, the biggest risk to the environment and public health is from system failure. The *Toolkit for the Development of Management Programs for Onsite Sewage Systems* (the Toolkit) estimates that 20% to 25% of the onsite systems in BC are failing (Giles and Sabell 2003). This equates to an estimate of potentially 2,400 to 3,000 failing systems in the RDN.

The RDN is aware of the potential for failing systems within regional boundaries. In 1997 and 2000, the RDN assessed the potential for onsite system failure in the RDN. The 1997 study considered three variables: lot size, soils mapping and drinking water aquifers to determine potential problem areas. The RDN also consulted with VIHA to determine known problem areas. Field observations of ditches and cut slopes were made to inspect soil and water table conditions. As no test holes were dug, only surface water samples were taken. Results of the assessment were provided in Section 8.2 of the Northern Communities Stage 2 LWMP and Section 6.2 of the Southern Communities Stage 2 LWMP.

A similar study was conducted in 2000. The RDN consulted with VIHA, MOE and Islands Trust to determine potential problem areas. This assessment considered 11 variables: lot size, housing density and age, soil type, proximity to environmentally sensitive areas, estimated number of failures in the past three years, coastal sensitivity, building inspections, water supply sources, aquifer vulnerability and aquifer priority. Results were presented in a report to the RDN Board in 2001. The study identified 47 problem areas in the region, and the site with the highest risk rating was on Gabriola Island. A follow up study was done on Gabriola Island, in partnership with Islands Trust, to determine the best options for addressing the onsite sewage disposal problems on the island.

While there are no accurate records to rely on, it is likely that most of the onsite systems in the RDN were constructed before the SSR came into effect in May 2005 and are "grandfathered" with respect to current maintenance regulations. Although provincial statute does not require the owners of onsite systems constructed before May 2005 to maintain their systems, all onsite systems require periodic maintenance for proper function, and to protect public health and the environment.

As mentioned in Section 2.1 above, statutory authority for onsite wastewater systems in Canada rests with provincial governments. Regulations in BC require that planning, installation and maintenance of onsite systems installed or upgraded after May 30, 2005 be performed by professionals and registered practitioners. There is currently no regulatory (bylaw) mechanism for onsite wastewater management in RDN. The RDN's present strategy is to provide a public education program called SepticSmart, and under its LWMP, to extend municipal wastewater service to properties with failing onsite systems where practicable. The RDN also accepts and treats septage at its pollution control centres and septage receiving facilities.



There is no legal requirement for regional governments to ensure proper operation and maintenance of onsite systems; however, MOE encourages local governments to take a stronger leadership role in onsite system management. In recognition of this, RDN has voluntarily undertaken this study to investigate the feasibility of a mandatory maintenance program for onsite wastewater treatment systems.

### 3. Examples of Mandatory Maintenance Programs

#### 3.1 Septic Tank Pump Out Program: CRD Case Study

The Capital Regional District (CRD) in southern Vancouver Island is currently the only local government in B.C. that has implemented a Mandatory Maintenance Program for onsite systems. The program supports the Core Area LWMP, covering a portion of the CRD including the municipalities of Colwood, Langford, Saanich and View Royal (Victoria and Oak Bay are also in the LWMP area, but have no onsite systems). Other municipalities and electoral areas in the CRD may opt into the program, but none has done so.

When designing the program, the CRD identified three main options for implementation. These options included:

1. An inspection based option;
2. A pump-out option with voluntary inspection; and
3. A hybrid of both.

After several years of deliberation, the pump-out option was selected, and implemented in 2007 through Bylaws 3478 (Establishment Bylaw) and 3479 (Maintenance Bylaw). Much earlier in 2001, the CRD implemented the public education program, SepticSavvy, which was very well received.

The bylaw requires the owner of an onsite system in the service area to undertake the following:

1. Pump-out of Type 1 systems on or before December 31, 2010, and every five years thereafter;
2. Maintain a Type 2 or Type 3 system in accordance with its written maintenance plan, and ensure its continued maintenance by an Authorized Person at least once per calendar year; and
3. Retain records of all maintenance carried out by the authorized person, and provide copies to the CRD within three days of its request to do so.

The bylaw also provides for enforcement of the above noted requirements, and establishes a maximum penalty of \$2,000 for contravention.

Discussions with CRD staff have been very helpful in providing a better understanding of the program together with implementation costs and operational issues. The program has been tested on approximately 10,000 of the estimated 27,000 onsite systems in the CRD. The program cost is recovered through a parcel tax of \$14 to \$17 per year, and totals approximately \$150,000 per year. It is administered by a part time coordinator and a part time administrator for a total of 1 full time equivalent (FTE).

A voluntary audit was initiated in 2011 of four selected properties whose owners believed their systems to be functioning properly. Of these, one system had failed, one had a good maintenance history but was leaking at the septic tank before the distribution box so that no effluent was reaching the field, and a third was an oversized system with an impeccable maintenance history. The fourth system could not be inspected because there was a concrete patio built over the system. It is not clear whether this is a representative sample of all systems, but at least it does highlight that there are clearly existing



operational and maintenance issues, potential challenges for any mandatory maintenance program, and a definite need for public education.

The CRD has a data management system; however such a system is only as good as the data available. In this regard, there are many systems that predate regulatory requirements, and therefore no records exist, while other records have been lost, and many other records are either incomplete or simply incorrect. The estimated annual costs for overall data management and adding new systems to the database is \$25,000 against the CRD's GIS budget, and \$10,000 against the IT budget. CRD staff has indicated that maintaining a database has been difficult, and that the program as a whole is underfunded.

These facts and opinions are very useful for this report, and provide a solid information background for the RDN to consider as it evaluates its options for implementing its own program.

### 3.2 Inspection-based Programs

Some jurisdictions, particularly in the USA, have programs that include mandatory inspections. This option has been reviewed in some detail by Giles and Sabell (2003) and by Associated Engineering (2008) in a discussion paper prepared for the LWMP update. These reports identify three inspection-based approaches summarized as follows:

- a. Privately owned and maintained onsite systems with privately operated inspection;
- b. Privately owned and maintained onsite systems with publicly operated inspection; and
- c. Publicly owned and maintained onsite systems with publicly operated inspection.

Giles and Sabell (2003), in their Toolkit, outline the advantages and disadvantages of all three inspection approaches. This information was summarized by RDN and is provided in Appendix A.

Of these three sub-options, both Giles and Sabell and AE conclude that only sub-options a and b are viable. Furthermore, options b and c have the potential to displace an established industry since they both bring in municipal staff to provide services currently provided by industry. Therefore, sub-option a may be the only viable inspection-based option for the RDN. This option involves:

- Developing renewable operating licences for owners to use their systems for a specified period, subject to proof of satisfactory performance;
- Mailing out licence requirements and application forms;
- Receiving payments;
- Maintaining a database and file system;
- Enforcing compliance (of bylaw requirements); and
- Licence renewal.

## 4. RDN Maintenance Options

### 4.1 Objectives

This section describes the RDN's objectives for a potential maintenance program within its jurisdiction. To align with the objectives of the LWMP, the maintenance program must protect the environment and public health. To determine success and facilitate improvement in subsequent years, the preferred program should also produce measurable results. As well, to implement a new program, the program first must obtain approval from the RDN Board, and the Board must consider the financial implications of



all items brought to their attention. Considering the above, the RDN concluded that a preferred maintenance program will:

1. Protect the environment and public health;
2. Produce measurable results; and
3. Be financially feasible.

When choosing and implementing the preferred option, the RDN should also consider the capacity of the local industry to respond to program requirements. While the scope of this study is to examine the feasibility of a *mandatory* maintenance program in the RDN, the recommended program may or may not involve a mandatory component, if it is otherwise able to achieve the program goals.

At this time, it may be also helpful to identify the RDN's current understanding of the term "maintenance". For the RDN, the term maintenance includes actions which:

- Promote the proper function of an onsite system; and
- Prevent or correct system failure.

Maintenance activities may include:

- System inspection to identify components which are not functioning as designed;
- Repair of poorly operating components; or
- Routine maintenance or regular pump out of a properly functioning system.

## 4.2 Options

The four options under consideration include maintenance programs to:

1. Maintain the status quo;
2. Adopt the CRD mandatory septic tank pump out based model;
3. Adopt an inspection based approach; and
4. Adopt a custom maintenance approach.

A brief description of each option is presented below:

### 1. Option 1: Maintain the Status Quo

As mentioned in Section 2.4, the RDN's present strategy is to provide a public education program called SepticSmart. The RDN also has a program within their LWMP to investigate the need for and facilitate the extension of municipal sewer service to properties with failing onsite systems. This option involves continuation of the current strategy without a regulatory and enforcement approach to system inspection or maintenance.

### 2. Option 2: Adopt a Mandatory Septic Tank Pump Out Based Model

This option is equivalent to the CRD program detailed in Section 3.1.

### 3. Option 3: Adopt an Inspection Based Approach

This option is equivalent to sub-option a, detailed in Section 3.2.

### 4. Option 4: Adopt a Custom Maintenance Approach

Since the RDN currently has no regulatory mechanism (bylaw) in place for onsite wastewater, it is challenging to identify opportunities which can be taken by an existing RDN service line which addresses the intent of a mandatory maintenance program. However, through a customized approach to regional onsite management, the RDN can address the needs and issues specific to



the region. Preliminary information collected by the RDN suggests that the main barriers to proper onsite system maintenance are knowledge and finance-based. The RDN may consider a custom approach which combines education with financial incentives that enable lower income homeowners to maintain their systems. The custom approach may also integrate mandatory onsite system inspections into the building permit application process. The RDN may also proactively address complaints made regarding failing onsite systems.

### 4.3 Options Analysis

The previous section identified and briefly summarized four options for onsite system maintenance programs in the RDN. This section considers whether the program options meet the RDN’s objectives for a maintenance program. Specifically, it addresses protection of public health and the environment; measurability of results and financial feasibility. It also addresses feasibility considerations such as fairness, legality, liability, intrusiveness and anticipated public acceptance.

The following Table 4-1 examines several criteria to compare the feasibility of the four options. The colour coding represented by reds and oranges are judged to be less favourable, with red being the least. Greens and yellows are judged to be more favourable with green being the most. The feasibility of each option is also discussed further, below.

**Table 4-1: Comparison Analysis for Options**

Objectives		Identified Options			
Item	Evaluation Criteria	#1 Maintain Status Quo	#2 Follow the CRD Model	#3 Inspection Based Approach	#4 Custom Maintenance Approach
1.	<b>Health and Environment:</b> Reduction of risk to the public	Low	Low	High	Moderate
2.	<b>Measurability of Success:</b> Reduce the number failed or failing systems	Low	Low	High	Moderate
3.	<b>Cost:</b> Relative costs between options	Low	High	Highest	Moderate
4.	<b>Resources:</b> Strain on RDN staff resources	Low	High	Highest	Moderate
5.	<b>Fairness:</b> With respect to other users	Fair	Unfair	Unfair	Fair
6.	<b>Legal Issues:</b> Potential for property access problems	None	Moderate	High	None
7.	<b>Liability:</b> RDN’s potential exposure	None	Moderate	High	Low
8.	<b>Intrusiveness:</b> Sense of government interference	None	High	Highest	Low
9.	<b>Acceptance:</b> Potential for public opposition	Low	High	Highest	Low



### 1. Option 1: Maintain the Status Quo

The RDN's current approach with the education program, SepticSmart, is to raise awareness of onsite system maintenance. This approach scores well in the fairness, legality, liability, intrusiveness and acceptance categories. However, it can be difficult to measure the success of a public education program. (Currently, the RDN asks the public to complete a survey after attending a SepticSmart workshop to get feedback on the effectiveness of the program). Also, it is the most affordable of the four options, since it requires the smallest budget and fewest staff members, but it does not address the MOE's directive for local governments to take on responsibility for onsite systems. Therefore, Option 1 is a reasonable approach, but not the recommended option.

### 2. Option 2: Adopt the CRD Mandatory Septic Tank Pump Out Based Model

The ability of this option to meet program objectives and feasibility criteria are discussed below.

#### a) Health

When asking the question of whether pump outs protect environment and public health, there is a logical argument that mandated pump out can be an effective proactive approach to reducing the potential number of new failures in properly operating systems. Section 2.3 shows us that the majority of system failures may be attributed to malfunction of the field and very few to failure of the septic tank. Additionally, regimented pump outs on a failing system are not likely to identify or correct the cause of failure. Given that the majority of failures occur in the dispersal field, one could argue that the risk to public health and the environment is not substantially reduced in these circumstances through the simple act of pumping out septic tanks. While the benefits of regular pump outs are noted, it is concluded that the mandatory pump out model does not sufficiently meet the RDN's program objective of protecting public health and the environment.

#### b) Measurability

The CRD model measures success by noting 85% compliance with its bylaw for Type 1 systems. The frequency of tank pump out and the volume of pumped septage are also readily available data. However, it is difficult to correlate this information to a reduction of the number of already failing or failed systems. According to the RDN's assumption, failing systems pose the greatest risk to the environment and public health. Therefore, KWL concludes that the CRD's model does not effectively meet the RDN's program objectives.

#### c) Cost and Resources

The CRD program reportedly covers 10,000 onsite systems at an annual cost in excess of \$150,000. The RDN, in contrast, has over 12,000 onsite systems and an existing annual budget of approximately \$36,500 (from septage receiving fees) to administer the SepticSmart public education program. Clearly, the CRD model could only be financially feasible for the RDN by imposing higher tax rates, increasing septage disposal fees, or reallocating funds and staff time from other LWMP Programs (the annual budget to administer all twelve LWMP Programs and pay for one full-time staff member is approximately \$150,000).

#### d) Fairness

The CRD model applies to all systems, regardless of construction date. One might consider the fairness of a mandatory maintenance program to onsite system owners who built their systems at great expense after May 2005 to meet the most recent *Health Act* requirements. In this regard, they would have installed much larger septic tanks with two compartments, baffles, and an effluent filter. Their septic tanks would be manufactured using sulphate resisting cement,





and reinforced with fibres to resist micro cracking. Their distribution boxes would have “speed levelers” on effluent pipe outlets for easy adjustment in case of uneven distribution. The dispersal field would be designed and constructed to meet very stringent site criteria. Where conditions dictate, they would have installed a Type 2 or Type 3 system. Additionally, they are required to follow an individually tailored operation and maintenance plan. This would all have been accomplished at a significantly greater cost to the owner when compared to the “grandfathered” systems.

The questions of fairness would include:

- Why should I pay more for the volume of pump out when my tank by regulation is 900 gallons, while those constructed before 2005 only needed to have a 600 gallon tank?
- Why should I as a single occupant pump out my tank as frequently as my neighbour who has a family of six?
- Why should I be penalized when I only live in the house for a part of the year?
- Why should I be penalized when my system is newer and therefore less of a risk to public health and the environment?

The above noted questions are but some of the foreseeable questions, but they all speak to the same issue. It is reasonable to assume that many owners would view implementation of a mandatory maintenance plan as being inherently unfair.

e) Legality

In terms of legality, there is the issue of intrusion onto private property, which may be required to enforce bylaw compliance or follow up with infractions and potential penalties. While there are many situations that permit “authorities” to enter onto private property, some may be considered beneficial (e.g., ambulance, firefighters, letter carriers, etc.). Others like BC Hydro are moving away from entry onto private lands through installation of smart meters. From a homeowner’s perspective, a bylaw enabling regional district staff to conduct inspections on private property is more intrusive than a voluntary or educational program.

f) Liabilities

Lastly, the RDN should consider the issue of liability. There is always the possibility that the regional district could face exposure when property owners “rely” on the bylaw requirements for pump out every five years. If things go wrong after adhering to the recommended frequency of tank pump out, then owners may seek compensation. Accordingly, should this option be implemented, the RDN should take care to recommend supplementary maintenance activities, in addition to pump out requirements.

Where pump out is part of a system operation and maintenance plan, its necessity is clear since maintaining a regular pump out regimen is very effective in reducing the volume of solids in the septic tank and reducing the probability of those solids building up in the distribution pipes. The CRD program currently faces challenges associated with budgeting and staff resources. The CRD has faced additional data management challenges creating a database of properties with onsite systems and updating the database records of pump out activity to assess compliance with their bylaw. A similarly constructed plan would reasonably face the same issues. Even if the RDN could find ways of adopting the CRD model in a more efficient manner, and find additional revenue streams, the plan would be unlikely to satisfy RDN’s main objectives by having a positive and measureable influence on the environment and public health by reducing the number of failing onsite systems. Therefore, Option 2 is not the recommended option.



### 3. Option 3: Adopt an Inspection Based Approach

If the RDN had access to considerable budget and resources, this option may be the best option to satisfy the objective of protecting the environment and public health. Its success in correcting the function of failing onsite systems would also be readily measurable. The inspection based option may be regarded by property owners as a mandatory requirement rather than voluntary, and as such may attract strong opposition. This option would also face the same challenges as Option 2, with particularly high administration costs and demand on staff resources. As such, it is considered to be more expensive and more difficult to manage than Option 2, and therefore, Option 3 is not recommended.

### 4. Option 4: Adopt a Custom Maintenance Approach

By inspection of Table 4-1, it would appear that Option #4 is the only option that rates well in all feasibility categories. It balances benefits to the environment and public health with fiscal constraints, legal risks, technical issues and public acceptability. It has potential to produce measurable results, since the RDN will likely be able to document instances of system repair. It also limits the liability taken on by the RDN since Authorized Persons will continue to determine the required level of maintenance.

This approach cannot be expected to uncover every failed or failing system, nor will the objectives be met immediately. However, over time, it will reduce the number of failing systems and some of the systems repaired or replaced will be documented by the RDN, producing a measurable result. Clearly, this maintenance program cannot be described as a fully mandatory approach as originally envisaged, however its value should not be negated. In fact, this option develops an approach that is not only customized to suit the RDN's needs, but it also aligns with the LWMP goal of reducing risks to public health and the environment. This kind of a program can be tailored to fit varying budgets.

## 4.4 Recommendation

Given that Option 4 is the only option which meets the objectives set out in Section 4.1 and the feasibility criteria established in Section Table 4-1, KWL recommends that the RDN adopt Option 4.

## 5. Implementation Plan

The recommended option, Option 4, is a customized approach which addresses needs and issues specific to the region. This option includes components to:

- Address perceived educational and financial barriers;
- Integrate mandatory onsite system inspections into the building permit application process; and
- Address complaints, if any, made to the RDN regarding failing onsite systems.

The Implementation Plan, provided below, outlines actions for a two year program. Part of the first year will be spent developing and launching the program; therefore, measurable results may not be immediately apparent. The RDN should review the program after its second of year to document successes, identify areas for improvement, and refine costs for program delivery in subsequent years.



## 5.1 Public Education

System owners who have a thorough understanding of how their treatment system works and the benefits of maintenance and inspection have the best likelihood of adhering to the recommended maintenance regime. Conversely, if a system owner is not properly educated, or financially able to arrange for care of their onsite systems, it can lead to system failure. Poorly maintained onsite systems can pose a risk to the environment and endanger public health. A public education program is key to any maintenance program, and also helps owners understand the true costs and benefits of both well-maintained and poorly maintained onsite systems, in comparison with municipal sewer service.

The RDN currently delivers its education program, SepticSmart, to provide homeowners with the information necessary to empower them to properly use and maintain their onsite wastewater system. The goal is to reduce the number of problem systems in the RDN which can impact the environment and human health. The program is delivered by mail-out of the SepticSmart newsletter, distribution of SepticSmart household information kits, hosting SepticSmart workshops, and access through the RDN's website. SepticSmart is very well received by the general public; however, this section includes some suggestions to enhance the existing program. Potential areas of improvement include:

- Providing information to help consumers make wiser choices;
- Setting voluntary maintenance guidelines for systems without maintenance plans;
- Focusing outreach at target areas;
- Offering at-home septic system assessments;
- Extending the outreach program to agencies involved in home sales; and
- Advertising new services provided by the RDN.

### 5.1.1 Consumer Information

Discussions between the RDN, KWL the ASTTBC have exposed a problem in that most consumers are not aware of the distinction between different types of Authorized Persons, and may not understand the best type of service provider for their given situation (e.g. septic haulers may not be authorized to perform system maintenance). Consequently, many system owners have intentions of arranging for maintenance of their system but are not hiring an appropriately qualified service provider for the job required. Furthermore, the current SepticSmart program recommends that system owners hire an authorized person to perform regular maintenance on their system but it does not distinguish between the situations best suited for different service providers. The RDN may consider updating their SepticSmart program with information provided by the ASTTBC (and included Appendix B) to help the consumer make wiser choices regarding services best suited to different categories of Authorized Persons.

### 5.1.2 Maintenance Guidelines

Systems installed after May 30, 2005 are required under the SSR to have a custom operation and maintenance plan. However, systems installed before this date are grandfathered with respect to current maintenance regulations and likely are without an operation and maintenance plan. Even without a formal operation and maintenance plan, these systems require maintenance. Without maintenance, they pose a risk to public health and the environment. To address the absence of guidance for grandfathered systems, the RDN may elect to consult with the ASTTBC, MOE and VIHA to establish voluntary maintenance guidelines for older systems. These voluntary guidelines may be applied district-wide.



### 5.1.3 Focussed Outreach Based on Mapping

More often than not, failing systems occur in specific areas rather than randomly over a district. As mentioned in Section 2.4, the RDN has performed two independent studies (in 1997 and 2000) to assess the potential for onsite system failure within regional boundaries. The RDN may refer to previous studies or repeat the desktop study to update the information on potential problem areas. The RDN can then focus their public outreach at the mapped problem areas.

### 5.1.4 Septic Assessments

The province of Nova Scotia offers the Environmental Home Assessment Program (EHAP), a voluntary program where homeowners can receive an at-home assessment of their septic system, information on septic system care, a well water quality sampling kit, a water-saving device, and samples of environmentally friendly cleaners. As well, participants qualify for a \$100 rebate on a septic tank pump out completed within one year of the home assessment or a \$50 rebate on a pump out completed within three years. Under the complimentary Septic Repair Grant Program, below average income homeowners can also qualify for up to \$3,000 to repair or replace a malfunctioning septic system. Notably, EHAP is funded by the Nova Scotia Ministry of Environment and Labour and has a significant budget. However, this model could be modified to meet the RDN's needs.

As mentioned in Section 4.2, the two main perceived barriers to proper onsite system maintenance are knowledge and finance-based. If a Septic Assessment Program was introduced in the RDN, it would address the education barrier. By pairing the septic assessment with financial incentives, the RDN would also address the financial barrier. As well, financial incentives may motivate homeowners to take advantage of the Septic Assessment Program.

Participation in an RDN Septic Assessment program would be voluntary. Participants could contact the RDN to schedule a visit from a trained RDN staff member or contracted non-government organization. The assessor would complete a visual (non-intrusive) assessment of the onsite system and provide information on septic system care. Assessors would not perform any actual maintenance and assessments would not replace inspections performed by an Authorized Person. Rather, the assessment would be used to educate the homeowner of the appropriate maintenance. It would effectually promote, rather than compete with, existing services offered by ROWPs and professionals. To establish trust with the homeowner, the RDN would likely have to ensure some level of confidentiality regarding identifying information for failing systems. However, the property owner and the RDN should work with the regulatory authorities in a spirit of cooperation to find the least expensive and acceptable solutions for the common good. However, non-identifying information could be used by the RDN to measure effectiveness of the program. Such information may include: pre- and post-assessment habits of the homeowner, condition of the onsite system, and types of system improvements made with the assistance of a rebate or grant.

Currently, the RDN offers free irrigation system inspections where homeowners and strata developments can invite the RDN to their property and have a trained individual check the efficiency of their irrigation system. Home irrigation inspections can correct leaks and reduce excessive watering times which ultimately result in lower water bills. This program is well received and can be conveniently coordinated to accommodate the homeowner's schedule.

Similar to the irrigation inspections, the RDN may offer free septic assessments for homeowners who rely on onsite systems for wastewater treatment. Under this program, a trained individual (staff or contractor) may provide a homeowner with a visual assessment of their septic system and review recommended maintenance with the homeowner. Septic assessments provide an excellent opportunity to fill some information gaps that exist as a result of information lost during property transfers. They are



also useful tools to educate residents who have moved from urban neighbourhoods and are new to the rural lifestyle and the responsibilities of owning a septic system. By pairing the assessment with a rebate towards a subsequent septic tank pump out, homeowners may be further motivated to use this service.

Septic assessments would not displace existing ROWPs and professionals since RDN staff would not perform any actual maintenance. Rather, the site visit could educate the homeowner of the appropriate maintenance and effectually promote the existing services offered by ROWPs and professionals.

### 5.1.5 Extending Outreach to Agencies involved in Home Sales

There appears to be a gap in all aspects of a rural home sale that miss out on a very important component of the property – the private onsite system. Extending the education program to agencies involved in the point of sale is applicable because the average house reportedly changes hands about every seven to ten years; well within the average lifespan of an onsite system. The focus of that education should relate to the benefits associated with retaining an appropriately licensed ROWP to perform an onsite wastewater system inspection during a home sale. This program would be similar to the SepticSmart model, but tailored to focus on the financial implications of ignoring the issue, and financial benefits from having a properly functioning and well maintained system. ASTTBC may prefer to take ownership of this step, considering it is a way to advertise their services and encourage the industry to refer sellers and buyers to the services of practitioners and promote the importance of inspection and regular maintenance.

KWL contacted a randomly selected member of each of a number of agencies for their input. These agencies and their general industry knowledge and influence potential are identified below.

- a. **Real Estate Agents.** Realtors require that owners sign a disclosure statement which is designed to protect the seller. The disclosure statement only contains three questions pertinent to onsite systems, namely:
  - Are you aware of any problems with the sanitary sewer system;
  - Are there any current service contracts (i.e., septic removal or maintenance); and
  - If the system is septic or lagoon and installed after May 30, 2005, are maintenance records available?

While the seller may disclose a problem, it does not guarantee capture of the problem, especially if the seller is unaware of any problems. Negotiating a reduction in the sale price may not account for the cost to properly repair an onsite system, as repair or replacement costs are often greater than the allocated budget. Furthermore, if a problematic system is not repaired after purchase, it poses a risk to the environment and public health. This issue may be best dealt with thorough public education programs where buyers learn the value of proper system inspection before purchase, and sellers learn the value of repairing their system prior to sale. Once problems are identified, buyers may insist that repairs are done prior to purchase.

- b. **Banks.** Bankers are generally unaware of potential onsite wastewater systems and their problems. Many are unaware of services provided by ROWP's, and would likely refer any problems back to the owner. Bankers would benefit from an educational program, though head offices for most banks are located outside of the RDN, so it may be difficult to narrow down this target group.
- c. **Appraisal Companies.** Appraisers provide the banks with a current valuation of the home. In general, appraisers only make note of whether a house is on a septic or municipal system, and they do not inspect or put a value to the onsite treatment system. They do not look for problems, but if



they notice one, they would report this back to the bank. Appraisers would represent another group that could benefit from an education program.

- d. **Land Surveyors.** In the past, banks required a legal survey of the subject property to confirm that houses and ancillary structures were located within property boundaries. This would have been a perfect opportunity to locate onsite systems; however, legal surveys are now rarely used. Banks now resort to “title insurance” which is more cost effective for them. Land surveyors may not be the most effective target group.
- e. **Insurance Companies.** Of interest, home insurance companies have begun to provide discounts to homeowners on individual onsite wastewater systems. This may seem counterintuitive, but the insurers argue that system backup is less common, and smaller volumes are involved than those where houses are connected to municipal systems. When addressing claims for system failures, insurers will often rely on the owner to effect repairs. These are usually done by a pump out contractor. Insurers were in general, unaware of the existence or function of ROWP’s. It would seem reasonable to assume that insurers would benefit from an education program.
- f. **Home Inspectors.** Home inspection services are one of the more frequently requested services demanded by potential buyers to learn about the condition of the house prior to purchase. Of interest, licensed home inspectors adhere to Standards of Practice (SOP) issued by the Canadian Association of Home and Property Inspectors (BC). The SOP contains some clearly exclusionary clauses pertaining to onsite wastewater systems. These include that an inspector is not required to determine whether a waste disposal system is public or private, and is not required to inspect an onsite waste disposal system. Inspectors canvassed by KWL were not entirely familiar with ROWP functions and were unlikely to recommend their use. If properly informed, home inspectors could refer a potential buyer or seller to the services of ROWP qualified as a Private Inspector to locate system components and inspect system performance. Home inspectors need to clearly advise their clients that their services do not include onsite system inspection, however, that they strongly recommend such an inspection be undertaken by a qualified private inspector.

## 5.2 Financial Incentives

In the past, low interest loans for home repairs were available from select financial institutions. In addition, financial assistance was available to low-income homeowners completing mandatory home repairs (including septic system repairs) through the Canada Mortgage and Housing Corporation (CMHC) Residential Rehabilitation Assistance Program. The CMHC program was discontinued in BC in response to a federal-provincial funding agreement to address affordable housing programs.

The RDN should consider offering financial incentives to incent proper onsite system maintenance and care and to help lower income households face the financial burden of system repairs. Financial incentives may include rebates and grants similar to those offered under Nova Scotia’s Environmental Home Assessment Program, discussed in 5.1.4. The number of rebates and grants offered by the RDN can vary depending on the available budget. As proposed in Section 5.1.4, participants of the Septic Assessment Program could qualify for rebates on subsequent pump outs or maintenance performed by an Authorized Person. Rebates, then, would be available to participants on a first-come-first-serve basis until the quota is reached. Grants may also be offered to lower income participants undertaking repairs or upgrades of their systems.



### 5.3 Building Permit Applications

To a degree, the RDN Building and Inspections Services Department already requires an onsite system inspection, if applicable, before issuing a building permit. Applicants with older systems are required to produce certification of system operation, sealed by a ROWP, if the applicant wishes to increase the number of bedrooms in a home. However, this is done by practice and is not based on a formal policy or bylaw requirement. Building and Inspections Services staff has indicated a formal policy or amendment to Building Regulation and Fees Bylaw 1250 could justify their requests for system inspection and certification, and may actually make their jobs easier. A policy or bylaw amendment could:

- i. Be applicable to all alterations or a select type of alterations requiring a building permit.
- ii. Define the age of systems which would require inspection and certification.
- iii. Require that homeowners produce an operation and maintenance plan for their system.

Implementation of this step requires coordination with Building and Inspection Services and an internal building policy review (or amendment to Building Regulation and Fees Bylaw 1250).

### 5.4 Complaint Follow-up

Members of the public who become aware of issues with neighbouring onsite wastewater systems will want to complain, particularly if complainants are allowed to remain anonymous. It would not be surprising if a complaint was made to the RDN. RDN staff would likely discuss the matter with a bylaw enforcement officer to ascertain whether any bylaws had been infringed, and where finding none, would likely refer the complainant to VIHA. A Health Officer would investigate the complaint, and if warranted, would likely issue an Order to effect repairs. A referral to the VIHA would normally mark the end of the RDN's involvement in a complaint related to onsite systems. However, the RDN can establish an agreement with VIHA to share documentation on system maintenance and repair resulting from complaint files.

An alternative approach, where the RDN has a greater say in the matter, is to make contravention of the SSR a bylaw offence. This can be done by creating a new bylaw, or amending an existing one. Either way, a complaint could be used as a trigger for potential onsite wastewater system maintenance. This step is intended to provide the RDN with the authority to respond to situations where SSR provisions have been contravened. Normally this would be handled by VIHA; however, implementation of this strategy provides additional enforcement opportunity. This would most likely require creation of a new bylaw along the general lines of a noise control bylaw, with the same authority to enter private property. The authority could extend to entry with a private inspector to complete non-destructive evaluation. To be effective, the RDN would need to work with VIHA to collaborate on a cross-referral approach to maximize the enforcement provision of both authorities. Implementation of this step would involve coordination and cooperation with VIHA.

### 5.5 Advertising

New programs offered to the public, particularly the septic assessment program and rebates, should be promoted so residents are aware of the new services available to them. Avenues for advertising may include:

- Updated website information and social media updates;
- An article in the Regional Perspectives;



- Newspaper, local television and radio ads;
- Posters, newsletters, trade show booths; and
- Social media, and other social marketing techniques.

## 5.6 Capacity of the Local Industry to Accommodate Option 4

When developing the implementation plan for the recommended option, it was important to consider the impact each option would have on the local service providers (e.g. septic haulers, ROWPs and professional engineers). Given that most of the actions in the implementation plan are educational or voluntary (not mandatory), immediate demands on the local onsite systems service industry should have minimal impact. As the RDN's maintenance program is implemented, it will promote services of ROWPs and Professional Engineers (as SepticSmart does currently). As more homeowners and external agencies become aware of the roles of ROWPs, demand for ROWPs services are likely to increase. Given that maintenance and inspection services on small private onsite systems are provided almost exclusively by ROWPs, these service providers may see the biggest increase in demand for their services. ASTTBC has indicated that there is the local capacity to handle such a maintenance program in the RDN, and that this capacity has the potential to grow with increased demand. It is also reasonable to assume that, as demand for septic maintenance and inspection increases, more septic haulers may become registered as ROWPs in order to expand their service line.

It is recommended that the RDN consult with the ASTTBC as the RDN develops its maintenance program. ASTTBC can then update existing policies and develop the necessary tools to define the training needs of its Registered Practitioners to meet the needs of programs developed by local governments. It may also be recommended that the ASTTBC work with agencies identified under Section 5.1.5 to promote their services and encourage agency to agency referral.

## 5.7 Implementation Costs

The Implementation Plan is intended to be flexible, and action items are optional or can be achieved incrementally to fit varying budgets. The RDN has an existing annual budget of approximately \$36,500 (form septage receiving fees) to administer the SepticSmart public education program. The budget includes allowances for education material, advertising, event expenses and contract services to deliver the workshops.

Many of the actions in the Implementation Plan can be achieved with the existing SepticSmart budget and staff available for this program. There are minimal requirements for time from staff outside of the Wastewater Services department. Estimated budget and requirements are summarized in Table 5-1. These cost estimates should be revised as program content is developed further.

**Table 5-1: Estimated Cost to Proceed with the Implementation Plan**

Component	Additional Wastewater (WW) Staff / Budget Requirements	Out of Department Staff Requirements
Enhance Public Education Program	<ul style="list-style-type: none"> <li>▪ Funds required to offer rebates (see financial incentives below)</li> <li>▪ No additional WW staff required</li> </ul>	<ul style="list-style-type: none"> <li>▪ Consult with VIHA, MOE, ASTTBC to enhance content</li> <li>▪ ASTTBC to develop training program for staff performing the assessments</li> <li>▪ ASTTBC may manage agency outreach</li> </ul>





Component	Additional Wastewater (WW) Staff / Budget Requirements	Out of Department Staff Requirements
Financial Incentives	<ul style="list-style-type: none"> <li>▪ Annual costs: \$10,000 to \$55,000</li> <li>▪ No additional WW staff required</li> </ul>	<ul style="list-style-type: none"> <li>▪ Minor input from Finance</li> </ul>
Building Permit Application Policy	<ul style="list-style-type: none"> <li>▪ No additional WW staff / budget required</li> </ul>	<ul style="list-style-type: none"> <li>▪ Consultation with Building and Inspection Services</li> </ul>
Follow up with complaints	<ul style="list-style-type: none"> <li>▪ No additional WW staff / budget required</li> </ul>	<ul style="list-style-type: none"> <li>▪ Consultation with VIHA</li> </ul>
Advertising	<ul style="list-style-type: none"> <li>▪ No additional WW staff / budget required</li> </ul>	<ul style="list-style-type: none"> <li>▪ Minor input from Corporate Services</li> </ul>

### 5.7.1 Public Education

As identified in Table 5-1, most actions in this category can be completed with existing budget and staff resources allocated for the SepticSmart Program.

### 5.7.2 Financial Incentives

Financial incentives offered by the RDN will require additional funds; however rebate programs can be scaled to fit a variety of budgets. For example, if the RDN offered 100 septic assessments paired with \$100 rebates towards the cost of a septic tank pump out or system maintenance, this program would cost the RDN \$10,000. If the RDN offered 15 grants (of up to \$3,000) per year to subsidize the cost of septic system repairs or replacement, this program would cost an additional \$45,000 per year. It may be possible for the RDN to offer an incentive program in partnership with other organizations or senior levels of government and share program costs.

### 5.7.3 Building Permit Applications

As identified in Table 5-1, this action can be completed with existing SepticSmart budget and Wastewater Services department staff with input from Building and Inspection Services.

### 5.7.4 Complaint Follow-up

As identified in Table 5-1, this action can be completed with existing budget and staff resources allocated for the SepticSmart Program. The RDN should collaborate with VIHA to develop an approach to maximize the enforcement provision of both authorities.

### 5.7.5 Advertising

Program advertising can be funded with the existing SepticSmart budget.

## 6. Summary and Conclusions

This study investigated the feasibility of implementing a mandatory maintenance program for onsite wastewater treatment systems in the Regional District of Nanaimo. A maintenance program in the RDN would comply with the Ministry of Environment’s recommendation for regional districts to take on greater responsibility regarding private onsite systems. It could also help protect the public and environment



from failing systems, prolong the life of existing onsite systems, protect the value of properties with onsite systems, and shelter property owners from the cost of connecting to a municipal sewer system.

Mandatory maintenance programs currently exist in a number of Canadian and American jurisdictions. For example, the Capital Regional District recently imposed a program focused on regimented septic tank pump outs. Other jurisdictions enforce programs based on mandatory inspections of tank or system condition. KWL and the RDN considered four maintenance program options:

- Option 1: Maintain the status quo (public education through the SepticSmart program);
- Option 2: Adopt a mandatory septic tank pump program similar to the CRD model;
- Option 3: Adopt an inspection-based approach; and
- Option 4: Adopt a custom approach.

The RDN determined that the preferred option should meet three goals; the preferred option should:

- 1) protect public health and the environment;
- 2) produce measurable results; and
- 3) be financially feasible.

A feasible option will meet program goals and accommodate issues around legality, liability and public acceptance. It will also consider implications to the industry currently providing services to residents with onsite systems. The original scope of the study was to examine the feasibility of a *mandatory* maintenance program in the RDN, the scope was expanded to include either voluntary or mandatory programs so long as the recommended program objectives meet the RDN's goals.

Option 1 is a feasible option since SepticSmart currently receives positive feedback and education is a key component to a successful program. However, it does not satisfy the MOE's directive for local governments to take a greater responsibility for onsite systems. Therefore, Option 1 is not recommended. Both Option 2 (the CRD pump-out model) and Option 3 (the inspection-based program) are not feasible for the RDN since they do not meet program goals. Option 2 does not adequately protect public health and the environment. RDN assumes that, regarding onsite systems, failing systems pose the greatest threat to public health and the environment; this report shows that pump outs necessary to maintain a functioning system but provide little benefit to systems that are already failing. Option 3 is not financially feasible without a considerable increase in budget and support staff. As well, it is likely to attract strong public opposition since it imposes a costly requirement on a system that is private property.

## 6.1 Recommendation

KWL recommends that the RDN implement Option 4, a customized maintenance program which allows the RDN to address the needs and issues specific to the region. Option 4 not only meets the program objectives but it is also the only option that balances benefits to the environment and public health with fiscal constraints, administrative ease and public acceptability. It also limits the liability taken on by the RDN and can produce measurable results. By enhancing the public education component and introducing financial incentives, this option addresses the two perceived barriers to proper onsite system maintenance: knowledge and money.

Option 4 cannot be described as a fully mandatory maintenance program since most of the action items in the Option 4 Implementation Plan are educational and voluntary. However onsite system inspections (and recommended improvements) may become a mandatory component of a building permit application process for applicable properties.



Most of the actions in the Option 4 Implementation Plan can be achieved with the existing SepticSmart budget and staff available for this program. The only component of Option 4 which requires additional budget are the financial incentives (e.g. rebates and grants) and these can be scaled to fit a variety of budgets. Financial incentives could be offered for as little as \$10,000 (e.g. 100 rebates on a septic tank pump out or system maintenance) to \$55,000 (100 rebates plus 15 grants of \$3,000 toward the repair or replacement of a failing septic system).

In conclusion, through Option 4, the RDN has an approach that not only is specifically customized to suit the region's needs and available budget, but also one that it believes best satisfies the intent of its LWMP to reduce risk to public health and the environment.

## 7. References

- Associated Engineering. 2008. On-site Treatment Issues. Liquid Waste Management Plan – Review and Amendments. Draft Discussion Paper No. 2. Prepared for the Regional District of Nanaimo.
- Giles, G.E. and J.L. Sabell. 2003. Toolkit for the Development of Management Programs for On-site Sewage Systems. Prepared for Environment Canada (Georgia Basin Ecosystem Initiative), BC Ministry of Water, Land and Air Protection, BC Ministry of Health Planning, BC Ministry of Community, Aboriginal and Women's Services. Victoria, BC.

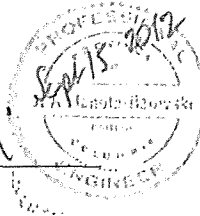


REGIONAL DISTRICT OF NANAIMO  
Report on Mandatory Maintenance Program  
For Private Onsite Wastewater Treatment Systems  
Final Report – September 2012

Report Submission

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### Revision History

Revision #	Date	Status	Revision	Author



RDN REPORT		
CAO APPROVAL		<i>[Signature]</i>
EAP		
COW	<input checked="" type="checkbox"/>	
NOV 05 2012		
RHD		
BOARD		

# MEMORANDUM

**TO:** Sean De Pol  
 Manager of Wastewater Services

**DATE:** November 1, 2012

**FROM:** Ellen Hausman  
 Wastewater Program Coordinator

**FILE:** 5340-05

**SUBJECT:** Biosolids Management Program Agreement

## PURPOSE

To present a Biosolids Management Program Agreement between the Regional District of Nanaimo (RDN), Vancouver Island University (VIU) and SYLVIS Environmental Inc. (SYLVIS), for the management of RDN biosolids in Vancouver Island University’s Forest Fertilization Program.

## BACKGROUND

Since 2007, biosolids generated at the French Creek Pollution Control Centre (FCPCC) and the Greater Nanaimo Pollution Control Centre (GNPCC) have been beneficially used in Vancouver Island University’s (VIU) Forest Fertilization Program. This program has proven to be a very successful, reliable and economical program for the beneficial use of the RDN biosolids. FCPCC biosolids are currently managed by SYLVIS under an existing contract that expires on September 30<sup>th</sup>, 2013. GNPCC biosolids are managed directly by VIU, under an extended contract that was originally intended to expire on February 28<sup>th</sup>, 2012, but through two short term extensions, will now expire on December 31<sup>st</sup>, 2012.

The short term extensions to the VIU contract were approved by the RDN Board to allow staff time to develop a three party partnership agreement between VIU, SYLVIS and the RDN to manage all of the RDN biosolids under one agreement. This arrangement will continue to see all the RDN biosolids beneficially used in VIU’s Forest Fertilization Program using to best advantage, the mandates, interests, expertise and resources of each party.

Each party’s responsibilities under the new agreement are as follows:

- RDN will continue to produce biosolids from FCPCC and GNPCC, and will now be responsible for the transportation of the biosolids to the VIU biosolids application site.
- VIU will continue to provide the land for biosolids land applications, and will now focus primarily on the education and research opportunities associated with the Forest Fertilization Program. All responsibilities for application of the biosolids have been shifted to SYLVIS.
- SYLVIS will be responsible for providing the operational management associated with the application of the biosolids onto the land, and will provide technical support to VIU as required.

Attached to this report is a draft of the Biosolids Management Program Agreement.

The term of the new agreement will be for just over four years starting on January 1<sup>st</sup>, 2013 and terminating on March 31<sup>st</sup>, 2017, coinciding with VIU's current land lease for the woodlot upon which the biosolids application site is located. All three parties see this term as an opportunity to develop and trial the three party arrangement over the next four years and if it is successful develop it into a long term partnership model. The parties see this as a flagship program for other regional districts and municipalities to model their programs on.

**ALTERNATIVES**

1. Enter into a three party Biosolids Management Program Agreement between VIU, SYLVIS and the RDN for the management of RDN biosolids in Vancouver Island University's Forest Fertilization Program.
2. Issue a Request for Quotes for a new contract for the beneficial use of GNPCC biosolids.

**FINANCIAL IMPLICATIONS**

*Alternative 1*

Fees for the management of the biosolids will be charged to the RDN separately by VIU and SYLVIS using a two tier fee structure for production up to and including 4,000 tonnes, and tonnage over 4,000 annually.

Fees will be charged as outlined below:

	<b>Up to 4,000 tonnes/year</b>	<b>Over 4,000 tonnes/year</b>
VIU fee	\$27.00/tonne	\$17.00/tonne
SYLVIS fee	\$71.55/tonne	\$43.57/tonne
<b>Total cost per tonne</b>	<b>\$98.55/tonne</b>	<b>\$60.57/tonne</b>

- RDN will be committed to providing a minimum of 4,000 metric tonnes of biosolids per year to the program.
- A fee increase of 3% per year is included in the agreement.
- Costs for transportation of the biosolids are not included. This will be dealt with separately by contract between the RDN and an appropriate hauling service provider.

This fee structure represents an annual cost of approximately \$394,200 in 2013, with a 3% increase per year thereafter, based on production of 4,000 tonnes of biosolids per year. Based on current production, approximately 60% of the biosolids are generated at GNPCC and 40% at are generated at FCPCC. This will translate into a 60:40 split of the annual costs between the Southern Community Local Sewer Service Area and the Northern Community Local Sewer Service Area, respectively.

Based on data collected in the National Water and Wastewater Benchmarking Initiative the proposed fees for the management of the RDN biosolids under this new agreement are in proportion to or better than those costs experienced by other municipalities and regional districts for the beneficial use, or disposal of biosolids.

#### *Alternative 2*

Costs associated with this alternative will include staff administrative time to request and review potential quotations, and in the interim, GNPCC biosolids will be sent for disposal at the Regional Landfill. The current rate for biosolids disposal at the landfill is \$115 per tonne (not including transportation costs). This will amount to a cost of approximately \$460,000 per year for disposal of the biosolids. Staff do not recommend this option. Furthermore, landfilling is not considered a beneficial use of the biosolids.

#### **SUSTAINABILITY IMPLICATIONS**

The beneficial use of biosolids in the VIU Forest Fertilization Program is considered an environmentally sustainable option, as it safely returns essential nutrients to existing soils low in nitrogen, phosphorus and organic matter, resulting in a significant improvement in tree growth rates. The VIU Forest is dedicated to demonstrating modern practices in forestry and ecology, and this program provides a model for how to improve the health of forests in an ecologically sensible way using readily available municipal biosolids. By contrast, burying biosolids in the Regional Landfill is not considered to be a beneficial use option and would consume valuable landfill space.

This program is in alignment with the Board's strategic goals for watershed health and more specifically the wastewater management which includes a commitment to explore options to maximize the effective reuse of biosolids. The draft updated Liquid Waste Management also encourages engaging in partnerships with industry, municipalities and other stakeholders to work together to support the development and implementation of wastewater programs.

VIU's Forest Fertilization Project is required to have a detailed operating plan compliant with the provincial Ministry of Environment's Organic Matter Recycling Regulation (OMRR) which governs the production, quality, and land application of certain types of organic matter. For biosolids, OMRR specifies requirements for vector attraction reduction, pathogen reduction processes and limits, quality criteria, sampling protocol, record keeping, setbacks, and application rates.

The safety of the VIU Forest Fertilization Project has been confirmed by a hydrogeological assessment conducted first 2003, and again this year in 2012. The RDN Board was presented with the results of this 2012 Ground Water study in the July 2012 Board Meeting, which concluded that the application of biosolids at the VIU woodlot will not have any harmful effects on regional groundwater quality.




**SUMMARY/CONCLUSIONS**


Since 2007, biosolids generated at the French Creek Pollution Control Centre (FCPCC) and the Greater Nanaimo Pollution Control Centre (GNPCC) have been beneficially used in Vancouver Island University's (VIU) Forest Fertilization Program. This Program has proven to be a very successful, reliable and economical program for the beneficial use of RDN biosolids. FCPCC biosolids are currently managed by SYLVIS Environmental Inc. (SYLVIS), while GNPCC biosolids are managed directly by VIU. RDN staff have worked with both VIU and SYLVIS to develop a three party partnership between VIU, SYLVIS and the RDN to manage all the RDN biosolids under one agreement. This arrangement will continue to see all the RDN biosolids beneficially used in VIU's Forest Fertilization Program using to best advantage, the mandates, interests, expertise and resources of each party.

The term of the new agreement will be for just over four years starting on January 1<sup>st</sup>, 2013 and terminating on March 31<sup>st</sup>, 2017, coinciding with VIU's current land lease for the woodlot upon which the biosolids application site is located. All three parties see this term as an opportunity to develop and trial the three party arrangement over the next four years and if it is successful develop it into a long term partnership model. The parties see this as a flagship program for other regional districts and municipalities to model their programs on.

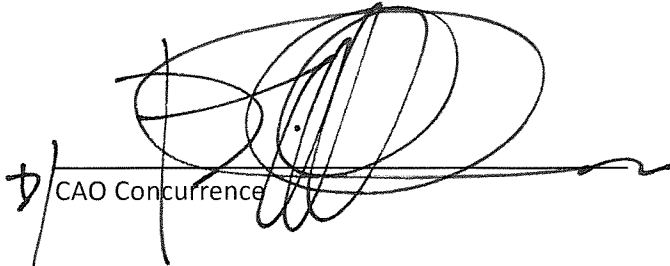
**RECOMMENDATION**

That the Board terminate the existing SYLVIS service contract for the management of FCPCC biosolids, and enter into a three party Biosolids Management Program Agreement between VIU, SYLVIS and the RDN for the management of RDN biosolids in Vancouver Island University's Forest Fertilization Program, starting on January 1<sup>st</sup>, 2013 and ending on March 31<sup>st</sup>, 2017.

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

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

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

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

**BIOSOLIDS MANAGEMENT PROGRAM  
AGREEMENT**

**BETWEEN:**

**Regional District of Nanaimo,**  
a municipal corporation constituted  
under the laws of the Province of British Columbia  
6300 Hammond Bay Road  
Nanaimo, BC  
V9T 6N2  
(hereinafter referred to as "RDN")

**AND:**

**Vancouver Island University,**  
a post secondary institution constituted  
under the laws of the Province of British Columbia  
900 Fifth Street  
Nanaimo, BC  
V9R 5S5  
(hereinafter referred to as "VIU")

**AND:**

**SYLVIS Environmental Services Inc.,**  
a corporation constituted under  
the laws of the Province of British Columbia,  
427 Seventh Street  
New Westminster, BC  
V3M 3L2  
(hereinafter referred to as "SYLVIS")

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THIS BIOSOLIDS MANAGEMENT PROGRAM AGREEMENT made effective as of this 1<sup>st</sup> day of January, 2013.

**BETWEEN**

**Regional District of Nanaimo (the "RDN")**

**AND**

**Vancouver Island University ("VIU")**

**AND**

**SYLVIS Environmental Inc. ("SYLVIS")**

**WHEREAS:**

- A. The RDN owns and operates two wastewater treatment facilities, one located at 4600 Hammond Bay Road, Nanaimo BC, and the other at 957 Lee Road, Parksville BC. Both facilities are operated under wastewater discharge permits approved by the Ministry of Environment of the Province of British Columbia.
- B. VIU is a post-secondary institution that has developed a forest fertilization program on their woodlot to use Biosolids from both FCPC and GNPCC and other sources, and has previously held service agreements with the RDN for the Beneficial Use of Biosolids in their forest fertilization program.
- C. SYLVIS represents private, technical and operational experts in the area of residuals land applications, and has been managing the Beneficial Use of Biosolids from the FCPC for the past five years.
- D. VIU, SYLVIS and RDN have agreed to work together to beneficially use biosolids in support of the VIU forest fertilization program, an effort that recognizes and utilizes to best advantage the mandates, interests, expertise and resources of these three distinct organizations.
- E. The RDN considers that the VIU forest fertilization program will assist the RDN to meet the RDN Board's strategic goals for sustainability and more specifically the RDN Liquid Waste Management Plan.
- F. VIU, SYLVIS and RDN have formed this partnership with the intent of developing a long term program for the beneficial use of Biosolids that will extend beyond this initial five year Agreement.
- G. The VIU forest fertilization program is a flagship program that can be used as a guide for other small scale producers and users.

H. This Agreement is intended to clarify the responsibilities of the parties and provide for a degree of collaborative effort between the parties;

**NOW THEREFORE** in consideration of the premises and of the mutual covenants and obligations hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which the RDN, VIU and SYLVIS each as “Party” and collectively, the “Parties” hereto agree as follows:

## 1. DEFINITIONS

In the Agreement the following words have the following meanings:

- a) "Agreement" shall mean this Agreement.
- b) "Application Site" shall mean the VIU woodlot, the site where Biosolids are applied to the land for Beneficial Use of Biosolids in accordance with the OMRR.
- c) "Beneficial Use" of Biosolids shall mean the application of Biosolids as a soil conditioner or fertilizer.
- d) "Beneficially Used" shall mean applied to land.
- e) "Biosolids" shall mean municipal wastewater sludge generated from GNPCC and/or FCPCC that has been treated such that it meets the definition for Class A or Class B Biosolids as specified in the OMRR.
- f) “Challenge” shall mean an event, circumstance or situation requiring attention or action.
- g) "Change in Circumstance" shall mean any event or condition outside the control of a Party and not reasonably foreseeable by a Party that substantially alters the scope of the Program, including but not limited to a material change in governmental regulations, or Force Majeure.
- h) “Contingency Site” shall mean a site approved by the RDN for the Beneficial Use of Biosolids in the event that Biosolids cannot be applied at the Application Site.
- i) “Disposal Site” shall mean a site including but not limited to the RDN Landfill, where Biosolids are taken when they cannot be Beneficially Used.
- j) “Dispute” shall mean when one or more of the Parties have a disagreement with one or more of the other Parties.
- k) “Environmental Incident” shall mean the discharge of waste to the environment contrary to applicable environmental laws.
- l) “FCPCC” shall mean the French Creek Pollution Control Centre, a RDN facility at 957 Lee Road, Parksville, BC.

- m) "Force Majeure" shall mean occurrences beyond the control of the Party affected, including, but not limited to, decrees of government, acts of God, strikes or other concerted acts of workers, unforeseeable inability to procure materials or labour, fires, floods, explosions, riots, war, rebellion, sabotage and atomic or nuclear incidents, but lack of finances shall in no event be deemed to be a cause beyond a Party's control.
- n) "GNPCC" shall mean the Greater Nanaimo Pollution Control Centre, a RDN facility at 4600 Hammond Bay Road, Nanaimo, BC
- o) "Intellectual Property" means all trade-marks, patents, copyrights and all other Intellectual Property rights owned or created by the RDN, VIU or SYLVIS during the Term of this Agreement.
- p) "MOE" shall mean the Ministry of Environment, or any Ministry, which may have jurisdiction in relation to the production of biosolids and the land application of Biosolids during the term of this Agreement.
- q) "OMRR" shall mean the Organic Matter Recycling Regulation, B.C. Reg. 18/2002., as amended from time to time.
- r) "Program" shall mean the Biosolids Management Program.
- s) "Storage Facility" shall mean any location where the RDN delivers Biosolids from the GNPCC and FCPC and is compliant with OMRR and additional requirements as indicated in Schedule C and Schedule D.
- t) "RDN Work" shall, unless the context otherwise requires, mean the whole of the work, equipment, labour, matters and things required to be done, finished, and performed by the RDN under this Agreement in relation with the generation, transportation, acceptance, storage, processing, and Beneficial Use or Disposal of Biosolids generated at the GNPCC and FCPC, as set forth in this Agreement including, without limitation, Schedule A.
- u) "SYLVIS Work" shall, unless the context otherwise requires, mean the whole of the work, equipment, labour, matters and things required to be done, finished and performed by SYLVIS under this Agreement in relation with the generation, transportation, acceptance, storage, processing, and Beneficial Use or Disposal of Biosolids generated at GNPCC and FCPC, as set forth in this Agreement including, without limitation, Schedule B..
- v) "VIU Work" shall, unless the context otherwise, requires, mean the whole of the work, equipment, labour, matters and things required to be done, finished and performed by VIU under this Agreement in relation with the generation, transportation, acceptance, storage, processing, and Beneficial Use or Disposal of Biosolids generated at the GNPCC and FCPC, as set forth in this Agreement including, without limitation, Schedule C.

- w) "Year" shall mean twelve (12) consecutive months, starting on January 1<sup>st</sup> and end on December 31<sup>st</sup>.

## **2. INTENT OF AGREEMENT**

- 2.1 The intent of the Agreement is that the RDN, VIU and SYLVIS will carry out their respective work to carry out a Biosolids Management Program that ensures the long term Beneficial Use of Biosolids.

## **3. TERM AND AMENDMENT**

- 3.1 The Term of this Agreement shall be for a period commencing on January 1, 2013, or from the date at which all Parties have signed the Agreement, if this occurs before December 31, 2012, and ending on March 31st, 2017.
- 3.2 At the end of the Term, or in the event of termination of this Agreement, the Parties shall complete the responsibilities in accordance with the schedule outlined in Schedule E.
- 3.3 The Schedules to this Agreement may be amended conditional on the consent of the other Parties to the Agreement, not to be unreasonably withheld, with the exception of Schedule D which will require the consent of the VIU and SYLVIS Representatives only, not to be unreasonably withheld. Such amendments shall be signed by each Party's Representative.

## **4. SCHEDULES**

- 4.1 The Schedules are expressly incorporated into and form part of the Agreement.
- 4.2 The Schedules to the Agreement are as follows:
  - i) Schedule A – RDN Work
  - ii) Schedule B – VIU Work
  - iii) Schedule C – SYLVIS Work
  - iv) Schedule D – VIU and SYLVIS Application Site Operations
  - v) Schedule E – Termination Schedule
  - vi) Schedule F – Representatives and Contacts
- 4.3 In the event of any inconsistencies or conflicts between the terms of the main body of this Agreement and any Schedules, Appendices or other documents attached to and forming part of this Agreement, the terms of the main body of this Agreement shall prevail, unless otherwise stated in this Agreement.

## **5. SERVICE**



- 5.1 The RDN Work is set out in Schedule A.
- 5.2 The VIU Work is set out in Schedule B.
- 5.3 The SYLVIS Work is set out in Schedule C.
- 5.4 The Application Site Operations between VIU and SYLVIS is specified in Schedule D.

## **6. CHANGES IN "WORK"**

- 6.1 The RDN Representative, as defined hereafter without invalidating the Agreement, upon agreement by all Parties, such agreement not to be unreasonably withheld, may need to make changes by altering, adding to, or deducting from the RDN Work, the VIU Work or the SYLVIS Work.
- 6.2 If such changes, directed by the RDN Representative, affect the respective Fees payable to another Party, this will be negotiated and agreed by the RDN and the affected Party prior to making such change. If the Parties cannot agree on the value of changes, resolution shall be dealt with in accordance with the provisions of Section 16.
- 6.3 Except in an emergency endangering life or property, no change shall be undertaken by VIU or SYLVIS, without written order of the RDN Representative and no claims for additional Fees shall be valid unless the change was so ordered by the RDN.

## **7. FEES AND PAYMENT**

- 7.1 The RDN must, on receipt of an invoice and supporting documentation submitted in compliance with this Agreement, pay to SYLVIS and VIU compensation for each Party's Work related to the Program as follows:
  - i) For VIU fees are payable in accordance with section 8.1 of Schedule A.;
  - ii) The RDN shall make payment to SYLVIS in accordance with section 8.2 of Schedule A:
    - (a) upon confirmation by RDN of delivery of biosolids to the Application Site as identified within Schedule C; and
    - (b) upon confirmation of application by SYLVIS of the Biosolids on the Application Site as identified in Schedule C.
- 7.2 A Party issuing an invoice must identify all applicable taxes and the recipient of the invoice is required to pay this amount to the issuer of the invoice.
- 7.3 The RDN shall make payment monthly within thirty (30) days of receipt by the RDN of an invoice(s) and any required supporting documentation from VIU or SYLVIS. VIU and SYLVIS shall deliver an invoice at the end of each month in relation to that month's Work.

7.4 The responsibilities of VIU and SYLVIS for final invoicing Upon End of Term or Upon Termination of this Agreement prior to end of Term, are outlined in Schedule E.

## **8. PAYMENT WITHHELD**

8.1 The RDN may withhold payment, on written notice to SYLVIS or VIU, by specifying the ground or grounds relied on, the whole or part of any progress payment to the extent necessary to protect the RDN from loss on account of one (1) or more of the following:

- i) the respective Party has failed to perform the Work in accordance with the Agreement.
- ii) the respective Party is failing to make prompt payments as they become due to their Subcontractors for equipment or labour provided RDN has made payments on time, other than a payment that has been withheld under 8.1(i).
- iii) that there exist unsatisfied claims for damages caused by the Party to anyone employed by the Party in connection with their respective Work.

## **9. BIOSOLIDS PRODUCTION**

9.1 RDN shall ensure that the quality of the Biosolids to be delivered to the Application Site under this Agreement will be a minimum of Class B, in accordance with OMRR.

9.2 The RDN shall establish and manage quality assurance measures and notification protocols as outlined in Schedule A.

9.3 Biosolids will be measured in metric tonnes. The measurement process and notifications protocols will be established and managed as outlined in Schedule A.

## **10. BIOSOLIDS TRANSPORTATION**

10.1 The RDN shall have sole responsibility for transportation of Biosolids at its cost to the Application Site, Contingency Site, or Disposal Site, including sole responsibility for the actions of its subcontractors in addition to what is set out in Schedule A notwithstanding the obligations of SYLVIS upon end of Term or Termination of the Agreement Prior to end of Term(Schedule E).

10.2 In the event Biosolids cannot be delivered to a Storage Facility at the Application Site for more than one (1) week which will result in the RDN exceeding the capacity of the temporary storage that may be arranged by the RDN, , Biosolids will be transported to a Contingency Site, as identified in Section 11.2 at the cost of SYLVIS.

10.3 Each Party's responsibilities for transportation of Biosolids at the end of the Term or upon termination of this Agreement prior to end of Term are outlined in Schedule E.

## **11. SITES**

11.1 Application Site:

- i) VIU shall at its cost ensure that the Application Site, being a leased woodlot (WL 020) located on Block 505 Nanoose Land District, Block 463, Dunsmuir Land District and Block 355 Dunsmuir Land District is available for Beneficial Use of Biosolids for the Term of the Agreement.
- ii) VIU has the sole responsibility for fulfilling the Terms of the Application Site lease and all fees related to this lease.

11.2 Contingency Site:

- i) The Contingency Site will be the RDN Landfill located at 1105 Cedar Road, Nanaimo, BC, or an alternative Contingency Site, agreed upon by all Parties to the Agreement.

**12. STORAGE OF BIOSOLIDS**

- 12.1 SYLVIS shall, at its cost, maintain sufficient storage capacity at the Application Site for Biosolids at all times during the Term of this Agreement.
- 12.2 If SYLVIS is unable to provide sufficient storage for Biosolids at the Application Site, the RDN may require that the Biosolids be transported to the Contingency Site at SYLVIS' cost and may deduct the amount for transport and disposal from any payment due to SYLVIS. If no payment is owed to SYLVIS, then SYLVIS shall pay the amount of such transportation and disposal to the RDN upon demand within thirty (30) days.
- 12.3 SYLVIS and VIU's Work related to Storage are outlined in Schedule C and Schedule B respectively and Schedule D, VIU and SYLVIS Application Site Operations.

**13. BENEFICIAL USE OF BIOSOLIDS**

- 13.1 SYLVIS shall make Beneficial Use of the Biosolids.
- 13.2 SYLVIS shall ensure that the Beneficial Use of the Biosolids meets all requirements of OMRR and applicable best management practices for land application of Biosolids.

**14. DISPOSAL OF BIOSOLIDS**

- 14.1 SYLVIS and VIU shall not deposit, sell, supply or provide Biosolids or Biosolids products to any other site for disposal or to any other person or corporation without the specific approval of the RDN Representative, acting reasonably.

**15. INSPECTION OF WORK**

- 15.1 The Representatives for each Party to this Agreement shall at all times have access to all aspects of the Program. All Parties are responsible for taking reasonable measures to permit access for inspection.

- 15.2 Periodic inspections can be made by any Party to verify that the Program is in conformity with the requirements of this Agreement. Except in the case of emergency, notification of a planned inspection should be given a minimum of one week in advance so that all Parties may have the opportunity to be present at the inspection.
- 15.3 Where any deficiency in performance pertaining to the requirements of this Agreement is found during an inspection, the inspecting Party shall forthwith notify the other Parties to this Agreement in writing. The inspected Party shall forthwith, upon receipt of such notification by the inspecting Party, institute and carry out corrective measures, which shall ensure full performance in conformity with the requirements of this Agreement. Such corrective action shall be taken even if one of the Parties disputes the corrective measures.
- 15.4 An inspection of the RDN Work, the VIU Work and the SYLVIS Work by a Party Representative of another Party does not relieve any other Party of its responsibility to perform its respective Work in accordance with the Agreement.

## **16. CHALLENGES AND DISPUTE RESOLUTION**

- 16.1 The Parties agree that each of them shall:
- i) identify Challenges that arise in the course of the Program in a timely manner, and notify the other Parties of the Challenges in writing. work together collaboratively to address, mitigate or manage Challenges that arise in the course of the Program in a timely manner.
  - ii) make bona fide efforts to resolve any Disputes that arise between them by, amicable negotiations and
  - iii) provide frank, candid and timely disclosure of all relevant facts, information and documents to facilitate resolving Challenges and to support negotiations to resolve Disputes.
- 16.2 Once a Party identifies a Challenge to any of the other Parties, every effort will be made by the Party responsible for resolving the Challenge to resolve the Challenge within fourteen (14) days.. If a Challenge has not been resolved within fourteen (14) days of identification:
- i) within the next seven (7) days, the Party which identified the Challenge will schedule, a teleconference involving the Representative Designate for each Party; and
  - ii) Should the Challenge remain unresolved thirty (30) days after the date of identification, the identifying Party will provide written notification to each Party's Representative and within seven (7) days, schedule a face to face meeting with the Representatives. The outcome from such a meeting shall include an agreed upon strategy to resolve the Challenge.
- 16.3 If a Dispute results amongst one or more of the Parties:

- i) Should the Parties involved in the Dispute, not be able to resolve the Dispute within fourteen (14) days of identification, the affected Party or Parties will schedule a teleconference involving the Representative Designate for each Party;
- ii) Should the Dispute remain unresolved thirty (30) days after the date of identification, the identifying Party will provide written notification to each Party's Representative and within seven (7) days, schedule a face to face meeting with the Representatives; and
- iii) Should the Party's Representative not be able to settle the Dispute within sixty (60) days of original written identification (16.3 ii above), the affected Parties will refer the matter to the arbitration of a single arbitrator mutually agreed to by the affected Parties. If the affected Parties cannot agree on an arbitrator, the dispute shall be referred to and finally resolved by arbitration administered by the British Columbia International Commercial Arbitration Centre Each Party shall bear their own legal costs unless determined otherwise by an Arbitrator. The administrative cost of arbitration shall be borne equally by the Parties involved in the dispute.

16.4 No Party to this Agreement shall cause a delay to the Work of any other Party while resolving any Challenge or Dispute. Each Party shall keep accurate and detailed records including the cost of the Work or Works done under protest.

16.5 A consent to be given by the RDN under section 14, or a decision in the sole discretion of a party is not subject to arbitration under this Agreement.

## 17. TERMINATION

17.1 Either VIU or SYLVIS shall have the right to terminate the Agreement, if the RDN fails, upon receiving notice from either VIU or SYLVIS, to resolve any of the following matters within sixty (60) days:

- i) In the event of any order of any court or other public authority, other than the RDN, causing the Work to be stopped or suspended, and when the period of such stoppage or suspension exceeds ninety (90) days, and when such stoppage or suspension occurs through no act or fault of VIU or SYLVIS or their respective agent, or servants;
- ii) If the RDN fails to pay either VIU or SYLVIS, except as provided in the Agreement, any sum certified as payable by the RDN Representative within thirty (30) days from the due date of payment, and fails to remedy such default within thirty (30) days of VIU's or SYLVIS's written notice of default;

and in the event of such termination, this Agreement shall be at an end.

17.2 For termination under Section 17.1(i), as a result of such stoppage or suspension, the RDN shall have no liability to VIU or SYLVIS for any loss of profits, damages or expenses.

- 17.3 For termination under Section 17.1(ii), the RDN shall pay VIU and SYLVIS for loss of profits, damages and expenses directly arising from RDN's default. The amount due to the VIU and SYLVIS for Work performed and losses sustained shall be approved by the RDN Representative acting reasonably upon the receipt of records from VIU and SYLVIS summarizing the loss of profits, damages and expenses.
- 17.4 The RDN shall have the right to terminate the Agreement if VIU or SYLVIS fail, upon receiving notice from the RDN Representative, to resolve any of the following matters within sixty (60) days:
- i) Default under this Agreement by either VIU or SYLVIS respectively;
  - ii) VIU or SYLVIS has become insolvent or commits any act of bankruptcy;
  - iii) In the event of any order of any court or other public authority, other than the RDN, causing the Work to be stopped or suspended, and when the period of such stoppage or suspension exceeds ninety (90) days, and when such stoppage or suspension occurs through no act or fault of VIU or SYLVIS or their respective agent, or servants;

and in the event of such termination this Agreement shall be at an end.

- 17.5 Upon termination under Section 17.4, the RDN shall pay VIU and SYLVIS for all VIU Work or SYLVIS Work performed to the date of Termination. Neither VIU nor SYLVIS shall have any claim for any further payment in respect of Work performed and the RDN will not be liable for any such loss of anticipated profits, damages, or expenses incurred by VIU and SYLVIS, except those identified under Section 18.
- 17.6 Once a Party has made reasonable effort to resolve either Challenges or Disputes as identified within Section 16.1, 16.2, and 16.3, this Agreement may be terminated without cause during the Term by any Party, upon a minimum of one hundred and eighty (180) days written Notice, and in accordance with Schedule E assuming the Parties were unable to resolve the Challenge or Dispute.

## **18. RESPONSIBILITIES UPON END OF TERM OR TERMINATION**

- 18.1 Each Party's responsibilities at end of Term or in the event that this Agreement is Terminated under any Section of the Agreement, are outlined in Schedule E.
- 18.2 Upon end of Term or upon Termination of Agreement prior to end of Term all Biosolids deposited at Storage Facilities located on the Application Site shall be Beneficially Used or removed to Disposal Site(s) by SYLVIS, in accordance with Schedule E.
- 18.3 If Biosolids are not Beneficially Used or removed in accordance with Schedule E, the RDN shall cause all remaining Biosolids to be removed and all expenses and costs related to clearing the Storage Facilities, shall be deducted from any payment due to SYLVIS. If no payment is owed to SYLVIS, then SYLVIS shall pay all expenses and costs immediately to the RDN upon demand.

## **19. PERMITS AND LICENCES**

19.1 Each Party shall be responsible for all associated costs to procure all permits, certificates or licenses required to perform their respective Work and to meet all requirements under federal, provincial, and local laws, regulations and bylaws affecting the execution of the Work, save insofar as the Agreement specifically provides otherwise.

## **20. LAWS AND REGULATIONS**

20.1 This Agreement shall be governed by and construed in accordance with the laws of the province of British Columbia and the federal laws of Canada where applicable.

20.2 All Parties must comply with all statutes, regulations and bylaws and orders of authorities having jurisdiction applicable to their respective Work , including, without limitation, OMRR and all other orders and requirements of the MOE applicable to the Work.

## **21. REPRESENTATIVES AND CONTACTS**

21.1 During the Term of the Agreement, each Party's Representative will be the persons identified in Schedule F.

21.2 The proper execution of a Party's responsibilities under this Agreement will be the responsibility of the Representative of that Party.

21.3 The Representative for each Party may appoint a Representative Designate responsible for day to day management and administration including invoicing, payment, environmental and safety compliance. Each Party's Representative Designate will be the person identified in Schedule F.

21.4 If, in the opinion of a Representative of a Party, one of the Parties to this Agreement fails to perform any part of their responsibilities, the Representative shall give notice in writing to the other Parties to the Agreement to complete the Work in a timely manner. If the Party receiving such notice disagrees with the Representative's notice, the matter shall be dealt with in accordance with the provisions of Section 16 of this Agreement.

21.5 Each Party shall advise the other Parties of changes to the contact information in Section 1.0 of Schedule "F" and shall use reasonable efforts to keep contact information in Section 2 of Schedule "F" up to date.

## **22. RECORD KEEPING**

22.1 All Parties shall maintain all documents and records which demonstrate performance under this Agreement for the longer of six (6) years from the date of completion of the term of this Agreement or the date of termination, or for such longer period required by law, from the date of termination or completion of this Agreement.

22.2 Copies of all records relating to this Agreement shall be made available for inspection to all Parties to this Agreement upon request by a Party.

## **23. CONFIDENTIAL AND PROPRIETARY INFORMATION**

- 23.1 Each Party shall advise the other Parties when information is confidential or proprietary. All Parties are responsible for ensuring all reasonable measures are taken to protect a Party's confidential and proprietary information.
- 23.2 No license or conveyance of any rights to any other Party is granted or implied by the exchange of confidential or proprietary information between the Parties.

## **24. INTELLECTUAL PROPERTY**

- 24.1 Each Party's right to use the Intellectual Property of the other Parties is limited to those rights expressly set out in this Agreement. No Party shall acquire any rights or interest to any other Party's Intellectual Property other than as provided for herein. Any rights or interest so acquired shall terminate on the expiry or termination of the Term.
- 24.2 Nothing in this Agreement shall diminish the Intellectual Property rights of any Party to this Agreement unless expressly provided herein. All usage of the Intellectual Property shall be in accordance with the policies and usage guidelines of the Party owning the Intellectual Property.
- 24.3 The Parties make no representations, extend no warranties and assume no responsibilities that the rights granted hereunder will not infringe on the rights or interests of others in any patents or trademarks not licensed hereby. The Parties represent that to their best knowledge, their copyrights, patents, and trademarks do not, as of the date of this Agreement, infringe the rights of any third Party.
- 24.4 If it becomes advisable at any time, at the sole discretion of a Party ("Owner"), for another Party to modify or discontinue the use of the Owner's Intellectual Property, the other Party agrees to do so.

## **25. ENVIRONMENTAL MONITORING AND INCIDENTS**

- 25.1 Each Party's role and responsibilities regarding environmental monitoring have been identified as part of their respective Work in Schedules A, B and C.
- 25.2 Each Party will pay all of its own costs and expenses concerning environmental monitoring and incidents unless expressly identified within the Agreement or agreed to in writing.
- 25.3 Each Party will be responsible for identifying, managing, mitigating and rectifying Environmental Incidents resulting from their respective Work.

## **26. PUBLIC AND MEDIA RELATIONS**

- 26.1 Each Party's role and responsibilities regarding public and media relations have been identified as part of their respective Work in Schedules A, B and C.



- 26.2 All publications and publicity, regardless of media, with respect to this Agreement requires the expressed written consent of each Party's Representative prior to being issued.
- 26.3 Each Party will pay all of its own costs and expenses concerning all public and media relations matters unless expressly identified within the Agreement or agreed to in writing.
- 26.4 The Parties will use their best efforts to finalize a Communications Plan and Complaints Management Plan within six (6) months of the commencement of this Agreement.

## **27. FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY ACT (British Columbia)**

- 27.1 All records and Personal Information (as defined in the *Freedom of Information and Protection of Privacy Act*) received, collected, created, used, disclosed and disposed of by the VIU and RDN as a result of this Agreement are subject to the provisions of this Act but not to be disclosed without first giving a Party the right to contest it.
- 27.2 All records and Personal Information (as defined in the *Personal Information Privacy Act*) received, collected, created, used, disclosed and disposed of by SYLVIS as a result of this Agreement are subject to the provisions of this Act.

## **28. SAFETY REQUIREMENTS**

- 28.1 Each Party shall be solely and completely responsible for ensuring the safety of all persons employed by that Party and property owned by that Party during the performance of their respective Work.
- 28.2 Each Party shall be liable for any and all injury or damage which may occur to persons or to property due to any act, omission, neglect or default of that Party, or of that Party's employees, workers, agents or contractors.
- 28.3 Each Party shall comply with the provisions of the *Workers Compensation Act* (British Columbia) and shall satisfy each of the other Parties' Representatives that a safety program has been developed in accordance with the Occupational Health and Safety Regulations, Safe Work Practices and procedures of the Worker's Compensation Board.
- 28.4 At any time during the Term of the Agreement, a Party shall upon written request by any other Party, provide reasonable evidence of compliance with the terms of this Agreement by that Party and their subcontractors.

## **29. CHANGES IN CIRCUMSTANCES**

- 29.1 If either the RDN, VIU or SYLVIS believe that there is a Change in Circumstance that affects this Agreement then:

- i) The Representative of the Party that considers that there is a Change in Circumstance shall give written notice to the others clearly detailing the inadequacy of the Agreement to deal properly with the Change in Circumstance and a proposal to amend the Agreement;
- ii) If a Party receiving notice of the proposed amendment does not agree with a proposed amendment, resolution of the matter shall, subject to this Agreement, be dealt with in accordance with the provisions of Section 16.

### **30. FORCE MAJEURE**

- 30.1 Delays in or failure of performance by any Party under this Agreement shall not constitute default hereunder or give rise to any claim for damages if and to the extent caused by Force Majeure.
- 30.2 In the event that performance of this Agreement in the reasonable opinion of any Party is made impractical by Force Majeure, then such Party shall so notify the other Parties in writing and the Parties shall either (a) terminate the Agreement, or (b) authorize the other Parties to complete the performance of the Services with such adjustments as are required by the existence of the Force Majeure and are agreed upon by the other Parties.
- 30.3 The Parties shall not be liable to each other to continue performance under the terms of this Agreement if any Party is unable to perform because of activities or circumstances of Force Majeure beyond the reasonable control of the Parties.

### **31. LIENS**

- 31.1 VIU shall remove or cause to be removed any claim of lien filed or registered against any land owned or held by the RDN that arises out of VIU's Work.. Such removal shall be effected by VIU upon demand by the RDN or the RDN Representative.
- 31.2 SYLVIS shall remove or cause to be removed any claim of claim of lien filed or registered against any land owned or held by the RDN that arises out of SYLVIS' Work. Such removal shall be effected by SYLVIS immediately upon demand by the RDN or the RDN Representative.
- 31.3 Notwithstanding anything elsewhere contained in the Agreement, VIU or SYLVIS shall indemnify and hold harmless the RDN from all demands, damages, costs, losses and actions arising in any way out of claims of lien or liens which arise out of anything done or to be done under the Agreement whether the lien period binding on the VIU or SYLVIS has expired or not.
- 31.4 The obligations imposed on VIU or SYLVIS by the provisions of this section shall not extend to a claim of lien properly and lawfully filed by VIU and SYLVIS.

## **32. ASSIGNMENT OR SUBCONTRACTING**

32.1 No Party to this Agreement shall subcontract, sell, transfer, assign the Agreement or any part of the Agreement, or his right, title, or interest in the Agreement, or his obligations under the Agreement without the prior written consent of the other Parties, except for an assignment to a bank of the payments to be received under the Agreement.

## **33. INDEMNITY**

33.1 VIU shall release, save harmless and indemnify the RDN and SYLVIS and their officers and employees, servants, and agents from and against all claims, actions, costs, expenses, judgments, damages, fines and fees of whatever kind, including solicitors' fees on a solicitor and own client basis, which the RDN, SYLVIS or any other person, partnership or corporation may have or incur and which arises out of or in connection with any breach of this Agreement or negligent act or omission of VIU, its agents, employees or subcontractors in the execution of the Work and otherwise in the performance of or failure to perform the Agreement.

33.2 SYLVIS shall release, save harmless and indemnify VIU and RDN and their officers and employees, servants, and agents from and against all claims, actions, costs, expenses, judgments, damages, fines and fees of whatever kind, including solicitors' fees on a solicitor and own client basis, which VIU, RDN or any other person, partnership or corporation may have or incur and which arises out of or in connection with any breach of this Agreement or negligent act or omission of SYLVIS, its agents, employees or subcontractors in the execution of the Work and otherwise in the performance of or failure to perform the Agreement.

33.3 The RDN shall release, save harmless and indemnify VIU and SYLVIS and their officers and employees, servants and agents, from and against all claims, actions, costs, expenses, judgments, damages, fines and fees of whatever kind, including solicitors' fees on a solicitor and own client basis, which SYLVIS, VIU or any other person, partnership or corporation may have or incur and which arises out of or in connection with any breach of this Agreement or negligent act or omission of the RDN, its agents, employees or subcontractors in the execution of the Work and otherwise in the performance of or failure to perform the Agreement.

## **34. INSURANCE**

34.1 Each Party, at its sole expense, will, unless otherwise agreed to in writing, carry insurance covering its operations under this Agreement at all times and maintain, and require its Subcontractors to maintain, at least the following insurance coverage:

- i) Workers' Compensation coverage as required by the laws of the province of British Columbia;
- ii) Employer's Liability Insurance covering each of its employees to the extent of no less than two million dollars (\$2,000,000.00) where such employees are not covered by Workers' Compensation or where Workers' Compensation is not an exclusive remedy;

- iii) Commercial General Liability Insurance written on an “occurrence” basis including coverage for all non-owned vehicles, products, completed operations liability, manufacturers and Party’s liability, cross liability and pollution liability with a combined single limit of no less than three million dollars (\$3,000,000.00) for each occurrence involving bodily injury, death or property damage, and each Party will be named as an additional insured under this policy;
- iv) Automobile Public Liability and Property Damage Insurance covering all vehicles owned, leased, operated or licensed by each Party or its Subcontractors with a combined single limit of no less than two million dollars (\$2,000,000.00) for each occurrence involving bodily injury, death or property damage;
- v) Contractor’s equipment insurance covering loss or damage to equipment and tools whether owned, non-owned or used by a Contractor;

provided that the requirement for pollution liability insurance under section 34.1(iii) shall not apply to VIU and RDN.

- 34.2 Copies of certificates of coverage shall be provided to the other Parties to this Agreement prior to commencement of the work. Wherever the word "RDN" or "RDN Representative", or “VIU”, or “VIU Representative” or “SYLVIS” or “SYLVIS Representative” is to appear in these policies, the legal name shall be inserted.
- 34.3 Each Party to this Agreement shall be responsible for any deductible amounts under their own policy.
- 34.4 If a Party or Parties fail to provide or maintain insurance as required by this section, then the RDN shall have the right to provide and maintain such insurance and give evidence thereof to the Party or Parties. The cost thereof shall be payable by the Party or Parties to the RDN on demand or the RDN may deduct the costs thereof from monies which are due or may become due to the Party or Parties.

### **35. ENTIRE AGREEMENT**

- 35.1 This Agreement shall supersede all communications, negotiations and Agreements prior to the execution and delivery hereof.
- 35.2 This Agreement constitutes the entire Agreement of the Parties with respect to the subject matter hereof and, except as stated in this Agreement, or in any instruments or documents to be executed and delivered pursuant to this Agreement, contains all the representations, undertakings and agreements of the Parties respecting the subject matter thereof. All Schedules and Appendices attached hereto form part of this Agreement.

**36. ORAL AGREEMENTS**

36.1 No oral instruction, objection, claim, or notice by any Party to the other shall affect or modify any of the terms or obligations contained in the Agreement, and none of the provisions of the Agreement shall be held to be waived or modified by reason of any act whatsoever, other than by a waiver or modification in writing and agreed to by the Parties to the Agreement.

**37. NON WAIVER**

37.1 Any failure by any Party or a Party's Representative at any time, or from time to time, to enforce or require the strict keeping and performance of any of the terms or conditions of the Agreement will not constitute a waiver of such terms or conditions and will not affect or impair such terms or conditions in any way or the right of the Party or the Party's Representative at any time to avail itself or himself of such remedies as it or he may have for any breach of such terms or conditions.

37.2 No provision in the Agreement, which imposes or may be deemed to impose extra or specific responsibilities or liabilities on another Party to the Agreement, shall restrict the general or other responsibilities or liabilities of the other Party in any way.

**38. BINDING EFFECT**

38.1 The Agreement shall enure to the benefit of and be binding upon the Parties and their successors, executors, administrators, and permitted assigns.

**39. NOTICES**

39.1 All notices required or permitted to be given under this Agreement will be given in writing to each Party's Representative and will be deemed to have been received by the Representative, if personally delivered, on the day of receipt, if mailed, on the third business day, or emailed, upon receipt of the email, in PDF file format attached to email, using the mailing and or email addresses listed in Section 1.0 of Schedule F

**40. SURVIVAL**

40.1 Sections entitled "Dispute Resolution", "Permits and Licenses", "Laws and Regulations", "Record Keeping", "Confidential and Proprietary Information", "Intellectual Property", and "Indemnification" shall survive the termination or expiration of this Agreement.

SIGNED BY the Parties or their duly authorized Representatives as of the date first above written.

**REGIONAL DISTRICT OF NANAIMO**

by its authorized signatories:

Per: \_\_\_\_\_  
Name: Joe Stanhope  
Title: Board Chair

**REGIONAL DISTRICT OF NANAIMO**

by its authorized signatories:

Per: \_\_\_\_\_  
Name: Joan Harrison  
Title: Director, Corporate Services

**VANCOUVER ISLAND UNIVERSITY**

by its authorized signatories:

Per: \_\_\_\_\_  
Name: Ralph Nilson  
Title: President and Vice-Chancellor

**VANCOUVER ISLAND UNIVERSITY**

by its authorized signatories:

Per: \_\_\_\_\_  
Name: Greg Crawford  
Title: Dean, Faculty of Science and Technology

**SYLVIS ENVIRONMENTAL INC.**

by its authorized signatories:

Per: \_\_\_\_\_  
Name: Mike Van Ham  
Title: President

**SYLVIS ENVIRONMENTAL INC.**

by its authorized signatories:

Per: \_\_\_\_\_  
Name: John Lavery  
Title: Team Leader, Environmental Services

## Schedule A – RDN Work

### 1.0 PRODUCTION - BIOSOLIDS QUALITY

The RDN shall:

- 1.1 notify SYLVIS and VIU of any changes to plant operations that may impact Biosolids quality as soon as reasonably practical.
- 1.2 sample Biosolids in accordance with OMRR and make the results available to SYLVIS and VIU upon request.
- 1.3 coordinate annual sampling programs with SYLVIS to ensure that Biosolids are tested regularly throughout the year for compliance with OMRR.
- 1.4 If any sample result indicates that Biosolids in a Storage Facility do not meet the quality requirements specified in this Agreement:
  - a) inform SYLVIS and VIU within three business days from the time of receipt of analysis,
  - b) work collaboratively with SYLVIS to identify a solution for remediation of the Biosolids for use at the Application Site, and
  - c) if no remediation is possible then make arrangements for removal of the Biosolids from the Storage Facility, at the RDN's expense.

### 2.0 PRODUCTION - BIOSOLIDS QUANTITY

The RDN shall:

- 2.1 provide a minimum of 4,000 metric tonnes of Biosolids per year to SYLVIS with the exception of any tonnes that cannot be delivered for beneficial use due to default by SYLVIS.
- 2.2 provide a minimum of 4,000 metric tonnes of Biosolids per year to VIU, with the exception of any tonnes that cannot be delivered for beneficial use due to default by VIU.
- 2.3 measure each load of FCPC Biosolids delivered to the Application Site, Contingency Site(s) or Disposal Site(s) in metric tonnes using the scale located at FCPC.
- 2.4 until the scale is installed under section 2.3, each load of GNPCC Biosolids delivered to the Application Site, Contingency Site(s) or Disposal Site(s) will be estimated in metric tonnes on the basis that one truck load is equivalent to 10 metric tonnes based upon the assumption that 1 cubic meter is equivalent to 1 metric tonne.

- 2.5 install and fully commission a scale at GNPCC no later than December 31, 2013, after which time the actual weight of the each load of GNPCC Biosolids delivered to the Application Site, Contingency Site(s) or Disposal Sites(s) will be measured by the scale.
- 2.6 maintain accurate records of the number of loads and actual or estimated weight per load of Biosolids leaving FCPC and GNPCC and delivered to the Application Site, Contingency Site(s) or Disposal Site(s).
- 2.7 RDN records will be made available to SYLVIS and VIU within two business days of the first day of each month.
- 2.8 use RDN records of the number of loads and actual or estimated weight of Biosolids delivered to the Application Site, to verify SYLVIS's records of the tonnes of Biosolids Beneficially Used at the Application Site.
- 2.9 notify SYLVIS and VIU of any changes to operations of the GNPCC or FCPC that may impact Biosolids quantity.

### **3.0 BIOSOLIDS TRANSPORTATION AND DELIVERY**

The RDN shall:

- 3.1 inform transportation providers delivering Biosolids of operating parameters provided by SYLVIS for delivery of Biosolids to the Application Sites and require the transportation providers to follow the operating parameters.
- 3.2 develop a contingency plan for temporary storage of Biosolids when they cannot be delivered to the Application Site.
- 3.3 If SYLVIS notifies the RDN that the Application Site is not accessible for delivery of Biosolids under section 3.4 of Schedule C, the RDN will be responsible for approving the use of the temporary storage site and coordinating delivery to the temporary storage site.

### **4.0 SITES**

The RDN shall:

- 4.1 have the right to approve and arrange for the use of the Contingency Site, in this case the RDN landfill, prior to its use.
- 4.2 If a contingency site other than the RDN landfill is proposed for use, the RDN will seek agreement for its suitability as a Contingency Site from SYLVIS and VIU.
- 4.3 final approval of a new Contingency Site will be at the sole discretion of the RDN



## **5.0 STORAGE AT THE APPLICATION SITE**

5.1 This section left intentionally blank.

## **6.0 BENEFICIAL USE**

6.1 The RDN shall assist SYLVIS in the identification of stakeholders requiring notification of Biosolids applications.

## **7.0 DISPOSAL**

7.1 The RDN shall have the right to approve the use of any site other than the Application Site to be used for the disposal of Biosolids prior to its use.

## **8.0 FEES**

8.1 RDN shall pay to VIU:

- a) A rate of \$27.00 per metric tonne of Biosolids for up to and including 4,000 metric tonnes of Biosolids delivered to the Application Site. After 4,000 tonnes has been reached in any year, the rate per metric tonne will be \$17.00 per metric tonne.
- b) In the event that RDN is not able to deliver 4,000 metric tonnes to the Application Site in one year, then the RDN will pay to VIU the equivalent amount of fees as if 4,000 metric tonnes had been delivered, with the exception of any tonnes that cannot be delivered due to default by VIU, to be finalized in January of the following year.
- c) Fees shall be increased at a compounding rate of 3% each year of this Agreement. The rate shall increase as of 1<sup>st</sup> of January of each year.

8.2 RDN shall pay to SYLVIS:

- a) A rate of \$71.55 per metric tonne of Biosolids for up to and including 4,000 metric tonnes of Biosolids delivered and beneficially used at the Application Site. After 4,000 tonnes has been reached in any year, the rate per metric tonne will be \$43.57 per metric tonne.
- b) The fees shall be paid in two installments, upon delivery to the Application Site and upon application of the Biosolids at the Application Site.
- c) Fee paid upon delivery of the Biosolids to the Application Site shall be 50.8% of the total fee payable in Section 8.3.
- d) Fee paid upon application of the Biosolids to the Application Site shall be 49.2% of the total fee payable in Section 8.3.
- e) In the event that RDN is not able to deliver 4,000 metric tonnes to the Application Site in one year, then, the RDN will pay to SYLVIS the equivalent amount of fees as if 4,000 metric tonnes had been delivered, with the exception of any tonnes that

cannot be delivered due to default by SYLVIS, to be finalized in January of the following year.

- f) Fees shall be increased at a compounding rate of 3% each year of this Agreement. The rate shall increase as of 1<sup>st</sup> of January of each year.

8.3 Despite anything in this Agreement, the rates for the fees payable by the RDN under this Agreement may not be increased as a result of any arbitration process under sections 16 or 24 of this Agreement.

## **9.0 ENVIRONMENTAL MONITORING & INCIDENTS**

The RDN shall:

- 9.1 maintain documented procedures to manage potential environmental incidents resulting from RDN Work , including spill response procedures, and to identify, manage, rectify, mitigate, and record environmental incidents. The RDN shall make all procedures available to VIU and SYLVIS upon request.
- 9.2 notify SYLVIS and VIU within twenty four (24) hours of any environmental incidents that may result in disciplinary action from Provincial and Federal Ministries, or media coverage.

## **10.0 SAFETY**

The RDN shall:

- 10.1 document and follow safe work procedures related to RDN's Work. Procedures will meet the requirements of WorkSafe BC. The RDN shall make all procedures available to VIU and SYLVIS upon request.
- 10.2 maintain documented procedures to identify, manage, rectify, mitigate and record safety incidents related to RDN's Work. All procedures and records will be made available to VIU and SYLVIS upon request.
- 10.3 notify SYLVIS and VIU within twenty four (24) hours of any safety incidents that may result in disciplinary action from Provincial and Federal Ministries, or media coverage.

## **11.0 PUBLIC AND MEDIA RELATIONS**

The RDN shall:

- 11.1 participate in the develop a Communications Plan in conjunction with SYLVIS and VIU to address public and media requests.
- 11.2 manage all public and media relations in accordance with the Communications Plan.

- 11.3 host two general open houses per year, one at FCPCC and one at GNPCC, which will include presentations on the Biosolids Management Program by VIU and SYLVIS.
- 11.4 participate in stakeholder consultation, which will include Application Site tours and application demonstrations, once per year, and will be jointly hosted by SYLVIS and VIU.
- 11.5 coordinate the development of a Biosolids Management Program website, to be used by all Parties to communicate regularly on the Biosolids Management Program. The website will be used for updates on research projects, annual reports, complaints portal, monthly news releases, upcoming land applications, and FAQ's, etc. All costs and management, and maintenance of the Biosolids Management Program website will be the sole responsibility of the RDN.

## **12.0 COMPLAINTS MANAGEMENT**

The RDN shall:

- 12.1 participate in the development of a Complaints Management Plan in conjunction with SYLVIS and VIU to manage complaints from the public. This may form part of the Communications Plan identified in Section 11.1.
- 12.2 manage all complaints in accordance with the Complaints Management Plan.

## **13.0 ANNUAL REPORTING**

The RDN shall:

- 13.1 coordinate an annual meeting to be held before the end of February each year to review the Biosolids Management Program from the previous year and discuss any improvements to the Program. For the meeting to proceed the Representative and Representative Designate from RDN, VIU and SYLVIS must be present.
- 13.2 prepare a Biosolids Management Program Annual Report to be made available to the Ministry of Environment and the general public with information provided by SYVLIS and VIU as requested by the RDN.

## **Schedule B – VIU Work**

### **1.0 PRODUCTION - BIOSOLIDS QUALITY**

1.1 This section is not applicable to VIU's Work.

### **2.0 PRODUCTION - BIOSOLIDS QUANTITY**

2.1 VIU shall review Biosolids quantities received at the Application Site based on RDN's records of the number of loads and actual or estimated weight per load of Biosolids leaving FCPC and GNPCC and delivered to the Application Site and if VIU does not raise an objection to the calculation of quantities within five (5) days of the end of month during which the Biosolids were delivered, VIU shall be deemed to have accepted the quantities as being accurate.

### **3.0 BIOSOLIDS TRANSPORTATION AND DELIVERY**

VIU shall:

- 3.1 at the commencement of this Agreement, provide the RDN with keys for the gates and locks to access the Application Site and Storage Facilities to deliver Biosolids.
- 3.2 promptly notify the RDN of any failures by the transportation provider to comply with the operating parameters provided by SYLVIS for the delivery of Biosolids to the Application Site.

### **4.0 SITES**

VIU shall:

- 4.1 be responsible to provide the Application Site pursuant to a lease that permits the use of the Application Site for the purpose of the Program during the Term.
- 4.2 ensure that SYLVIS and RDN have access to the site pursuant to the lease.
- 4.3 provide a copy of the Application Site lease agreement to the RDN and SYLVIS upon request.
- 4.4 advise the RDN and SYLVIS of any changes to the Application Site lease within one week of receiving notification of the proposed change.
- 4.5 comply with all provisions of the lease referred to in section 4.1.
- 4.6 remove fallen trees from Storage facility access roads and biosolids application trails in the event of a severe weather event.

## **5.0 STORAGE AT THE APPLICATION SITE.**

5.1 VIU shall operate within the operating parameters identified in Schedule D.

## **6.0 BENEFICIAL USE**

VIU shall:

6.1 operate within the operating parameters identified in Schedule D.

6.2 assist SYLVIS in the identification of stakeholders requiring notification of Biosolids applications.

## **7.0 DISPOSAL**

7.1 VIU shall obtain approval from the RDN for disposal of Biosolids at any Disposal Site(s) prior to their use.

## **8.0 FEES**

8.1 VIU shall submit an invoice monthly using the agreed upon number of tonnes delivered to the Application Site, and the rate schedule outlined in Schedule A, Section 8.1.

## **9.0 ENVIRONMENTAL MONITORING & INCIDENTS**

VIU shall:

9.1 conduct water quality testing or monitoring of selected streams and make available results to SYLVIS and RDN upon request.

9.2 maintain documented procedures to manage potential environmental incidents resulting from VIU Work , including spill response procedures, and to identify, manage, rectify, mitigate, and record environmental incidents. VIU shall make all procedures available to RDN and SYLVIS upon request.

9.3 notify SYLVIS and RDN within twenty four (24) hours of any environmental incidents that may result in disciplinary action from Provincial and Federal Ministries, or media coverage.

## **10.0 SAFETY**

VIU shall:

10.1 document and follow safe work procedures related to VIU's Work. Procedures will meet the requirements of WorkSafe BC. VIU shall make all procedres available to VIU and SYLVIS upon request.

- 10.2 When WorkSafe BC Certification is required for tasks within the Woodlot, VIU will ensure that individuals completing these tasks have the appropriate WorkSafe BC certification.
- 10.3 maintain documented procedures to identify, manage, rectify, mitigate and record safety incidents related to VIU's Work. All procedures and records will be made available to SYLVIS and RDN upon request.
- 10.4 notify SYLVIS and RDN within twenty four (24) hours of any safety incidents that may result in disciplinary action from Provincial and Federal Ministries, or media coverage.

## **11.0 PUBLIC AND MEDIA RELATIONS**

VIU shall:

- 11.1 participate in the develop a Communications Plan in conjunction with SYLVIS and RDN to address public and media requests.
- 11.2 manage all public and media relations in accordance with the Communications Plan.
- 11.3 participate in a minimum of two general open houses per year, hosted by the RDN, one at FCPC and one at GNPCC, to present the Biosolids Management Program.
- 11.4 jointly host a stakeholder consultation once per year with SYLVIS, and including participation by RDN. Consultation will include Application Site tours and application demonstrations.
- 11.5 contribute to the development of a Biosolids Management Program website, to be used by all Parties to communicate regularly on the Biosolids Management Program. The website will be used for updates on research projects, annual reports, complaints portal, monthly news releases, upcoming land applications and FAQ's, etc.

## **12.0 COMPLAINTS MANAGEMENT**

VIU shall:

- 12.1 participate in the development of a Complaints Management Plan in conjunction with SYLVIS and RDN to manage complaints from the public. This may form part of the Communications Plan identified in Section 11.1.
- 12.2 manage all complaints in accordance with the Complaints Management Plan.

## **13.0 ANNUAL REPORTING**

VIU shall:

- 13.1 participate in an annual meeting coordinated by the RDN, to be held before the end of February each year to review the Biosolids Management Program from the previous year and discuss any improvement to the Program. For the meeting to proceed the

Representative and Representative Designate from RDN, VIU and SYLIVS must be present.

- 13.2 provide information as requested by the RDN for completion of an Annual Report compiled by the RDN and made available to the Ministry of Environment and the general public.

## Schedule C – SYLVIS Work

### 1.0 PRODUCTION - BIOSOLIDS QUALITY

SYLVIS shall:

- 1.1 conduct testing in accordance with OMRR to ensure that Biosolids in storage are suitable for land application, and make results available to RDN and VIU, upon request.
- 1.2 coordinate annual sampling programs with the RDN to ensure that Biosolids are tested regularly throughout the year for compliance with OMRR.
- 1.3 If any sample results indicate that Biosolids in a Storage Facility, do not meet the quality requirements specified in this Agreement:
  - i) inform the RDN and VIU within three business days from the time of receipt of analysis,
  - ii) work collaboratively with the RDN to identify a solution for remediation of the Biosolids for use at the VIU woodlot, and

### 2.0 PRODUCTION - BIOSOLIDS QUANTITY

SYLVIS shall:

- 2.1 maintain accurate records of the quantity of Biosolids Beneficially used at the Application Site for the preceding month and provide the records to the RDN and VIU within two (2) business days of the first day of each month.

### 3.0 BIOSOLIDS TRANSPORTATION AND DELIVERY

SYLVIS shall:

- 3.1 provide the RDN with operating parameters for delivery of Biosolids to the Application Site and notify the RDN of any failures by the transportation provider to comply with the operating parameters.
- 3.2 provide direction on where to deliver Biosolids within the Application Site directly to the Biosolids Transporter on a day to day basis.
- 3.3 maintain all unpaved public roads needed by the Biosolids transporter for the safe delivery of the Biosolids the Application Site Storage Facilities.
- 3.4 maintain all Application Site roads needed by the Biosolids transporter for the safe delivery of the Biosolids to the Application Site Storage Facilities.



- 3.5 notify the RDN if the Application Site is not accessible for delivery of Biosolids so that the RDN can approve and coordinate delivery of Biosolids to Temporary Storage or the Contingency Site. If RDN is not notified by SYLVIS, then any costs associated with a second delivery may be charged back to SYLVIS by the RDN.

#### **4.0 SITES**

SYLVIS shall:

- 4.1 obtain approval from RDN for use of Temporary Storage or Contingency Site, prior to its use.

#### **5.0 STORAGE AT THE APPLICATION SITE**

SYLVIS shall:

- 5.1 maintain sufficient storage capacity for Biosolids at the Application Site based on an agreed minimum volume of 4,000 tonnes of RDN Biosolids annually.
- 5.2 ensure that at any time there is no more than the equivalent of nine (9) months of Biosolids production stored in total at the Application Site.
- 5.3 install new Storage Facilities on the Application Site as required, and ensure that they meet all regulatory and site security requirements and any other requirements in accordance with this Agreement , with input from VIU and RDN.
- 5.4 provide sufficient site security and signage to reasonably discourage unauthorized entry onto Biosolids Storage Facilities.
- 5.5 ensure that Storage Facilities are maintained in a clean manner, clearly labelled and are operated in compliance with requirements of this Agreement and OMRR.
- 5.6 operate within the operating parameters identified in Schedule D.

#### **6.0 BENEFICIAL USE**

SYLVIS shall:

- 6.1 ensure that the Beneficial Use of the Biosolids at the Application Site meets all requirements within the Agreement and OMRR provided the Biosolids meet Class B requirements upon delivery.
- 6.2 notify VIU, the RDN and other relevant stakeholders of application schedules at least two (2) weeks prior to application commencement and also make this information available to the RDN for placement on the Biosolids Management Program website.
- 6.3 consult with VIU and RDN to determine relevant stakeholders requiring notifications.

- 6.4 provide the RDN and VIU with updates every two weeks on the operations of the Program.
- 6.5 carry out SYLVIS Work within the operating parameters identified in Schedule D.

## **7.0 DISPOSAL**

- 7.1 SYLVIS shall obtain approval from the RDN for disposal of Biosolids at Disposal Site(s) prior to their use.

## **8.0 FEES**

- 8.1 SYLVIS shall submit an invoice monthly using the number of tonnes delivered to the Application Site, number of tonnes Beneficially Used at the Application Site, and the rate schedule outlined in Schedule A, Section 8.1.

## **9.0 ENVIRONMENTAL MONITORING & INCIDENTS**

SYLVIS shall:

- 9.1 conduct testing or monitoring as required to meet the requirement of this Agreement and OMRR, and share results and data with VIU and RDN, upon request.
- 9.2 maintain documented procedures to manage potential environmental incidents resulting from SYLVIS Work , including spill response procedures, and to identify, manage, rectify, mitigate, and record environmental incidents. SYLVIS shall make all procedures available to RDN and VIU upon request.
- 9.3 notify VIU and RDN within twenty four (24) hours of any environmental incidents that may result in disciplinary action from Provincial and Federal Ministries, or media coverage..

## **10.0 SAFETY**

SYLVIS shall

- 10.1 document and follow safe work procedures related to SYLVIS' Work. Procedures will meet the requirements of WorkSafe BC and any other application procedures identified in the Best Management Practices for biosolids land applications in BC. SYLVIS shall make all procedures available to VIU and RDN upon request.
- 10.2 When WorkSafe BC Certification is required for tasks within the Application Site, individuals completing these tasks will have the appropriate WorkSafeBC certification.
- 10.3 maintain documented procedures related to SYLVIS' Work, to identify, manage, rectify, mitigate and record safety incidents. All procedures and records will be made available to VIU and RDN upon request.

- 10.4 notify VIU and RDN within twenty four (24) hours of any safety incidents that may result in disciplinary action from Provincial and Federal Ministries, or media coverage..

## **11.0 PUBLIC AND MEDIA RELATIONS**

SYLVIS shall:

- 11.1 participate in the development of a Communications Plan in conjunction with RDN and VIU to address public and media requests.
- 11.2 manage all public and media relations in accordance with the Communications Plan
- 11.3 participate in a minimum of two general open houses per year, hosted by the RDN, one at FCPC and one at GNPCC to present the Biosolids Management Program.
- 11.4 jointly host a stakeholder consultation once per year with VIU, and including participation by RDN. Consultation will include Application Site tours and application demonstrations.
- 11.5 contribute to the development of a Biosolids Management Program website, to be used for updates on research projects, annual reports, complaints portal, monthly news releases, upcoming land applications, and FAQ's etc.

## **12.0 COMPLAINTS MANAGEMENT**

SYLVIS shall:

- 12.1 participate in the development of a Complaints Management Plan in conjunction with the VIU and RDN to manage complaints from the public. This may form part of the Communications Plan identified in Section 11.1.
- 12.2 manage all complaints in accordance with the Complaints Management Plan.

## **13.0 ANNUAL REPORTING**

SYLVIS shall:

- 13.1 participate in an annual meeting coordinated by the RDN, to be held before the end of February each year to review the Biosolids Management Program from the previous year and discuss any improvement to the Program. For the meeting to proceed the Representative and Representative Designate from RDN, VIU and SYLVIS must be present.
- 13.2 provide information as requested by the RDN for completion of an Annual Report compiled by the RDN and made available to the Ministry of Environment and the general public.

- 13.3 complete annual reports summarizing compliance and non-compliance with the Land Application Plan and OMRR. The Compliance report will be made available to VIU and RDN upon on request.

## Schedule D – VIU and SYLVIS Application Site Operations

### Site Management: Biosolids Applications on Woodlot 020

The following sections describe operational requirements and activities for site management of the Forest Fertilization Project managed by Vancouver Island University. This summary does not include the roles and responsibilities of higher level or administration activities related to biosolids applications; such as the preparation of the Land Application Plan, annual reports, etc., liaison with either the Ministry of Environment or the Regional District of Nanaimo, etc. This document summarizes roles required from both Parties and accountabilities related to site management between SYLVIS and VIU.

#### Core Areas of Responsibility

1. VIU is responsible for the forest management of Woodlot 020.
2. SYLVIS is responsible for managing biosolids, , stockpiling and application at the Application Site.
3. SYLVIS and VIU will jointly ensure that biosolids applications remain consistent with the management requirements of the woodlot, and its associated silviculture prescription for VIU, while achieving the regulated requirements of OMRR.

#### Key Roles:

##### The VIU Silviculture Forester (VIUSF)

- Is a Registered Professional Forester;
- Is an employee or subcontractor of VIU;
- Is responsible for managing Woodlot 020 on behalf of VIU for compliance with the Forest and Range Practices Act, the Forester’s Act and their associated regulations. This includes the biosolids forest fertilization as it is a part of the silviculture prescription; and,
- Is responsible for to the biosolids forest fertilization program in terms of road and trail infrastructure lay out and stand application as well as other items outlined in Schedule D.

The role of the Silviculture Forester is to:

1. Manage Woodlot 020 as required under the *Forest and Range Practices Act* and its associated regulations.
2. Plan, Direct, and Report all practices that fall under professional forestry.
3. Direct and communicate, as required, with the Biosolids Project Manager to ensure that all requirements of *Forest and Range Practices Act* are being met within the biosolids management project.

##### SYLVIS Biosolids Project Manager (SBPM)

- Is a qualified professional as described and required by the Organic Matter Recycling Regulation;
- Is an employee or subcontractor of SYLVIS ; and,

- Is responsible for the delivery of the social, regulatory, and operational aspects of the biosolids fertilization program as required by this Agreement with RDN and VIU.

The role of the SBPM is to:

1. Coordinate Biosolids management with RDN, the transport companies, and the Silviculture Forester
2. Monitor and manage biosolids transported to the woodlot
3. Monitors and manages all phases of stockpiling and application to ensure environmental compliance through OMRR and (by delegation and through reporting to the VIU Silviculture Forester) *Forest and Range Practices Act* and the *Foresters Act*.
4. Plan applications and operations for biosolids fertilization in areas as directed/agreed with the VIU Silviculture Forester.
5. Through communication with the Silvicultural Forester, ensure that requirements of the application as provided through OMRR also satisfy the requirements of the *Forest and Range Practices Act* and its associated regulations.

## Site Management Roles and Responsibilities Between SYLVIS and VIU

### 1.0 SYLVIS – BIOSOLIDS TRANSPORT COORDINATION

SYLVIS shall:

- 1.1 coordinate transport to the storage facilities (pits) where applications are planned or to facilities that are snow free (in winter).
- 1.2 coordinate transport to the pits in the winter months to ensure contingency for snow weeks.
- 1.3 monitor and manage pits and roads for snow status and access issues; arrange for snow ploughing in the woodlot roads and to enable stockpile access.
- 1.4 monitor (in consultation with the transport contractor) conditions of roads for potential maintenance and notify the VIUSF.
- 1.5 based on road monitoring, work with the VIUSF to produce an annual road maintenance plan.
- 1.6 implement road maintenance activities upon ratification of the road maintenance plan by both the SBPM and the VIUSF on an as required basis.
- 1.7 undertake road maintenance, snow removal and pit maintenance, where they pertain solely to biosolids management.

## **2.0 VIUSF – BIOSOLIDS TRANSPORT COORDINATION**

VIU shall:

- 2.1 in conjunction with the SBPM, assess road maintenance projects and prepare road maintenance plans for only the roads which biosolids trucks travel on.
- 2.2 Maintain gates and locks for entry into the Snow, Motocross and Plantation pits.
- 2.3 maintain any co-shared roads used at the Application Site while active harvesting is taking place.
- 2.4 VIU will provide SYLVIS with a minimum of two weeks' notice prior to the initiation of active harvesting activities within the Woodlot.

## **3.0 SYLVIS – STOCKPILE MANAGEMENT**

SYLVIS shall:

- 3.1 manage biosolids stockpiles efficiently to maximize the storage capacity of each storage facility.
- 3.2 only store Biosolids within Storage Facilities with a sealed base and containment barriers.
- 3.3 ensure biosolids are tarped from October 1 to March 31, as stipulated in the Organic Matter Recycling regulation (OMRR).
- 3.4 assess and maintain the stockpiles for lock block stability and potential paving repairs.
- 3.5 consult with VIUSF to determine over new stockpile locations and construction of stockpiles.
- 3.6 supervise and assume all costs to construct new stockpiles.

## **4.0 VIUSF – STOCKPILE MANAGEMENT**

- 4.1 VIU shall identify and determine, in consultation SYLVIS, any construction sites for new storage facilities.

## **5.0 SYLVIS – APPLICATION PLANNING**

SYLVIS shall:

- 5.1 coordinate with VIUSF to identify the target stands on a regular basis.
- 5.2 coordinate with VIUSF where additional trails will be constructed, if any.

- 5.3 construct new trails to be used for biosolids management upon Agreement with VIUSF and based on their engineering.
- 5.4 manage biosolids trails for access (e.g. windfalls).
- 5.5 notify VIU of trail construction and intent to apply in a given forest site.
- 5.6 identify streams, wetlands, and lakes and other resource features and accurately map them.
- 5.7 accurately map the proposed application areas and associated features of importance.
- 5.8 evaluate sites for setback requirements from wetlands, streams, trails or any other significant resource feature (e.g. bear den).
- 5.9 ensure that inspections and evaluations of application sites are documented and signed off by SBPM and provided to VIUSF prior to application.

## **6.0 VIUSF – APPLICATION PLANNING**

VIU shall:

- 6.1 work with SYLVIS on the planning of trail locations.
- 6.2 have the final decision on trail location.
- 6.3 locate and engineer the trails.
- 6.4 communicate necessary features of importance to SBPM for mapping purposes.
- 6.5 will review pre-application planning and identification work.

## **7.0 VIUSF – CONSULTATION**

- 7.1 VIU shall participate and consult as forest manager and stakeholder, where requested or required.

## **8.0 SYLVIS – APPLICATIONS**

SYLVIS shall:

- 8.1 apply biosolids on an ongoing basis as required to be in compliance with OMRR.
- 8.2 communicate with VIUSF to ensure silvicultural objectives are met.
- 8.3 manage any equipment issues, weather issues, stakeholder issues, and stockpile issues to maintain best possible continuity of agreed application schedule.



**Table 1: Regulatory Structures and Areas of Responsibility.**

Organic Matter Recycling Regulation	Forest and Range Practices Act and	Woodlot Licence Planning and Practices Regulation	Foresters Act
<p><b>Legal Obligations in biosolid applications:</b></p> <p>The Land Application Plan is prepared by a qualified professional.</p> <p>LAP is the legal planning document which clearly identifies application rates, results of environmental testing and application measures and strategies such as environmental protection and posting of signs.</p> <p><b>Qualified Profession-(OMRR s 1)</b> is registered in an appropriate professional association, acts under that professional association's code of ethics, and is subject to disciplinary action by that professional association.</p> <p><b>Note:</b> Applicable professional designations: RPBio, PAg, PEng, RPF</p> <p><b>Link:</b> <a href="http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/18_2002">http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/18_2002</a></p>	<p><b>Legal Obligations on the Woodlot</b></p> <p><b>Definition: FRPA s 1. :</b></p> <ul style="list-style-type: none"> <li>• <u>A forest practice</u> is a prescribed activity that is carried out by a <b>holder of an Agreement under the Forest Act, or (VIU).on "a woodlot licence"</b></li> </ul> <p><b>Definition Forest Planning and Practices Regulation:</b></p> <ul style="list-style-type: none"> <li>• <u>Primary forest activity</u> includes silviculture treatments</li> </ul> <p><b>Link:</b> <a href="http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/00_02069_01">http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/00_02069_01</a></p>	<p><b>Legal Obligations on the Woodlot</b></p> <p><b>WLPPR s3.1 Damage to the environment</b> is defined and includes alteration to soil and the deposition of adverse material into a stream, wetland or lake.</p> <p><b>WLPPR s74 Water Quality.</b> Applies to a woodlot that has legal water quality objectives. VIU WL does not have a water quality objective but there are water intakes downstream of the WL. This section specifies that primary forest activities must be undertaken in a manner that is consistent with the water quality objective.</p> <p><b>Note:</b> This is just a highlight of certain relevant sections in the WLPPR.</p> <p><b>Note:</b> Biosolid applications form a basis for the AAC determination for WL020. As such it is considered a silviculture practice to enhance forest yields.</p> <p><b>Link:</b> <a href="http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/23_21_2004#section1">http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/23_21_2004#section1</a></p>	<p><b>Professional Practices</b></p> <p><b>Foresters Act s. 1.</b></p> <p><b>Describes practices that fall under professional forestry.</b> This includes silviculture, forest enhancement and forest roads (all the way from planning, directing to reporting.</p> <p>The act stipulates who can practice forestry. The Association has the sole authority to grant a license to practice as well has legal authority to seek an injunction from the Supreme Court for unauthorized practice (FA s 20, 21)</p> <p><b>Note:</b> One can practice forestry under a forest professional. .</p> <p><b>Note:</b> Applicable designation: RPF, RFT (varies by function)</p> <p><b>Link:</b> <a href="http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/00_03019_01#section20">http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/00_03019_01#section20</a></p>
<p><b>Responsibility of Biosolids Program Manager (BPM) reported to VIU</b></p>	<p><b>Responsibility of VIUSF. For overlapping areas: designate to BPM with</b></p>	<p><b>Responsibility of VIUSF. For overlapping areas: designate to BPM with required</b></p>	<p><b>Responsibility of VIUSF. For overlapping areas: designate to BPM with required reporting</b></p>

2.1 The Party listed in Column 3 shall perform the Task described in Column 2 by the date shown in Column 1, except as otherwise expressly stated.

Date	Action	Responsibility	Reference to Agreement
<b>30 calendar days prior to Termination Date other than March 31, 2017</b>	Last day by which delivery of Biosolids must be made to the Storage Facilities on the Application Site.	RDN	Section 10
	Delivery of final invoice for services under this Agreement	VIU	Section 7
	Delivery of final invoice for Biosolids delivered under this Agreement.	SYLVIS	Section 7
<b>14 calendar days prior to Termination Date other than March 31, 2007</b>	Last day by which Biosolids contained in Storage Facilities must be Beneficially Used at the Application Site or removed to Disposal Sites.	SYLVIS	Section 12
	Delivery of final invoice for Biosolids applied under this Agreement.	SYLVIS	Section 7
	Last day by which any Biosolids contained in Storage Facilities not intended to be Beneficially used at the Application Site must be removed to a Disposal Site.	SYLVIS	Section 18
<b>Termination Date</b>	Last day by which any Biosolids contained in Storage Facilities must be removed in the event that SYLVIS does not remove the Biosolids to a Disposal Site.	RDN	Section 18.3
<b>Termination Date</b>	End of term of Agreement	N/A	Section 17

## Schedule F – Representatives and Contacts

### 1.0 NOTICES

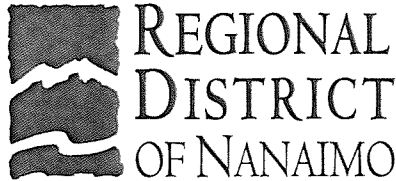
1.1 All Notices will be delivered to the following mailing or email addresses:

- i) Regional District of Nanaimo  
6300 Hammond Bay Road  
Nanaimo, BC  
V9T 6N2  
Attention: Sean De Pol  
Email: [sdepol@rdn.bc.ca](mailto:sdepol@rdn.bc.ca)
  
- ii) Vancouver Island University  
900 Fifth Street  
Nanaimo, BC  
V9R 5S5  
Attention: Office Vice President Administration and Finance  
Email: [ovpaf@viu.ca](mailto:ovpaf@viu.ca)
  
- iii) SYLVIS Environmental Inc.  
427 Seventh Street  
New Westminster, BC  
V3M 3L2  
Attention: Mike Van Ham  
Email: [mvanham@sylvis.com](mailto:mvanham@sylvis.com)

## 2.0 PARTY REPRESENTATIVES AND REPRESENTATIVE DESIGNATES

2.1 All other communications will be conducted between appropriate contacts as listed below:

	CONTACT	CONTACT NAME	CONTACT DETAILS
Representative	RDN	<i>Sean De Pol</i> Manager, Wastewater Services	Phone: 250-390-6560 Email: sdepol@rdn.bc.ca
	VIU	<i>Greg Crawford</i> Dean, Faculty of Science and Technology	Phone: 250-740-6360 Email: greg.crawford@viu.ca
	SYLVIS	<i>John Lavery</i> Team Leader, Environmental Services	Phone: 604-341-0955 Cell: 604-341-0955 Email: jlavery@sylvis.com
Representative Designate for day to day management and administration	RDN	<i>Ellen Hausman</i> Wastewater Program Coordinator	Phone: 250-390-6560 Email: ehausman@rdn.bc.ca
	VIU	<i>Paul Lucas</i> Woodlands Superintendent	Phone: 250-740-6361 Cell: 250-618-5246 Email: paul.lucas@viu.ca
	SYLVIS	<i>Ashley Ahrens</i> Project Manager	Phone: 604-777-9788 ext. 215 Cell: 604-908-6146 Email: aahrens@sylvis.com



RDN REPORT	
CAO APPROVAL	
EAP	
COW	✓
NOV 05 2012	
RHD	
BOARD	
DATE:	

MEMORANDUM

TO: Mike Donnelly
Acting General Manager,
Regional and Community Utilities

October 29, 2012

FROM: Wayne Moorman, P.Eng.

FILE:

5500-31-WH

SUBJECT: Westurne Heights Water Utility
Petition for Engineering Assessment

PURPOSE

To obtain Board approval to petition residents of the Westurne Heights Water Utility to undertake a water system assessment.

BACKGROUND

The Westurne Heights Water Utility services 16 strata properties and one private property in Area F of the Regional District of Nanaimo (RDN). This water system was developer designed and installed and has now been abandoned by the developer. The Strata/private owners are now responsible for operation and maintenance of the system, however operation and maintenance is not being carried out.

In March of this year staff, was approached by Mr. John Ward with Eagle Property Management, a manager hired by one of the Westurne strata's, to review options for the safe operation and maintenance of the system. Mr. Ward determined there were jurisdictional issues with the 3 strata's/private owner and a lack of volunteers and finances to operate and maintain the system properly. Mr. Ward approached the RDN to determine if RDN acquisition of the water system was possible for the Westurne Heights water system. RDN staff confirmed this option was a possibility.

Mr. Ward invited Regional and Community Services staff to attend a strata meeting in Parksville on July 4, 2012. The purpose of the meeting was to provide an opportunity for residents to ask questions of Mr. Ward and the RDN about system ownership, maintenance, costs etc. The meeting was not well attended but Mr. Ward was requested, by those in attendance, to informally contact the 17 owners of the water system to determine the level of interest in RDN involvement in acquiring the system.

A Memorandum of Agreement (Appendix A) was sent to the 17 property owners in July with instructions to sign and return if in agreement with the written terms. On August 14, 2012, Mr. Ward advised staff that 12 signed MOA's were returned (representing 70% of the properties) and he requested that the RDN proceed with an engineering assessment of the water system to determine improvements and costs under which the RDN would accept ownership. In order to undertake the engineering assessment a petition must be carried out to establish a service area for the purpose of borrowing funds to complete the assessment.

Staff estimate the cost of the engineering study and report will be in the order of \$15,000. We are not currently aware of any provincial grants that are available to assist in reducing the cost of this work.

A public meeting would be held to discuss the petition with residents and to answer any questions they may have.

**ALTERNATIVES**

1. Petition the residents of the Westurne Heights Water Utility to secure support to form a Water Service Area for the sole purpose of completing an engineering analysis and cost estimate to upgrade their system to RDN standards.
2. Do not petition the residents.

**FINANCIAL IMPLICATIONS**

For Alternative 1 the estimated cost of the engineering study and cost estimate would not exceed \$15,000. The actual cost would be shared by 17 properties and would be financed over 5 years. The estimated annual property tax to finance this expenditure is \$207 annually.

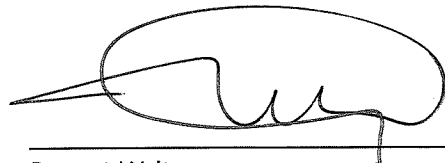
There is no cost associated with Alternative 2.

**SUMMARY/CONCLUSIONS**


The residents of the Westurne Heights Water Utility have expressed an interest in RDN ownership of their water system. Initially, an engineering assessment and cost estimate to improve their water system to meet RDN standards must be undertaken. To do so, residents must formally approve a petition to finance a \$15,000 engineering assessment of the water system.

**RECOMMENDATIONS**

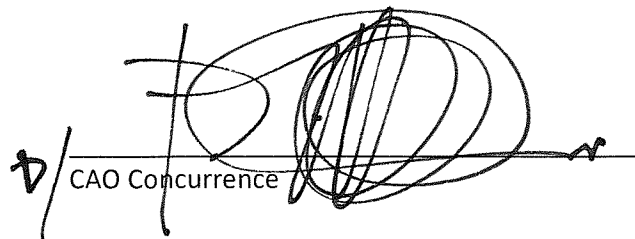
That the Board direct staff to petition the residents of the Westurne Heights Water Utility to borrow up to \$15,000 to complete the necessary engineering analysis and related capital costs associated with improving the water system to an RDN standard.

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

*For  
W. M.*

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

*A/c*

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

**WESTURNE HEIGHTS WATER SUPPLY SYSTEM**

Westurne Heights Road,  
Qualicum Beach, B.C.

**MEMORANDUM OF AGREEMENT**

Between: The Owners of Strata Plan VIS 4695 (8 owners); Strata Plan VIS 4510 (4 owners); Strata Plan VIS 4921 (4 Owners); and the Owner of that parcel described as "Remainder Lot 3" (1 owner).

And: The Regional District of Nanaimo in the Province of British Columbia.

1. As equal SHAREHOLDERS of the above Water Supply System, we understand that we are collectively responsible to operate and maintain the System in compliance with the B.C. DRINKING WATER PROTECTION ACT and the DRINKING WATER PROTECTION REGULATION.
2. We are aware that the Water Supply System is NOT being operated in compliance with the Act and the Regulation. This puts all Shareholders under legal liability, should the water supply become contaminated and cause consumers to become sick (or worse).
3. Since none of the Shareholders is agreeable to take responsibility to organize, manage and supervise the day-to-day operation and maintenance of the Water Supply System, we agree with the concept that the REGIONAL DISTRICT OF NANAIMO be invited to acquire the infrastructure of the Water Supply System, to upgrade the plant as necessary to comply with the Regulation and to proceed to operate and maintain the Water Supply System as soon as possible, subject to final approval by the Shareholders and the RDN BOARD OF DIRECTORS.
4. We understand that there will be legal, engineering and administrative costs to investigate the condition of the plant and to assume ownership and operate the Water Supply System in full compliance with the legislation.
5. Further, we understand that such costs will be charged by the RDN to the Shareholders. The amount of such costs, and the options for payment, will be explained to the Shareholders prior to the FINAL AGREEMENT being signed by all parties.
6. We, therefore, strongly support the concept of RDN ownership and operation of the Water Supply System at Westurne Heights and we invite the RDN staff to proceed as quickly as possible to prepare a detailed PROPOSAL for discussion and subsequent approval by the Shareholders.

**SIGNATURE OF SHAREHOLDER(S):**

Strata Plan VIS \_\_\_\_\_; Strata Lot No: \_\_\_\_\_

Street Address: \_\_\_\_\_ Westurne Heights Road, Qualicum Beach, B.C. V9K 2S9

**NAME:** (Print) \_\_\_\_\_ **SIGNATURE:** \_\_\_\_\_

**NAME:** (Print) \_\_\_\_\_ **SIGNATURE:** \_\_\_\_\_

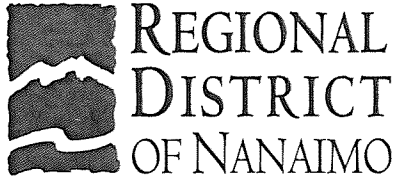
**DATE:** \_\_\_\_\_ 2012

Telephone No: \_\_\_\_\_

E-mail address: \_\_\_\_\_

**PLEASE MAIL YOUR SIGNED STATEMENT NO LATER THAN AUGUST 8, 2012 TO:**

**Eagle Property Management, 640 Morningstar Drive, Parksville, B.C. V9P 2W3**



RDN REPORT	
CAO APPROVAL <del>###</del>	
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BOARD	

# MEMORANDUM

**TO:** Carey McIver  
Manager of Solid Waste

**DATE:** October 30, 2012

**FROM:** Maggie Warren  
Superintendent Scale and Transfer Services

**FILE:** 5360-00

**SUBJECT:** Solid Waste Management Regulation Bylaw No. 1531.04 – 2013 Tipping Fees

## PURPOSE

To introduce a bylaw to amend “Regional District of Nanaimo Solid Waste Management Regulation Bylaw No. 1531.03, 2011” to reflect the tipping fees included in the 2012 to 2016 Financial Plan.

## BACKGROUND

The RDN provides sustainable solid waste management services to residents and businesses region-wide. The Regional Landfill on Cedar Road in south Nanaimo and the Church Road Transfer Station near Parksville will process over 54,000 tonnes of municipal solid waste and 13,000 tonnes of recyclable material in 2012. These two facilities are financed entirely through user fees that will generate roughly \$7.5 million in revenue this year.

Over the last five years, the amount of municipal solid waste processed at RDN facilities has declined by 25% due primarily to waste diversion policies and programs. Although this decline has saved landfill capacity and deferred expensive cell expansion projects, as garbage volumes decline, RDN solid waste services must charge customers more to cover the fixed costs of operations.

Consequently, the 2012 to 2016 Financial Plan for the Regional District’s solid waste management facilities includes a tipping fee increase from \$115 to \$120 per tonne effective January 1, 2013. The fee changes are required to adequately fund operating and capital requirements.

### **2012 Rate Changes**

Under the proposed fee schedule effective January 1, 2013, the first 0-50 kg of solid waste will be charged at a flat rate of \$6 (currently \$5) but every kilogram over 50 kg will be charged at \$120 per tonne. Based on a tipping fee of \$120 per tonne for solid waste, all other commodity tonne rates will be adjusted accordingly. The Solid Waste Management Regulation Bylaw 1531.04 attached to this report reflects these changes.

## ALTERNATIVES

1. Adopt Solid Waste Management Regulation Rates Amendment Bylaw No. 1531.04 as presented.
2. Do not amend the bylaw and amend the 2012 to 2016 Financial Plan accordingly.



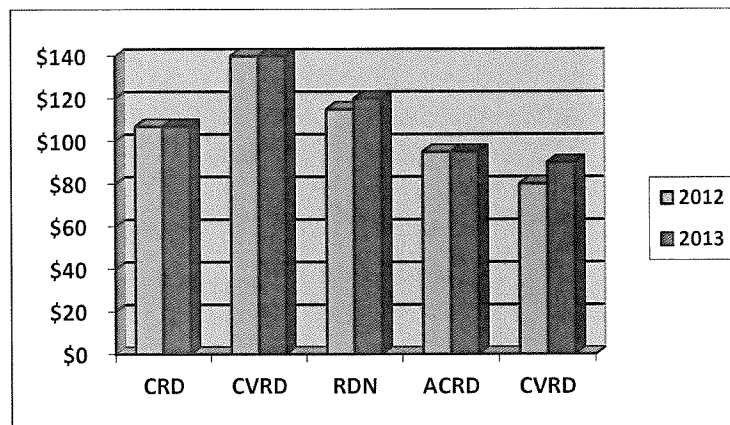
## FINANCIAL IMPLICATIONS

### Alternative 1

Under this alternative, fees will increase in accordance with the financial plan. The additional \$5 per tonne will generate an estimated \$270,000 in operating revenues. The increase in the minimum charge from \$5 to \$6 will generate an estimated \$170,000. Based on preliminary 2013 budgeting, the increased revenues will continue supporting both operations and the long term capital plan.

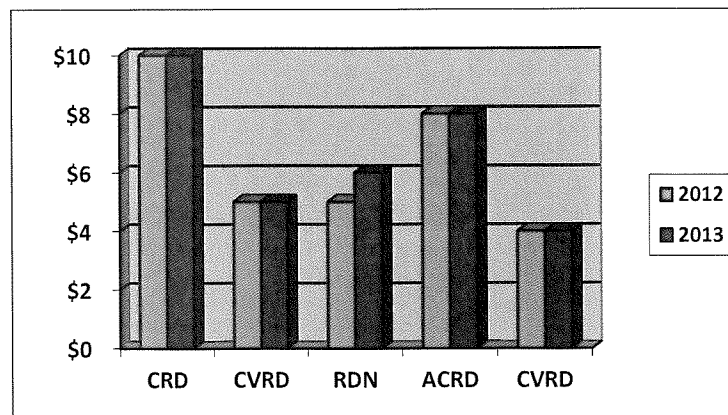
As indicated in Chart 1, the new tipping fee structure is comparable with regional districts on Vancouver Island with the exception of the Cowichan Valley Regional District. The CVRD does not have any in-region disposal capacity and must export their waste off-island resulting in a significant tax requisition as well as a tipping fee of \$140 per tonne. This higher tipping fee promotes “leakage” of waste from the CVRD to the RDN which reduces RDN disposal capacity. The proposed increase to RDN fees should help to minimize any significant waste leakage from the CVRD.

Chart 1: Vancouver Island Tipping Fees



As indicated in Chart 2, the proposed minimum fee of \$6 for loads up to 50 kg is also comparable with regional districts on Vancouver Island with some exceptions. In the Alberni Clayoquot Regional District garbage is charged at \$2 per bag up to \$8 after which anything greater than 85 kg has an \$8 minimum. In the Cowichan Valley Regional District the \$5 minimum charge is for loads up to 35 kg. In the Comox Valley Regional District the \$4 minimum charge is for loads up to 60 kg.

Chart 2: Vancouver Island Minimum Charge



Alternative 2

Under Alternative 2, without the additional revenues (\$440,000) noted above it will be necessary to borrow more than currently projected to finance the longer term development of both sites. Also increasing fees in an orderly manner permits adequate time to distribute notices to haulers and our municipal members for their budgeting purposes. The increased fees also maintain a user pay cost recovery for operating the Regional Landfill and the Church Road Transfer Station.

**CITIZENS/PUBLIC RELATIONS IMPLICATIONS**

Once approved, communications will be prepared to advise all customers of the fee increase, including letters to account holders, signage at both facilities, flyers, advertisements and information on the RDN web page.

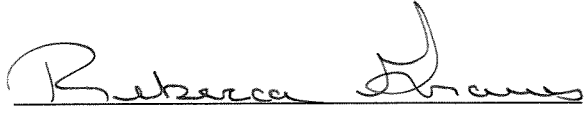
**SUMMARY/CONCLUSIONS**

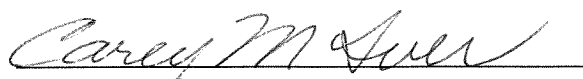
The 2012 to 2016 Financial Plan for the Regional District's solid waste management facilities includes a tipping fee increase from \$115 to \$120 per tonne effective January 1, 2013. This increase is required to maintain a user pay recovery of operating costs and to help cover long term capital improvement plans.

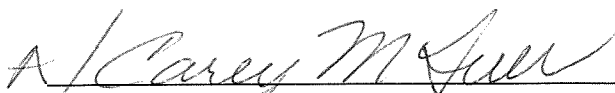
The proposed amendments to Bylaw No. 1531 will increase the tipping fee from \$115 to \$120 per tonne and will increase the minimum fee from \$5 to \$6 on all commodities.


**RECOMMENDATIONS**

1. That "Regional District of Nanaimo Solid Waste Management Regulation Bylaw No. 1531.04, 2012" be introduced and read three times.
2. That "Regional District of Nanaimo Solid Waste Management Regulation Bylaw No. 1531.04, 2012" be adopted.

*for*   
Report Writer

  
Manager Concurrence

  
General Manager Concurrence

  
C.A.O. Concurrence

**REGIONAL DISTRICT OF NANAIMO**

**BYLAW NO. 1531.04**

**A BYLAW TO AMEND REGIONAL DISTRICT OF NANAIMO  
SOLID WASTE MANAGEMENT REGULATION BYLAW 1531**

WHEREAS the "Regional District of Nanaimo Solid Waste Management Regulation Bylaw No. 1531, 2010" provides for the regulation of Solid Waste Management Facilities within the Regional District of Nanaimo;

AND WHEREAS the Board wishes to amend fees and charges established by Bylaw No. 1531;

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

1. Schedule 'A' of Bylaw No. 1531 is hereby repealed and replaced with Schedule 'A' attached to this bylaw.
2. This bylaw may be cited as "Regional District of Nanaimo Solid Waste Management Regulation Amendment Bylaw No. 1531.04, 2012."

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

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

\_\_\_\_\_  
CHAIRPERSON

\_\_\_\_\_  
CORPORATE OFFICER

Schedule 'A' to accompany "Regional District of Nanaimo Solid Waste Management Regulation Bylaw No. 1531.04, 2012"

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Corporate Officer

**Schedule 'A'**

Charges and Procedures for use of Solid Waste Management Facilities effective January 1, 2013:

<b>1</b>	<b>Solid Waste, excluding Controlled Waste</b>	<b>Flat rate</b>	<b>51 kg or greater</b>
a.	Municipal solid waste, construction/demolition waste, roofing waste (asphalt/tar/gravel) or medical facility waste	\$6.00/0-50 kg	\$120.00/tonne
b.	Municipal solid waste (containing recyclables) with offence	\$6.00/0-50 kg	\$240.00/tonne
c.	Construction/demolition waste (containing recyclables) with offence	\$6.00/0-50 kg	\$360.00/tonne
d.	Municipal solid waste, District 69 compactor bins delivered to the Regional Landfill	\$6.00/0-50 kg	\$110.00/tonne
e.	Weighing Service	\$20.00 flat rate	
f.	Surcharge for improperly covered or secured loads	\$20.00 flat rate	

<b>2</b>	<b>Recyclables</b>	<b>Flat rate</b>	<b>51 kg or greater</b>
a.	Organic waste	\$6.00/0-50 kg	\$105.00/tonne
b.	Organic waste (containing mixed solid waste or recyclables) with offence	\$6.00/0-50kg	\$210.00/tonne
c.	Garden Waste	\$6.00/0-100 kg	\$55.00/tonne
d.	Wood waste including wood roofing	\$6.00/0-50 kg	\$240.00/tonne
e.	Gypsum (Church Road Transfer Station only)	\$6.00/0-50 kg	\$240.00/tonne
f.	Metal recycling, metal appliances with ODS (ozone depleting substance)	\$6.00/0-500 kg	\$55.00/tonne
g.	Corrugated cardboard	\$6.00/0-50kg	\$55.00/tonne
h.	Miscellaneous recyclables including: non-deposit glass, paper, household plastics, metal food and beverage containers, vehicle batteries and oil filters	\$6.00 flat rate	

<b>3</b>	<b>Controlled Waste</b>	<b>Flat rate</b>	<b>51 kg or greater</b>
a.	Contaminated soil, grit and screenings and bio-solids	\$6.00/0-50 kg	\$120.00/tonne
b.	Controlled waste (misc), large dead animals and asbestos waste	\$6.00/0-50kg	\$240.00/tonne
c.	Food processing waste and treatment works pumping		\$240.00/tonne
d.	Steel cable		\$500.00/tonne

4. Any load containing Prohibited Waste will be charged all costs associated with any special handling or removal of the Prohibited Waste in addition to the volume rates above.
5. Where the charge is based on weight, it shall be based on the difference in weight between loaded weight and the empty weight of the vehicle.
6. In the event that the scales provided are not operational, weight shall be estimated by the Scale Clerk employed by the Regional District of Nanaimo.
7. All charges payable under this bylaw shall be paid prior to leaving the site.

**REGIONAL DISTRICT OF NANAIMO**

**MINUTES OF THE MEETING OF THE GRANTS-IN-AID ADVISORY COMMITTEE  
HELD ON MONDAY, NOVEMBER 5, 2012 AT 2:00 PM  
AT THE REGIONAL DISTRICT OFFICES**

<b>Present:</b>	M. Young D. Willie J. Wilson-Storey B. Erickson G. Wiebe	Chairperson Director, District 69 Citizen Advisory Group Citizen Advisory Group Citizen Advisory Group
<b>Staff:</b>	W. Idema J. Harrison J. Hill L. Burgoyne	Director, Finance Director, Corporate Services Manager, Administrative Services Administrative Coordinator
<b>Regrets:</b>	C. Knapp	Citizen Advisory Group

**DISTRICT 68**

Funds available: \$ 6,250.00

MOVED D. Willie, SECONDED G. Wiebe, that Grant-in-Aid funds for District 68 be awarded to the following applicants:

<b>Name of Organization</b>	<b>Amount Requested</b>	<b>Amount Recommended</b>
Gabriola Arts Council	\$ 2,000	\$ 2,000
Jonanco Hobby Workshop Association	510	270
People for a Healthy Community Gabriola Society	5,000	3,980
Unity Church of Nanaimo	4,808	Denied

CARRIED

The Committee agreed that the following comments be conveyed to the applicants:

**Gabriola Arts Council** – grant funds to be used to purchase tools and materials which include wood for carving, paint, canvasses, mosaic glass, and candle-making supplies for the community workshops being held at the Isle of the Arts Festival in April-May 2013.

**Jonanco Hobby Workshop Association** – funds to be used to purchase six sets of pliers for the organization’s wire-wrapping workshops.

**People for a Healthy Community Gabriola Society** – funds were approved to be used towards the purchase of a commercial stand-up freezer for the organization’s food bank.

**Unity Church of Nanaimo** – the funding request was denied. The Committee did not feel that the organization’s application met the Grants-in-Aid program criteria because, although it may provide social enrichment and promote volunteer participation and citizen involvement to its congregation, it does not provide these services and benefits primarily to the community at large.

social enrichment and promote volunteer participation and citizen involvement to its congregation, it does not provide these services and benefits primarily to the community at large.

**DISTRICT 69**

Funds available: \$ 12,822

MOVED G. Wiebe, SECONDED J. Wilson-Storey, that Grant-in-Aid funds for District 69 be awarded to the following applicants:

<b>Name of Organization</b>	<b>Amount Requested</b>	<b>Amount Recommended</b>
Forward House Community Society	\$ 1,242	\$ 1,242
Nanoose Bay Catspan	4,950	Denied
North Island Wildlife Recovery Association	3,000	2,727
Oceanside Community Arts Council	4,950	Denied
Oceanside Hospice Society	5,000	2,000
Parksville & District Association for Community Living	2,000	1,200
Parksville & District Historical Society	600	Denied
Qualicum Bay Lions Club	5,000	5,000

CARRIED

The Committee agreed that the following comments be conveyed to the applicants:

**Forward House Community Society** – grant funds to be used to purchase and install three new energy efficient windows in their facility.

**Nanoose Bay Catspan** – the grant request was denied. Grant-in-Aid funding has been provided to this organization for many years. The Committee will request further information from this organization regarding whether the situation in the area is declining or increasing.

**North Island Wildlife Recovery Association** – grant-in-aid funds will be used to replace the flooring in the Association’s public education centre.

**Oceanside Community Arts Council** – funding was denied. The building is a very old, needs a large amount of work, and is owned jointly with another organization.

**Oceanside Hospice Society** – A grant-in-aid was approved to be used towards the purchase of two laptop computers and related software programs for volunteers to use in the organization’s community education programs.

**Parksville & District Association for Community Living** – The Committee approved a grant of \$1,200 to this organization to be used to purchase program supplies for their member events.

**Parksville & District Historical Society** – funding was denied. The organization’s current assets show that it has sufficient funds available to replace their kitchen flooring.

**Qualicum Bay Lions Club** – The Committee approved a grant of \$5,000 to renovate and repair the washrooms in their facility.

**Grant-in-Aid Application Update.**

The Committee had previously made recommendations for changes to the Grant-in-Aid application. These changes were reviewed and approved for the 2013 Grant-in-Aid process.

**ADJOURNMENT**

The meeting adjourned at 3:45 PM.

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CHAIRPERSON